

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 6621/July 9, 2019

ADMINISTRATIVE PROCEEDING

File No. 3-16795

In the Matter of :
:
JOSEPH J. FOX : ORDER TO SHOW CAUSE

The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings (OIP), pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934 on September 8, 2015. The OIP embodied a partial settlement. It ordered Respondent Joseph J. Fox: (1) to cease and desist from violating Sections 5(a) and 5(c) of the Securities Act; (2) to pay disgorgement of \$125,210 plus prejudgment interest of \$5,426; (3) to pay a civil penalty of \$75,000; and (4) to pay the disgorgement and penalty amounts in installments, with the final payment of \$175,636 due in 284 days, that is, by June 18, 2016. The OIP ordered additional proceedings to determine what, if any, non-financial remedial sanctions pursuant to Section 15(b) of the Exchange Act are in the public interest.¹

The OIP included extensive findings of fact concerning Fox’s conduct and specified, at ¶ V., that Respondent “will be precluded from arguing that he did not violate the federal securities laws as described in this [OIP]” and “the findings of this [OIP] shall be accepted as and deemed true by the hearing officer.” The Commission stated, at ¶ V.(d), that the outstanding issues may be determined on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence.

The undersigned ordered that the proceeding be resolved through motion[s] for summary disposition and responsive pleadings supplemented by a video or in-person hearing in Washington, D.C.; a schedule was adopted with the agreement of the parties. *Joseph J. Fox*, Admin. Proc. Rulings Release Nos. 6496, 2019 SEC LEXIS 478 (A.L.J. Mar. 14, 2019); 6584, 2019 SEC LEXIS 1216 (A.L.J. May 23, 2019). In accordance with the schedule, the Division of Enforcement filed a

¹ Following earlier Commission action and a different administrative law judge, in light of *Lucia v. SEC*, 138 S. Ct. 2044 (2018), the proceeding was reassigned to the undersigned. *See Pending Admin. Proc.*, Securities Act Release No. 10536, 2018 SEC LEXIS 2058, at *2-3 (August 22, 2018); Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264 (C.A.L.J. Sept. 12, 2018).

motion for summary disposition on April 18, 2019, requesting that industry and penny stock bars be imposed on Respondent, with the right to reapply after five years.

Respondent's opposition was due on June 3, 2019. To date, he has not filed an opposition and has affirmatively stated that he will not do so. In a June 4, 2019, filing titled "Request for a Hearing to Discuss the Uncovering of Prosecutorial Misconduct by the Division of Enforcement and Improper Communication Between the Former ALJ in this Matter, ALJ Cameron Elliott, and Certain Non-Parties" (June 4 filing),² Respondent stated that he "will not be responding to the Divisions Motion for Summary Disposition." June 4 filing at 2. Thus he has failed "to respond to a dispositive motion within the time provided," within the meaning of 17 C.F.R. 201.155(a)(2).

Accordingly, Fox IS ORDERED TO SHOW CAUSE, by July 19, 2019, why he should not be deemed to be in default and barred from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and from participating in an offering of penny stock; provided, however, that he may apply to become so associated with registrants and to participate in an offering of penny stock after five years. Any response to this Order must include a response to the Division's motion for summary disposition.

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

² The issues that Respondent raises in the June 4 filing have been addressed previously. *See Joseph J. Fox*, Admin. Proc. Rulings Release No. 6601, 2019 SEC LEXIS 1384 (A.L.J. June 13, 2019).