

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 1992 / November 10, 2014

ADMINISTRATIVE PROCEEDING

File No. 3-16140

In the Matter of

JAMES PRANGE

ORDER FOLLOWING PREHEARING  
CONFERENCE AND TO SHOW CAUSE

On September 22, 2014, the Securities and Exchange Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP) against Respondent pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934. On October 16, 2014, I issued an order notifying the parties that a telephonic prehearing conference would be held on November 6, 2014.

At the November 6, 2014, prehearing conference, the Division of Enforcement appeared, but Respondent did not. The Division represented on the record that prison officials where Respondent is incarcerated confirmed that Respondent was notified of the prehearing conference and that the prison made arrangements for Respondent to attend. The Division also confirmed that the OIP was served on September 30, 2014, based on U.S. Postal Service confirmation of receipt and representations by prison officials. *See* 17 C.F.R. § 201.141(a)(2)(i). Respondent's Answer was therefore due October 23, 2014. *See* OIP at 9; 17 C.F.R. §§ 201.160(b), .220(b). To date, Respondent has not filed an Answer.

I ORDER that Respondent shall SHOW CAUSE by Monday, November 17, 2014, why this proceeding should not be determined against him due to the failure to file an Answer, appear at the prehearing conference, or otherwise defend this proceeding. *See* 17 C.F.R. §§ 201.155(a)(1)-(2), .220(f), .221(f).

If Respondent fails to respond to this order by November 17, 2014, the Division is directed to file a motion for default and sanctions by Monday, December 1, 2014. In its submission, the Division shall provide evidence and legal authority to support its position that Respondent violated Exchange Act Section 10(b) and Rule 10b-5, and to support the sanctions it seeks in this proceeding. Specifically, the Division shall analyze (1) each element necessary to establish the alleged violation, including scienter; and (2) what sanctions are in the public interest, including a discussion of the public interest factors to support an associational bar under *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981), and the considerations to support a cease-and-desist order under *KPMG Peat Marwick LLP*, 54 S.E.C. 1135, 1185, 1191-92 (2001), *pet. denied*, 289 F.3d 109 (D.C. Cir. 2002).

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Jason S. Patil  
Administrative Law Judge