

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

Administrative Proceedings Rulings  
Release No. 6797 / November 4, 2020

Administrative Proceeding  
File Nos. 3-20021 and 3-20022

In the Matter of the Registration  
Statements of  
  
**Crest Radius, Inc., and  
Loyal Source Market Services, Inc.**

**Order Consolidating  
Proceedings,  
Finding Service,  
and Scheduling Hearing**

The Division of Enforcement has moved to consolidate these two proceedings. Because the matters share a common pattern of material facts, common legal questions, and common Division counsel, I CONSOLIDATE Administrative Proceeding File Nos. 3-20021 and 3-20022.<sup>1</sup>

The Division has also filed notices that both Respondents were served with their respective orders instituting proceedings (OIPs) on November 2, 2020, by personal service on the Nevada Secretary of State, as agent for each Respondent. The Division argues that the Secretary of State is an agent authorized by law to receive service of process because the street addresses of the registered agents listed by each Respondent were not staffed during normal business hours.<sup>2</sup> In the alternative, it argues the Secretary of State is an agent authorized by law because the listed registered agents—both purported Nevada companies—do not exist according to state records, and therefore Respondents did not properly appoint registered agents.<sup>3</sup> Without deciding whether appointing a fictitious company as a registered agent complies with

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<sup>1</sup> See 17 C.F.R. § 201.201(a); see also *Consolidated Arbitration Appl. for Review of Action Taken by FINRA*, Securities Exchange Act of 1934 Release No. 89495, 2020 WL 4569083, at \*3 (Aug. 6, 2020).

<sup>2</sup> See Nev. Rev. Stat. §§ 14.020(3), .030(1).

<sup>3</sup> See Nev. Rev. Stat. §§ 14.020(1), .030(1), 78.090(1) & (3).

Nevada law, I agree that regardless of the answer to that question, the Nevada Secretary of State is an agent authorized by law to receive service on behalf of each Respondent.<sup>4</sup> I FIND that Crest Radius, Inc., and Loyal Source Market Services, Inc., were each personally served with their respective OIPs on November 2, 2020.<sup>5</sup> As specified in the OIPs, their answers to the allegations must be filed within ten days of service.<sup>6</sup>

Because Section 8(d) of the Securities Act of 1933 requires that, in each case, a hearing occur within fifteen days after service of the OIP,<sup>7</sup> I ORDER that the hearing will take place, by remote means, beginning on November 16, 2020, at 2:00 p.m. EST.

My office will arrange for the remote hearing. The Division will arrange for a court reporter and notify my office of the arrangement in advance of the hearing. Respondents (or any member of the public, for that matter) should promptly contact my office at [alj@sec.gov](mailto:alj@sec.gov) or (202) 551-6030 if they plan to attend the hearing.

The parties should be prepared to present their cases, including witnesses and other evidence, at the hearing. If either Respondent does not appear, the Division will be given the opportunity to file a motion for default and sanctions instead of proceeding with the hearing against that Respondent.

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James E. Grimes  
Administrative Law Judge

Served by email on the Division of Enforcement.

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<sup>4</sup> See 17 C.F.R. § 201.141(a)(2)(ii).

<sup>5</sup> See 15 U.S.C. § 77h(d); 17 C.F.R. § 201.141(a)(2)(v).

<sup>6</sup> Nevada law provides that if service is made on the Secretary of State, the defendant has forty days to answer. Nev. Rev. Stat. § 14.030(2). But the extended deadline is not a requirement for the completion of service, and once service is complete the time to answer in this proceeding is controlled by federal law (here, the Commission's rules) unless a federal statute or rule governing this proceeding provides otherwise. U.S. Const. art. VI, cl. 2; see *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 210 (1824); *Beller & Keller v. Tyler*, 120 F.3d 21, 25–26 (2d Cir. 1997).

<sup>7</sup> 15 U.S.C. § 77h(d).