

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 3282/November 2, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16498

In the Matter of

RUSSELL C. SCHALK, JR.

ORDER

The Securities and Exchange Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP) in this matter on April 17, 2015. According to the OIP, Mr. Schalk submitted an offer of settlement, which the Commission determined to accept, and consented to disgorgement of \$1,472,959, prejudgment interest of \$280,271.55, and a third-tier civil penalty of \$1,600,000. OIP at 13. The OIP orders additional proceedings to determine Mr. Schalk's ability to pay.

It is ORDERED that by November 9, 2015, the parties shall submit by letter whether they interpret the OIP as (1) requiring a ruling that Mr. Schalk either (a) has the ability to pay the amounts imposed by the Commission and must pay everything imposed by the Commission or (b) does not have the ability to pay and is not required to pay anything; or (2) permitting a ruling that Mr. Schalk must pay an amount less than that imposed in the OIP, but greater than nothing.

James E. Grimes
Administrative Law Judge