

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 4040/August 3, 2016

ADMINISTRATIVE PROCEEDING

File No. 3-16949

In the Matter of

SANDIP SHAH

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NOTICE

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. The OIP alleges that Respondent Sandip Shah violated Exchange Act Section 10(b) and Rule 10b-5(a) thereunder in light of a series of events connected with his seeking financing for penny stock companies that he was assisting. A fifth prehearing conference was held today. Martin F. Healey, Esq., appeared on behalf of the Division of Enforcement, and Shah, who is incarcerated at FCI Sheridan in Oregon, appeared *pro se*.

In accordance with leave granted, the Division of Enforcement has filed a motion for summary disposition, pursuant to 17 C.F.R. § 201.250(a); Shah, an opposition; and the Division, a reply. The filings mostly relate to sanctions – the Division requests a cease-and-desist order and a penny stock bar, and Shah argues that a penny stock bar should not be imposed. At the prehearing conference, the parties advanced arguments in support of their filings and in reference to the OIP. Shah affirmed that he does not dispute that he violated Exchange Act Section 10(b) and Rule 10b-5(a) and that his state of mind during the events in question eventually became reckless in that he overlooked indications that he was involved in an illegal kickback scheme. He also advised that he is not defending against the imposition of a cease-and-desist order.

/s/ Carol Fox Foelak

Carol Fox Foelak

Administrative Law Judge