



*Shervin Neman*, Admin. Proc. Rulings Release No. 6410, 2018 SEC LEXIS 2692 (A.L.J. Dec. 18, 2018) (Order to Show Cause). Neither Respondent filed a proposal for the conduct of further proceedings or responded to the Order to Show Cause by that date, but the proceeding was stayed on January 16, 2019, as a result of the Commission’s “lapse in appropriations.” *Pending Admin. Proc.*, Securities Act Release No. 10602, 2019 SEC LEXIS 5, at \*1. The stay has now been lifted, and, absent a request for extension of time, any filing due between December 27, 2018, and January 30, 2019, should have been filed by February 13, 2019. *Pending Admin. Proc.*, Securities Act Release No. 10603, 2019 SEC LEXIS 37, at \*1 (Jan. 30, 2019). To date, neither Respondent has filed a proposal for the conduct of further proceedings, a response to the Order to Show Cause, or a request for extension of time. Accordingly, in view of their failures to make required filings, Respondents may be deemed to be in default, and the undersigned may find that the allegations in the OIP are true as to them. *See* 17 C.F.R. § 201.155(a)(2).

As to sanctions, the Order to Show Cause ordered Neman and Neman Financial to show cause why Neman should not be barred from the securities industry and the investment adviser registration of Neman Financial revoked. However, the Commission has already cancelled Neman Financial’s investment adviser registration. *See Order Cancelling Registrations of Certain Investment Advisers Pursuant to Section 203(h) of the Investment Advisers Act of 1940*, Advisers Act Release No. 3547, 2013 SEC LEXIS 431, at \*2 (Feb. 6, 2013) (cancelling the registration of Neman Financial); *Notice of Intention to Cancel Registrations of Certain Investment Advisers Pursuant to Section 203(h) of the Investment Advisers Act of 1940*, Advisers Act Release No. 3490, 2012 SEC LEXIS 3288, at \*6 (Oct. 19, 2012) (giving notice that the Commission intends to cancel the registration of Neman Financial). *See also* [https://www.adviserinfo.sec.gov/IAPD/IAPDFirmSummary.aspx?ORG\\_PK=159019](https://www.adviserinfo.sec.gov/IAPD/IAPDFirmSummary.aspx?ORG_PK=159019) (last visited Feb. 6, 2019) (showing Neman Financial’s registration status as “Cancelled,” effective February 6, 2013, and stating that it “is **NOT currently registered** and is **NOT filing reports** with the SEC or any state”).<sup>2</sup> In light of this development, the undersigned proposes to dismiss the proceeding as to Neman Financial. The Division of Enforcement may file a comment on this or request an alternative sanction by February 28, 2019.

/s/ Carol Fox Foelak  
Carol Fox Foelak  
Administrative Law Judge

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<sup>2</sup> It was registered as a California corporation, No. C3247034, on June 1, 2010. *See* <https://businesssearch.sos.ca.gov/CBS/SearchResults?filing=False&SearchType=LPLLC&SearchCriteria=neman+financial&SearchSubType=Keyword> (last visited Feb. 14, 2019). Its current status is “FTB Suspended.” *Id.* “FTB Suspended” indicates that it was suspended by the Franchise Tax Board for infractions such as failure to file a return or pay taxes. *See* <https://www.sos.ca.gov/business-programs/business-entities/cbs-field-status-definitions/> (last visited Feb. 14, 2019).