Initial Decision Release No. 1305 Administrative Proceeding File No. 3-18170

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

In the Matter of

Gamzio Mobile, Inc., and Gold Hill Resources, Inc.

Initial Decision on Default November 20, 2018

Appearances: Neil J. Welch, Jr., for the Division

of Enforcement, Securities and Exchange Commission

Before: Brenda P. Murray, Chief Administrative Law Judge

On September 11, 2017, the Securities and Exchange Commission issued an order instituting proceedings (OIP) pursuant to Section 12(j) of the Securities Exchange Act of 1934, alleging that Respondent Gamzio Mobile, Inc., has securities registered with the Commission under Section 12(g) of the Exchange Act and is delinquent in its periodic filings.<sup>1</sup>

A different administrative law judge was originally assigned to this proceeding and issued an initial decision of default against Gamzio Mobile. *Gamzio Mobile, Inc.*, Initial Decision Release No. 1194, 2017 SEC LEXIS 3328 (ALJ Oct. 18, 2017). The Commission vacated that decision following the Supreme Court's decision in *Lucia v. SEC*, 138 S. Ct. 2044 (2018); *see Pending Admin. Proc.*, Securities Act of 1933 Release No. 10536, 2018 SEC LEXIS 2058, at \*2-3 (Aug. 22, 2018). The matter was then reassigned to me to provide Gamzio Mobile with the opportunity for a new hearing. *Pending Admin. Proc.*, Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264, at \*2, \*4 (ALJ Sept. 12, 2018). Gamzio Mobile was directed to submit a

Gold Hill Resources, Inc., settled with the Commission and is no longer part of this proceeding. *Gamzio Mobile, Inc.*, Exchange Act Release No. 82093, 2017 SEC LEXIS 3604 (Nov. 15, 2017).

proposal for the conduct of further proceedings. *Gamzio Mobile, Inc.*, Admin. Proc. Rulings Release No. 6079, 2018 SEC LEXIS 2586, at \*2 (ALJ Sept. 25, 2018). It did not. I have therefore proceeded under the Commission's directive to not give weight to or otherwise presume the correctness of any prior opinions, orders, or rulings issued by the prior administrative law judge. *Pending Admin. Proc.*, 2018 SEC LEXIS 2058, at \*4.

Previously, I independently reviewed the evidence submitted by the Division and determined that Gamzio Mobile was served with the OIP, and its answer was due by September 26, 2017. *Gamzio Mobile, Inc.*, Admin Proc. Rulings Release No. 6294, 2018 SEC LEXIS 3151, at \*1 (ALJ Nov. 5, 2018). It did not file an answer by that date. I ordered Gamzio Mobile to show cause by November 15, 2018, why this proceeding should not be determined on default. *Id.* at \*2-3.

To date, Gamzio Mobile has not filed an answer, submitted a proposal for the conduct of further proceedings, or responded to the show cause order.

Gamzio Mobile is therefore in default for failing to file an answer, file a proposal for the conduct of further proceedings, or otherwise defend the proceeding. OIP at 3; 17 C.F.R. §§ 201.155(a)(1)-(2), .220(f); *Pending Admin. Proc.*, 2018 SEC LEXIS 2058, at \*4. Accordingly, I deem the allegations in the OIP to be true as to Gamzio Mobile. 17 C.F.R. § 201.155(a).

# **Findings of Fact**

Gamzio Mobile, Inc., Central Index Key No. 1391798, is a revoked Nevada corporation located in Las Vegas, Nevada, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2014, which reported a net loss of \$224,295 for the prior nine months. As of September 6, 2017, the company's stock (symbol GAMZ) was quoted on OTC Link, had six market makers, and was eligible for the "piggyback" exception of Exchange Act Rule 15c2-11(f)(3).

In addition to its repeated failures to file timely periodic reports, Respondent failed to heed the delinquency letter, sent to it by the Commission's Division of Corporation Finance, requesting compliance with its periodic filing obligations or, through its failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive the letter.

## **Conclusions of Law**

Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 require issuers of securities registered with the Commission pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in annual and quarterly reports, even if the registration is voluntary under Exchange Act Section 12(g). 17 C.F.R. §§ 240.13a-1, .13a-13. Compliance with these reporting requirements is mandatory. *America's Sports Voice, Inc.*, Exchange Act Release No. 55511, 2007 SEC LEXIS 1241, at \*12 (Mar. 22, 2007), recons. denied, Exchange Act Release No. 55867, 2007 SEC LEXIS 1239 (June 6, 2007). Scienter is not required to establish violations of Exchange Act Section 13(a) and rules thereunder. *SEC v. McNulty*, 137 F.3d 732, 740-41 (2d Cir. 1998). By failing to timely file required annual and quarterly reports, Gamzio Mobile violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13.

