

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 76740 / December 22, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17020**

**In the Matter of**  
  
**DIANE D. DALMY, Esq.**  
  
**Respondent.**

**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE PROCEEDINGS AND  
IMPOSING TEMPORARY SUSPENSION  
PURSUANT TO RULE 102(e)(3)(i)(B) OF  
THE COMMISSION'S RULES OF  
PRACTICE**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Diane D. Dalmy (“Respondent” or “Dalmy”) pursuant to Rule 102(e)(3)(i)(B)<sup>1</sup> of the Commission’s Rules of Practice (17 C.F.R. § 200.102(e)(3)(i)(B)).

**II.**

The Commission finds that:

1. Diane D. Dalmy is an attorney licensed in the State of Colorado.
2. In 2009, Dalmy served as transaction counsel for Zenergy International, Inc.’s reverse merger with Paradigm Tactical Products, Inc. In addition to advising on the structure of

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<sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name: (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party . . . to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

the transaction and drafting the documents needed to implement it, she drafted and submitted attorney opinion letters to Zenergy's transfer agent stating that Zenergy's shares were exempt from registration and approving the issuance of unrestricted stock. Holders of the purportedly unrestricted stock obtained at least \$4.4 million from their stock sales to public investors, and Dalmy personally sold 1 million shares to public investors for \$43,995.

3. On August 1, 2013, the Commission filed a complaint against Dalmy alleging that she violated Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"). The complaint sought a permanent statutory-based injunction; a conduct-based injunction from participating in the issue, offer, or sale of penny stocks; disgorgement plus prejudgment interest; and civil monetary penalties. *SEC v. Zenergy Int'l, Inc.*, N.D. Ill. Case No. 13-cv-05511.

4. On September 30, 2015, the United States District Court for the Northern District of Illinois granted the Commission's motion for partial summary judgment on its claims against Dalmy. The court found that there was no genuine dispute of material fact that Dalmy violated Section 5 of the Securities Act based on the undisputed factual showing that Dalmy sold Zenergy shares, those shares were unregistered, and no exemption to the registration requirements applied. The court did not find that Dalmy's violations were not willful. The court did not address the Commission's requests for injunctive and monetary relief in its order.

### III.

Based on the foregoing, the Commission finds that Dalmy has been found by a court of competent jurisdiction, in an action brought by the Commission, to have violated provisions of the federal securities laws, within the meaning of Rule 102(e)(3)(i)(B) of the Commission's Rules of Practice. In view of this finding, the Commission deems it appropriate and in the public interest that Dalmy be temporarily suspended from appearing or practicing before the Commission as an attorney. Accordingly,

IT IS HEREBY ORDERED that Dalmy be, and hereby is, temporarily suspended from appearing or practicing before the Commission as an attorney. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Dalmy may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or schedule the matter for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Dalmy personally or by certified mail at her last known address.

By the Commission.

Brent J. Fields  
Secretary