

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

Administrative Proceedings Rulings  
Release No. 6793 / October 15, 2020

Administrative Proceeding  
File No. 3-20022

In the Matter of the Registration  
Statement of

**Loyal Source Market Services, Inc.**

**Order Regarding Service**

The Division of Enforcement submitted evidence regarding service of the order instituting proceedings (OIP). In a stop order proceeding, notice of the OIP must be made by personal service or confirmed telegraphic notice. 17 C.F.R. § 201.141(a)(2)(v); *see* 15 U.S.C. § 77h(d). Service on a corporation may be made to an officer or any agent authorized by appointment or law to receive service. 17 C.F.R. § 201.141(a)(2)(ii). A Nevada-registered corporation must designate and keep a registered agent who is authorized to receive all legal process. Nev. Rev. Stat. § 14.020(1), (2).

The Division attempted to serve the OIP at the address listed for Respondent's corporate agent on its most-recent amended Form S-1 and articles of incorporation. A process server personally served the OIP on an individual residing at that address, but the individual served disclaimed any knowledge of Respondent or the corporate agent. Div. Aff., Ex. 1. Under Nevada law, service on a registered agent is effective if the notice is served "upon the registered agent personally or by leaving a true copy thereof with a person of suitable age and discretion at the most recent street address of the registered agent" shown on the most-recent filing with the Nevada Secretary of State. Nev. Rev. Stat. § 14.020(2). The process server's affidavit establishes that a copy was left at the proper address, but the Division has not established that the registered agent was personally served. Based on the current evidence and authority of which I am aware, I cannot find that the personal service required by 15 U.S.C. § 77h(d) and 17 C.F.R. § 201.141(a)(2)(v) has been met.

The Division must either provide additional authority showing that service made qualifies as personal service under 15 U.S.C. § 77h(d) and 17

C.F.R. § 201.141(a)(2)(v), or additional evidence to establish that personal service on an appropriate agent or representative of Respondent has been made.<sup>1</sup> If the Division elects to provide additional authority, it must do so by October 19, 2020, so that the hearing may begin within 15 days of service. Additional evidence may be submitted once it is obtained.

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Jason S. Patil  
Administrative Law Judge

Served on the Division of Enforcement by email.

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<sup>1</sup> I note that the process server attempted to serve Respondent's registered agent at the proper street address during business hours. The failure of a registered agent to staff the address as required may authorize the Nevada Secretary of State to receive service. *See Nev. Rev. Stat. § 14.030(1).*