# Sanction

Under Exchange Act Section 12(j), the Commission is authorized, "as it deems necessary or appropriate for the protection of investors," to revoke the registration of a security or suspend the registration for a period not exceeding twelve months if it finds, after notice and an opportunity for hearing, that the issuer of the security has failed to comply with any provision of the Exchange Act or rules thereunder. 15 U.S.C. § 78*l*(j). In determining what sanctions will adequately protect investors, the Commission "consider[s], among other things, the seriousness of the issuer's violations, the isolated or recurrent nature of the violations, the degree of culpability involved, the extent of the issuer's efforts to remedy its past violations and ensure future compliance, and the credibility of its assurances, if any, against further violations." *Gateway Int'l Holdings, Inc.*, Exchange Act Release No. 53907, 2006 SEC LEXIS 1288, at \*19-20 (May 31, 2006).

Gamzio Mobile's failures to file required periodic reports are serious because they violate a central provision of the Exchange Act. The purpose of periodic reporting is "to supply investors with current and accurate financial information about an issuer so that they may make sound [investment] decisions." *Id.* at \*26. The reporting requirements are the primary tool that Congress "fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations" in the sale of securities. *Eagletech Commc'ns, Inc.*, Exchange Act Release No. 54095, 2006 SEC LEXIS 1534, at \*12 (July 5, 2006) (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)). The violations are recurrent. Gamzio Mobile's most recent periodic report was for the period ended September 30, 2014. *See Nature's Sunshine Prods., Inc.*, Exchange Act Release No. 59268, 2009 SEC LEXIS 81,

at \*20 (Jan. 21, 2009); *Impax Labs., Inc.*, Exchange Act Release No. 57864, 2008 SEC LEXIS 1197, at \*25-26 (May 23, 2008). Gamzio Mobile is culpable because it knew, or should have known, of its obligation to file periodic reports. *See China-Biotics, Inc.*, Exchange Act Release No. 70800, 2013 SEC LEXIS 3451, at \*37 & n.60 (Nov. 4, 2013) (holding that scienter is not necessary to establish grounds for revocation); *Robert L. Burns*, Investment Advisers Act of 1940 Release No. 3260, 2011 SEC LEXIS 2722, at \*41 n.60 (Aug. 5, 2011) (stating that the Commission has "repeatedly held that ignorance of the securities laws is not a defense to liability thereunder"). By not participating in this proceeding, Gamzio Mobile forfeited an opportunity to show it made efforts to remedy its past violations or to offer any assurances against further violations.

On these facts, it is necessary and appropriate for the protection of investors to revoke the registrations of each class of Gamzio Mobile's registered securities.

### Order

I ORDER that, pursuant to Section 12(j) of the Securities Exchange Act of 1934, the registrations of each class of registered securities of Gamzio Mobile, Inc., are REVOKED.<sup>2</sup>

This initial decision shall become effective in accordance with and subject to the provisions of Rule of Practice 360. 17 C.F.R. § 201.360. Pursuant to that Rule, I FURTHER ORDER that, a party may file a petition for review of this initial decision within twenty-one days after service of the initial decision. 17 C.F.R. § 201.360(b). A party may also file a motion to correct a manifest error of fact within ten days of the initial decision, pursuant to Rule of Practice 111. 17 C.F.R. § 201.111. If a motion to correct a manifest error of fact is filed by a party, then a party shall have twenty-one days to file a petition for review from the date of the order resolving such motion to correct a manifest error of fact. This initial decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or motion to correct a manifest error of fact or the Commission determines on its own initiative to review the initial decision as to a party. If

This order applies to all classes of Gamzio Mobile's securities registered under Section 12 of the Exchange Act, whether or not such securities are specifically identified by ticker symbol or otherwise in this initial decision.

any of these events occur, the initial decision shall not become final as to that party.

A respondent has the right to file a motion to set aside a default within a reasonable time, stating the reasons for the failure to appear or defend and specifying the nature of the proposed defense. 17 C.F.R. § 201.155(b). The Commission can set aside a default at any time for good cause. *Id*.

Brenda P. Murray Chief Administrative Law Judge