

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

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 2948/July 20, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-16202

In the Matter of

GEORGE N. KRINOS,  
KRINOS HOLDINGS, INC., AND  
FORDGATE ACQUISITION CORP.

ORDER CANCELING HEARING AND  
GRANTING LEAVE FOR A MOTION FOR  
SUMMARY DISPOSITION

This proceeding has been pending since October 16, 2014, when the Securities and Exchange Commission (Commission) issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP). The OIP alleges that George N. Krinos (Krinos) is the founder, CEO, and president of Krinos Holdings, Inc. (Krinos Holdings), and major shareholder, sole director, president, and secretary of Fordgate Acquisition Corp. (Fordgate). The OIP also alleges: violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 (Exchange Act) by Krinos and Krinos Holdings; violations of the antifraud provisions of the Investment Advisers Act of 1940 (Advisers Act) by Krinos; that Krinos aided and abetted and caused Krinos Financial Group, Ltd.'s violations of the Advisers Act; and that Fordgate violated Section 13(a) of the Exchange Act and certain Exchange Act rules. OIP at 12.

Krinos, who currently represents all Respondents in this proceeding, was finally served with the OIP on March 20, 2015, and has not, as of the date of this order, filed an Answer. Tr. 6-8<sup>1</sup>; OIP at 14; 17 C.F.R. § 201.220.

At a prehearing conference on May 11, 2015, I informed Krinos that failure to file an Answer could result in default and he responded that he could not file an Answer because he is not an attorney. Tr. 8-14. At the prehearing, Krinos referred to two requests by email asking that the proceeding be stayed so that he could obtain legal counsel. Tr. 3-4, 17. The Division of Enforcement (Division) responded that Krinos was represented by experienced counsel throughout the Division's investigation of him. Tr. 10. I denied the stay, ordered Krinos to file an Answer by May 22, 2015, and directed the Division to submit a proposed schedule for a hearing. Tr. 14; *George N. Krinos*, Admin. Proc. Rulings Release No. 2657, 2015 SEC LEXIS 1824 (May 11, 2015). The Division, fairly, claimed it was at a disadvantage without an Answer, as it could not determine what witnesses would be necessary, and because Krinos invoked the Fifth Amendment during the investigation, the Division has received no substantive testimony to date. Tr. 10, 15.

---

<sup>1</sup> Citations to "Tr." refer to the transcript of the prehearing conference held on May 11, 2015.

On May 15, 2015, the Division filed a proposed prehearing and briefing schedule. Krinos did not respond to the filing. On June 3, 2015, I issued an Order in which I found Krinos's blanket one-sentence filing on May 22, 2015, deficient as an Answer, ordered Krinos to file an amended Answer by June 17, 2015, and put in place a schedule that would lead to a hearing on August 3, 2015.

On July 10, 2015, the Division filed a Motion to Adjourn the Remaining Schedule and Set a Date for the Division to File a Motion for Initial Decision and Sanctions Against Respondents (Motion to Adjourn/Schedule). Appendix A to the Motion to Adjourn/Schedule is a July 8, 2015, email from Krinos to Division counsel. My June 3, 2015, Order set July 8, 2015, as the deadline for the exchange of exhibit lists, witness lists, and expert information between the parties. On July 14, 2015, Krinos filed an undated letter, directed at the Commission's Secretary, requesting a forty-five day extension in the time to file a "proper answer to the questions."

### **Ruling**

Krinos has consistently delayed disposition of this proceeding. Personal service of the OIP issued on October 16, 2014, was achieved in March 2015. Krinos refused to participate fully and constructively in the telephonic prehearing conference on May 11, 2015, on the basis of not having an attorney.<sup>2</sup> I advised Krinos several times during the course of the proceeding that he would be in default if he failed to file an Answer. Tr. 8-14; *George N. Krinos*, 2015 SEC LEXIS 2231; Admin. Proc. Rulings Release No. 2594, 2015 SEC LEXIS 1851 (Apr. 27, 2015).

Krinos never complied with directives to file an Answer and, instead, on July 14, 2015, requested a forty-five day extension to provide a proper answer to questions. On July 8, 2015, when the parties were supposed to exchange the basic material in preparation of a hearing, Krinos informed the Division that that he had no materials to present and no time to prepare a witness list or obtain expert information.

In these circumstances, I REVOKE the procedural schedule ordered on June 3, 2015, including the July 27, 2015, prehearing conference date, and the August 3, 2015, hearing date. I GRANT the Division's Motion to Adjourn/Schedule, and give leave, pursuant to Rule 250 of the Commission's Rules of Practice, for the Division to file a Motion for Summary Disposition by August 7, 2015. 17 C.F.R. § 201.250. Krinos's opposition to the Motion for Summary Disposition is due by September 4, 2015, and the Division's Reply is due by September 18, 2015. Finally, by July 27, 2015, the Division will file a statement showing compliance with Rule 230 of the Commission's Rules of Practice. 17 C.F.R. § 201.230.

---

Brenda P. Murray  
Chief Administrative Law Judge

---

<sup>2</sup> The record in this proceeding contains a letter from attorney Russell D. Duncan (Duncan) dated May 15, 2015, stating that Duncan does not represent Krinos in this proceeding.