

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

Administrative Proceedings Rulings
Release No. 6464 / February 15, 2019

Administrative Proceeding
File No. 3-18130

In the Matter of
Jeffrey Gainer

Order to Show Cause

Respondent Jeffrey Gainer was served with the order instituting proceedings on September 14, 2017. Div.'s Proposal for Conduct of Further Proceedings, Exs. 2, 4 (Oct. 15, 2018). On November 15, 2018, I held a telephonic prehearing conference in this matter, attended by counsel for the Division of Enforcement and Respondent, who appeared pro se. We discussed whether Respondent wished to file an answer to the order instituting proceedings. I explained that if Respondent did not file an answer, I would find him in default. I ordered Respondent to file his answer by November 26, 2018, if he wished to do so. *Jeffrey Gainer*, Admin. Proc. Rulings Release No. 6335, 2018 SEC LEXIS 3243 (ALJ Nov. 16, 2018).

Respondent did not file an answer, and the Division submitted a motion for default and sanctions. Although Respondent indicated in the prehearing conference that he did not intend to file an answer, the Securities and Exchange Commission has explained that it is a best practice to give respondents an opportunity to show cause before a finding of default is made. Therefore, I ORDER Respondent to SHOW CAUSE by February 26, 2019, why the proceeding should not be determined against him on default. *See* 17 C.F.R. § 201.155(a)(2).

James E. Grimes
Administrative Law Judge