

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 6120/September 28, 2018

ADMINISTRATIVE PROCEEDING

File No. 3-17699

In the Matter of

SHERVIN NEMAN and :
NEMAN FINANCIAL, INC. : ORDER
:

The Securities and Exchange Commission instituted this proceeding with an Order Instituting Proceedings (OIP), pursuant to Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 on November 29, 2016. The proceeding is a follow-on proceeding based on *SEC v. Neman*, No. 12-cv-3142 (C.D. Cal.), in which Respondents Shervin Neman and Neman Financial, Inc., were enjoined from violating the antifraud, recordkeeping, and registration provisions of the federal securities laws. Respondents filed their Answer to the OIP on April 3, 2017, and the Division of Enforcement’s motion for summary disposition followed. On November 20, 2017, an Initial Decision imposed associational bars on Shervin Neman and revoked the registration of Neman Financial as an investment adviser. *Shervin Neman*, Initial Decision Release No. 1227, 2017 WLEXIS 5589224 (A.L.J.).

Thereafter, the proceeding was stayed: On June 21, 2018, “[i]n light of the Supreme Court’s decision in *Lucia v. SEC*,” 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. *Pending Admin. Proc.*, Securities Act of 1933 Release Nos. 10510, 2018 SEC LEXIS 1490; 10522, 2018 SEC LEXIS 1774 (July 20, 2018). On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding, unless the parties expressly agreed to alternative procedures, including agreeing that the proceeding remain with the previous presiding administrative law judge. *Pending Admin. Proc.*, Securities Act Release No. 10536, 2018 SEC LEXIS 2058, at *2-3 (August 22 Order). Accordingly, the proceeding was reassigned to the undersigned. *Pending Admin. Proc.*, Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264 (C.A.L.J. Sept. 12, 2018).

In view of the reassignment of the proceeding, Respondents will be afforded an opportunity to file an amended Answer, which will be due by November 9, 2018. Further, Respondents and the Division of Enforcement should submit proposals for the conduct of further proceedings by December 14, 2018. The proposal may include resolving the

proceeding by motion[s] for summary disposition pursuant to 17 C.F.R. § 201.250(b). If Respondents fail to submit a proposal (or to participate in a joint proposal), they will be deemed to be in default, and the undersigned will enter an order barring Shervin Neman from the securities industry and revoking the investment adviser registration of Neman Financial. *See* August 22 Order, 2018 SEC LEXIS 2058, at *4.

IT IS SO ORDERED.

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge