

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72707 / July 29, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15989

In the Matter of

**SELECT FIDELITY TRANSFER
SERVICES, LTD.,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 17A(c)(3) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 17A(c)(3) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Select Fidelity Transfer Services, Ltd. (“Select Fidelity” or “Respondent”).

II.

A. SUMMARY

After an investigation, the Division of Enforcement alleges that:

1. Since its registration with the Commission as a transfer agent in 2005, Select Fidelity has failed to file required annual reports on Form TA-2, failed to amend inaccurate information on its Form TA-1 as required, and declined to furnish required records to Commission examiners or permit inspection thereof.

B. RESPONDENT

2. **Select Fidelity** was incorporated in 2003 in Ontario, Canada with its stated headquarters in Ontario. Select Fidelity has been registered with the Commission as a transfer agent since July 15, 2005, pursuant to Section 17A of the Exchange Act.

C. FACTS

3. On June 20, 2005, Select Fidelity filed a transfer agent registration statement on Form TA-1 with the Commission. Select Fidelity's Form TA-1 listed its principal office and mailing address as 335 Bay Street, Suite 600, Toronto, Ontario (the "Registration Address"), which was written over the following address that was crossed-out by hand: 36 Toronto Street, Toronto, Ontario (the "Old Address"). The Form TA-1 listed two control persons. Select Fidelity's registration statement became effective on July 15, 2005.

4. Since its registration, Select Fidelity has not filed an annual report on Form TA-2.

5. Since its registration, Select Fidelity has not filed an amended Form TA-1.

6. On October 29, 2010, the Commission's Division of Trading & Markets issued a notice pursuant to delegated authority informing a number of transfer agents, including Select Fidelity, that the Commission intended to issue an order pursuant to Section 17A(c)(4)(B) of the Exchange Act cancelling its registration on or after December 15, 2010, because it appeared that such transfer agents were no longer in existence or had ceased doing business as transfer agents (the "Notice"). The Notice stated that "[t]he representative of any transfer agent listed in the Appendix who believes the registration of the transfer agent should not be cancelled must notify the Commission in writing or by e-mail prior to December 15, 2010." The Notice listed an email address for any responses.

7. On November 10, 2010, an individual identifying himself as Michel Herreweghe ("Herreweghe") emailed the address listed in the Notice.¹ Herreweghe sent his email from a "selectfidelity.com" email address, identified himself in the email as Select Fidelity's "Manager," and included his telephone number. He requested that Select Fidelity not be de-registered and represented that Select Fidelity would file updated information.

8. Herreweghe was not one of the control persons listed on Select Fidelity's Form TA-1.

9. Based on Herreweghe's email, Select Fidelity's registration was not cancelled.

10. On December 29, 2010, Select Fidelity updated its EDGAR account information with a new business and mailing address: 4025 Dorchester Road, Suite 338, Niagara Falls, Ontario (the "Updated EDGAR Address"). However, Select Fidelity failed to file the required amended Form TA-1 or any of the annual reports required to be filed on Form TA-2.

11. On August 22, 2012, Commission examiners tried to conduct an on-site examination of Select Fidelity at three addresses: (i) the Updated EDGAR Address, (ii) an address

¹ The Division of Enforcement's investigation has identified an individual named Michel Van Herreweghe with residential addresses in Ontario, Canada and Fort Lauderdale, Florida.

listed for Select Fidelity at www.otcbb.com, and (iii) the Old Address. The examiners found no sign of Select Fidelity at any of these addresses.

12. Commission examiners then contacted Herreweghe by phone that day. Herreweghe claimed that Select Fidelity had moved to a new address: 6150 Valley Way, Suite 116, Niagara Falls, Ontario (the “New Address”).

13. The same day, on August 22, 2012, Commission examiners visited the New Address but found no signs of Select Fidelity. They contacted Herreweghe again. He claimed that Select Fidelity was still in the process of moving to the New Address.

14. On September 17, 2012, Commission examiners again spoke with Herreweghe by phone. Herreweghe claimed that Select Fidelity had completed its move to the New Address.

15. On September 19, 2012, Commission examiners requested certain transfer agent books and records from Select Fidelity by letter (sent by email). The requested records included (i) lists of Select Fidelity’s addresses, owners, vendors, and issuer clients, (ii) transfer journals, (iii) master security holder files, and (iv) control books for each issuer client.

16. On October 9, 2012, Commission examiners notified Select Fidelity by letter (sent by email) that they would commence an on-site examination of Select Fidelity beginning on October 15, 2012. The letter requested confirmation no later than October 10, 2012, that Select Fidelity staff members would be on site and available during that time frame. That day, the examiners spoke with Herreweghe to discuss the document requests and examination.

17. The next day, on October 10, 2012, Herreweghe emailed the examiners. He claimed that he was “not an officer or director of Select Fidelity” but was “acting under power of attorney as a consultant.” Herreweghe produced a list of several addresses for Select Fidelity and the names of two of its purported owners, neither of whom was listed on Select Fidelity’s Form TA-1. Herreweghe did not produce any documents in response to the examiners’ other requests or confirm Select Fidelity’s availability for the examination. A Commission examiner replied to the email that no response had been received regarding the availability of Select Fidelity staff and again requested a response no later than the following morning.

18. The next afternoon, on October 11, 2012, Herreweghe emailed the examiners. He claimed to be unavailable for the on-site examination. He said Select Fidelity would suspend its activities, that its office would be closed until further notice, and that it would file a Form TA-W to withdraw its registration.

19. On October 18, 2012, the examiners sent Select Fidelity a letter citing its failure to permit inspection of its required books and records. The letter notified Select Fidelity that its failure could result in a recommendation to the Commission that action be taken against Select Fidelity.

20. Herreweghe spoke with the examiners by phone thereafter. He claimed that Select Fidelity could not file a Form TA-W to withdraw its registration because it had no living officers.

He claimed that he had no authority to act for Select Fidelity and that Select Fidelity was no longer operational.

21. On June 4, 2013, Commission examiners visited the Registration Address listed on Select Fidelity's original Form TA-1 but found the premises vacant.

D. VIOLATIONS

As a result of the conduct described above, Select Fidelity willfully violated Sections 17(a)(1), 17(a)(3), 17(b)(1), 17A(c)(2), and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1(c) and 17Ac2-2 thereunder by failing to file required annual reports on Form TA-2, failing to amend its Form TA-1 as required, failing to furnish required records to Commission examiners upon request, and failing to permit Commission examiners to inspect its records.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent, pursuant to Section 17A(c)(3) of the Exchange Act, including, but not limited to, civil penalties pursuant to Section 21B(a)(1) of the Exchange Act;

C. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of, Sections 17(a)(1), 17(a)(3), 17(b)(1), 17A(c)(2), and 17A(d)(1) of the Exchange Act and Rules 17Ac2-1(c) and 17Ac2-2 thereunder, and whether Respondent should be ordered to pay civil penalties pursuant to Section 21B(a)(2) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against

him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jill M. Peterson
Assistant Secretary