

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2716/May 22, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16175

In the Matter of

KENNETH C. MEISSNER,
JAMES DOUG SCOTT, and
MARK S. "MIKE" TOMICH

ORDER REGARDING NEED FOR
HEARING

The Securities and Exchange Commission commenced this proceeding on September 25, 2014, with an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Section 9(b) of the Investment Company Act of 1940.

Summary disposition briefing has concluded, with the Division filing its final reply brief on May 15, 2015. I have determined that there remains one issue of material fact regarding Respondent James Doug Scott's (Scott) state of mind, and therefore any appropriate sanction. The Division shall file a notice no later than Friday, May 29, 2015, stating whether it wishes to hold a hearing to attempt to establish, for example, that Scott acted in deliberate or reckless disregard of a regulatory requirement, which might justify imposing a second-tier civil penalty rather than a first-tier civil penalty. *See* 15 U.S.C. §§ 78u-2(b)(2), 80a-9(d)(2)(B). In such notice, the Division shall state how long it expects its case in chief will last.

SO ORDERED.

Cameron Elliot
Administrative Law Judge