

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 4003/July 20, 2016

ADMINISTRATIVE PROCEEDING  
File No. 3-16949

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In the Matter of

SANDIP SHAH

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ORDER

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The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings (OIP) on November 9, 2015, pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934. A hearing had been scheduled to commence on May 17, 2016, but could not be held when it became clear that FCI Sheridan, in Sheridan, Oregon, where Respondent Sandip Shah is incarcerated, does not have the capability to accommodate a hearing. In a May 2016 status report, the Division advised that it was exploring the possibility of modifying its request for sanctions and referred to the possibility of filing a motion of unspecified character with the Commission that would enable the possibility of resolving this matter by summary disposition pursuant to 17 C.F.R. § 201.250; it requested, and was granted, leave to file a motion for summary disposition by June 24, with the opposition due by July 8, 2016. *Sandip Shah*, Admin. Proc. Rulings Release No. 3884, 2016 SEC LEXIS 1921 (A.L.J. May 31, 2016).

On June 21, 2016, the Division filed a status report advising that the parties had agreed on an approach for resolving the proceeding and that the primary issue in the case is that of sanctions. It advised that the parties will enter a stipulation regarding liability in which Shah would stipulate that he is liable for the violations alleged in the OIP and certain dollar amounts and dates referenced in the OIP would be corrected. The Division advised that the parties proposed to submit briefing, to be followed by telephonic oral argument, solely on the issue of sanctions: the Division would argue that a penny stock bar should be imposed, and Shah would argue for no penny stock bar or a bar that is time limited. The Division then filed its motion requesting a cease-and-desist order and penny stock bar, and Shah, his opposition, arguing that a penny stock bar should not be issued. However, these filings did not include a stipulation. To the contrary, Shah argued, "There was no scienter."<sup>1</sup> Opp. at 3; *see also* Opp. at 3-7. The Division is invited to submit a reply by July 27, 2016, addressing whether liability can still be found on summary disposition in light of the statements in Shah's opposition.

IT IS SO ORDERED.

/S/ Carol Fox Foelak  
Carol Fox Foelak  
Administrative Law Judge

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<sup>1</sup> Shah also stated, "I made errors and overlooked details and acknowledge that I got involved in what turned out to be an illegal kickback scheme" and paid a heavy price. Opp. at 6.