

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 1906/October 10, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15918

In the Matter of

DENNIS J. MALOUF

ORDER TO SHOW CAUSE AS TO
CAPITAL FORENSICS, INC., AND
UASNM, INC.

On October 6, 2014, this Office received Respondent's Motion to Enforce Subpoena Duces Tecum Without Deposition Directed to UASNM, Inc. (UASNM Motion), and Motion to Enforce Subpoena Duces Tecum Without Deposition Directed to Capital Forensics, Inc. (Capital Forensics Motion). The Motions represent that neither UASNM nor Capital Forensics has complied with the subpoenas directed to them.

Respondent represents that UASNM's production in response to a modified subpoena duces tecum issued on September 22, 2014, and requiring production by October 3, 2014, is delayed due to a dispute over subpoena compliance costs. *See Dennis J. Malouf*, Admin. Proc. Rulings Release No. 1827, 2014 SEC LEXIS 3493 (Sept. 22, 2014). UASNM requests the prepayment of \$40,000 for the cost of production, including legal fees. UASNM Motion at 2. The Commission's Rules of Practice do not provide for the recovery of any attorney's fees expended in complying with a subpoena. *See* 17 C.F.R. § 201.232(e). Respondent is required to "make reasonable compensation to [UASNM] for the cost of copying or transporting evidence to the place for return of the subpoena" following UASNM's compliance. 17 C.F.R. § 201.232(e)(2).

Respondent represents that Capital Forensics has yet to respond to a subpoena duces tecum served on it September 3, 2014; Capital Forensics previously requested an extension of time to comply with the subpoena, to which Respondent agreed, although no final extension date was agreed upon. Capital Forensics Motion at 2. Capital Forensics otherwise failed to take action to quash or modify the subpoena within the time limit imposed by the Commission's Rules of Practice. *See* 17 C.F.R. § 201.232(e)(1). As such, any objections to compliance with the subpoena have been waived.

UASNM, Inc., is ORDERED to SHOW CAUSE by October 17, 2014, why it failed to comply with the modified subpoena requiring production by October 3, 2014, explaining why its failure to comply with the subpoena should not be referred for subpoena enforcement proceedings in federal district court.

Capital Forensics, Inc., is ORDERED to SHOW CAUSE by October 17, 2014, why it failed to comply with the subpoena served on September 3, 2014, explaining why its failure to comply with the subpoena should not be referred for subpoena enforcement proceedings in federal district court.

UASNM, Inc., and Capital Forensics, Inc., shall send courtesy copies of their filings, by email, to alj@sec.gov.

Jason S. Patil
Administrative Law Judge