

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76581 / December 8, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16989

In the Matter of

VINAY KUMAR NEVATIA,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934**

AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Vinay Kumar Nevatia (“Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent, age 47, resided in Palo Alto, California from 2004 through 2013. From approximately 2007 through 2013, he solicited real estate and securities investments through numerous entities owned or controlled by him, including KBR Capital Markets, LLC; KBR Capital Partners, Inc.; KBR Capital Partners, LLC; and KBR Fund, LP. From at least September 2012 through the present, Respondent was the owner of KBR Capital Markets, LLC, a California

limited liability company registered with the Commission as a broker-dealer from March 2004 through August 2014.

B. ENTRY OF THE INJUNCTION AGAINST RESPONDENT

2. On November 9, 2015, a judgment was entered against Respondent, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 (“Securities Act”), and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Vinay Kumar Nevatia, Civil Action Number C14-05273 CRB, in the United States District Court for the Northern District of California.

3. The Commission’s complaint alleged that, from November 2011 through September 2012, Respondent purported to sell approximately \$900,000 worth of shares in CSS Corp. Technologies (Mauritius) Limited (“CSS”), a privately-held technology company. However, the shares were actually owned by eight other investors who had purchased the stock through Respondent in 2008. Respondent went to great effort to conceal his double-dealing. Three years after the original investors bought the CSS shares through Respondent, he began reselling the shares, without telling the original investors. Respondent deceived subsequent buyers into believing that he was the legitimate and sole owner of the shares, and had them wire the money to purchase the shares to him. He lied to CSS’s transfer agent, saying that new stock certificates should be issued to the new buyers and that the original stock certificates had been lost. Even after fraudulently reselling their shares, Respondent deceived the original CSS investors into thinking that they still held them. He then absconded with the proceeds belonging to the original eight investors.

4. The Commission initiated the district court action against Respondent with the filing of its complaint on December 2, 2014. On November 9, 2015, a default judgment was entered against Respondent. In addition to the permanent injunction, Respondent was ordered to disgorge \$701,013.94 of ill-gotten profit (including prejudgment interest of \$71,213.94) and to pay a civil penalty of \$629,800.

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 proceedings be instituted to determine:

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) 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 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 upon Respondent as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R § 201.141(a)(2)(iv), by any method specified in paragraph (a)(2) of that rule, or by any other method reasonably calculated to give notice, provided that the method of service used is not prohibited by the law of the foreign country where Respondent may be found.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary