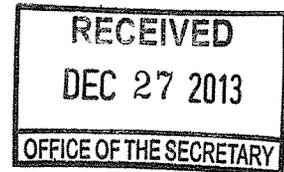


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15453

In the Matter of

China Cablecom Holdings Ltd.,

Respondent.

**DIVISION OF ENFORCEMENT'S REPLY BRIEF IN
SUPPORT OF ITS MOTION FOR SUMMARY DISPOSITION**

The Division of Enforcement ("Division"), by counsel, pursuant to Rules 154 and 250 of the Commission's Rules of Practice, hereby files its reply in support of its motion for an order of summary disposition against Respondent China Cablecom Holdings, Ltd. ("CABLF"). Respondent's Memorandum in Opposition to the Division of Enforcement's Motion for Summary Disposition ("CABLF Brief") offers nothing to undermine the Division's case. In fact, inadvertently to be sure, the company's efforts to rebuff the Division's assertions only reinforce the need for a remedial sanction.

BRIEF IN SUPPORT

CABLF complains that the Division "does not believe in second chances." CABLF Brief at 1. In fact, CABLF had nearly sixteen months to cure its delinquencies before the Commission instituted this proceeding. There is no doubt that CABLF understood its obligation to make timely filings on Forms 20-F, as demonstrated by the fact that it filed Notifications of Late Filings on Form 12b-25 for the periods ended December 31, 2009, 2010, and 2011. Frye Decl. Ex. 5. Moreover, the Division of

Corporation Finance sent a delinquency letter to CABLF on April 7, 2013, when it was more than eleven months behind in filing its 2011 Form 20-F. Had CABLF been diligent enough to maintain a current and accurate address on file with the Commission, it would have received that notice. (Frye Decl. Exs. 3-4.) Yet still, the Commission did not institute a proceeding against CABLF until September 13, 2013, four months after it had missed a *second* consecutive Form 20-F. After filing the Form 12b-25 for its 2011 Form 20-F, on May 17, 2012, CABLF made no filings of any kind until October 2, 2013, a gap of more than sixteen months, and more than two years after filing its last Form 20-F for the period ended December 31, 2010. Frye Decl. Ex. 5. During this period, CABLF took no proactive steps to file any information in EDGAR or to contact the Division of Corporation Finance to explain or cure its delinquency. Supplemental Declaration of David S. Frye in Support of the Division of Enforcement's Motion for Summary Disposition ("Supp. Frye Decl.") at ¶ 2. If anything, given the incontestable nature of these repeated violations, and the ease of proof, the Commission exercised forbearance, not haste, in instituting an administrative proceeding against CABLF only after it had missed not one, but two, years of required periodic reports. The bottom line, however, is that it is not incumbent on the Division to remind companies that they must comply with the law. CABLF knew what was required and failed to do it in a timely fashion for two consecutive annual reporting periods.

The CABLF Brief attempts to turn the *interpretation* of the Gateway factor regarding the seriousness of its violations into an undisputed fact in itself. Unfortunately for CABLF, determining whether a particular fact is serious is, inherently, a legal

determination, not a factual one.¹ Moreover, as shown by the following excerpt, CABLF's Brief exhibits a fundamental misunderstanding of the Commission's standards for deciding whether an issuer's failure to timely file its periodic reports merits revocation:

There can be no doubt that CABLF failed to file two Forms 20-F. It cannot be, however, that the Commission meant to look to whether a filing was made or not as the litmus test for seriousness.

CABLF Brief at 6. In fact, that is exactly what the Commission has done, having long held that "a respondent's repeated failure to file its periodic reports on time is 'so serious' a violation of the Exchange Act that only a 'strongly compelling showing' regarding the other *Gateway* factors would justify a sanction less than revocation." *A-Power Energy Generation Systems, Ltd.*, ("A-Power,") Exchange Act Rel. No. 69439, 2013 SEC LEXIS 1204 at *9 (April 24, 2013) (quoting *Nature's Sunshine Products, Inc.* Exchange Act Rel. No. 59268, 2009 SEC LEXIS 81 at *30 (January 21, 2009) citing *Impax Laboratories, Inc.*, Exchange Act. Rel. No. 57864, 2008 SEC LEXIS 1197 at *27 (May 23, 2008)).²

Contrary to CABLF's assertion, the facts are undisputed and, on further review of the record, are in fact worse for CABLF than previously noted in the Division's papers. In fact, CABLF missed not two, but three, consecutive Form 20-F filing deadlines, the

¹ CABLF starts its brief by stating that "there is, of course, no factual record for the Court's consideration." CABLF Brief at 1 n. 1. This is, of course, not the case. As in any Motion for Summary Disposition, both the Division's and CABLF's motions are "speaking motions" wherein the facts relied on are drawn from declarations, exhibits, and admissions made by CABLF in this hearing, the authenticity of which have not been disputed.

² N.B.: As with CABLF, *A-Power* dealt with a British Virgin Islands corporation that had missed the filing of two consecutive Forms 20-F – violations which the Commission held were "serious, recurrent and demonstrate[d] a high degree of culpability." *A-Power*, 2013 SEC LEXIS 1204 at *7.

first by 28 days (Form 20-F for the period ended December 31, 2010, due on June 30, 2011, filed on July 28, 2011) the second by 1 year, 5 months, and 2 days (Form 20-F for the period ended December 31, 2011, due on April 30, 2012, filed on October 2, 2013) and the third by 7 months and 5 days (Form 20-F for the period ended December 31, 2012, due on April 30, 2013, filed on December 5, 2013) (Frye Decl. Ex. 5).³

In its attempt to establish a factual dispute, CABLF largely gives a more expansive description of what we already know – *i.e.*, that during its delinquency it was in the process of resolving a serious and dramatic transformation of its entire business structure, the successful resolution of which it describes as “virtually miraculous.” CABLF Brief at 6. Yet CABLF expects us to believe that the resolution of this effort to “wrest [CABLF] from the Chinese” was not worthy of disclosure such that this Court should ignore its failure to meet the most basic duty of a reporting company. *Id.* The market clearly had a need for timely information concerning CABLF, as underscored by the fact that trading in this allegedly “dormant” company continued during the entire period of delinquency, reaching as high as 300,000 shares a week and exceeding 50,000 shares a week during 20 weeks of the 71 weeks between the initial delinquency and the week before the proceeding was instituted. Only two of the 71 weeks showed no trading at all. Bloomberg Printout of weekly trading volume in CABLF ordinary shares, from

³ Inexplicably, CABLF calls the Court’s attention to a *fourth* violation referenced in the Division’s opening brief – CABLF’s unmitigated failure to file a Form 12b-25 for the delinquent Form 20-F for the period ended December 31, 2012 -- and apparently seeks to persuade the Court that this is the *only* violation relevant to this proceeding. CABLF Brief at 7. Needless to say, this argument is frivolous and requires no further discussion.

the week ended May 4, 2012 through the week ended September 6, 2013, inclusive.

Supp. Frye Decl. Exhibit (“Ex.”) 9.⁴

CABLF now says that we should trust Mr. Kerry Propper to ensure the company’s compliance going forward. The credibility of this proposal is severely undermined by the admitted fact that Mr. Propper has been on the board of the company since October 2007, which encompasses the company’s entire life as a Commission registrant, including its period of delinquency. Declaration of Kerry Propper in Opposition to the Motion for Summary Disposition of the Division of Enforcement *at* 1. In fact, his signature appears on the very first Commission filing made by CABLF, a Form S-4 filed on October 31, 2007. CABLF Form S-4 at II-5.⁵ Given his spotty record of ensuring compliance as a director of the company, there is little or no reason to expect that his future performance would be any better. If he has that much influence over CABLF today, surely he had enough influence during 2012 and 2013 to ensure timely compliance with the Exchange

⁴ For ease of reference, the exhibit numbering used in the Frye Decl. is continued in the Supp. Frye Decl.

⁵ As we did in our opening Brief, the Division asks that pursuant to Rule of Practice 323, the Court take official notice of this and all other information and filings on EDGAR referred to in this brief, the CABLF Brief, and/or previously filed as exhibits with the Declaration of David S. Frye. All of these documents are accessible, free of charge, on EDGAR at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. Alternatively, the Division will provide copies of any documents referenced to the Court or to the respondent on request.

Act, yet he failed to do so.⁷ Moreover, CABLF's and, by extension, Mr. Propper's professed concern for the interests of ordinary shareholders is belied by the fact that during his service on the board, the company, on March 2, 2010, implemented a 1:3 reverse stock split, which was followed by dramatic increases in the total outstanding shares of the company. CABLF Brief, Exhibit A at 6. Apparently CABLF's concern for the interests of its public shareholders is, at best, situational.

Allowing CABLF to escape revocation would severely weaken the deterrent effect of the sanction, and would send the wrong message to delinquent issuers. It would tell issuers that even if you give the Commission a bad address, and fail to take proactive steps to contact the staff to explain and rectify your delinquency, you will still be able to escape revocation as long as you make your filings during the pendency of the administrative proceeding.

In short, beyond the fact that it has belatedly brought itself current, CABLF offers little more than promises of future compliance, and that often-heard profession of deep concern for the interests of shareholders, as bases for avoiding revocation. Neither of this is sufficient to offset the fact that it left the market in the dark for more than a year during a period of dramatic upheaval in the company's operations by failing to make its required filings

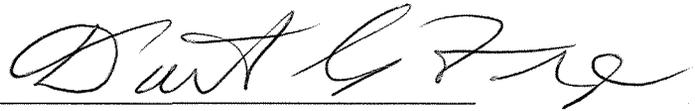
⁷ There is a certain sadness to Mr. Propper's record in this regard because it is clear from his company's website that he should know better. His company, of which he is the Chief Executive Officer, has been involved in over 200 public and private securities transactions in a variety of roles since 2005. A small sampling of these transactions, including the five transactions relating to CABLF in which his company was involved, along with Mr. Propper's biography from the company's website, are attached to the Supp. Frye Decl. as Ex. 10. The full information concerning the CABLF related transactions is presented in tabular form at Supp Frye Decl. ¶ 4.

III. Conclusion

For the reasons set forth above, and based on the entire record in this proceeding, the Division respectfully requests that the Administrative Law Judge return an initial decision revoking the registration of each class of CABLF's securities registered under Exchange Act Section 12.

Dated: December 27, 2013

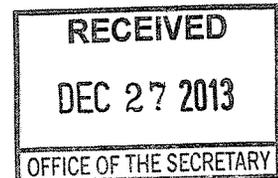
Respectfully submitted,



Alfred Day (202) 551-4702
David S. Frye (202) 551-4728
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010

COUNSEL FOR
DIVISION OF ENFORCEMENT

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15453

In the Matter of

China Cablecom Holdings Ltd.,

Respondent.

**SUPPLEMENTAL DECLARATION OF DAVID S. FRYE IN SUPPORT OF
DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION**

DAVID S. FRYE, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Senior Counsel with the Division of Enforcement ("Division") of the Securities and Exchange Commission ("Commission"), and co-counsel for the Division in the above-captioned administrative proceeding. I submit this Supplemental Declaration in support of the Division's Motion for Summary Disposition ("Motion").
2. On December 27, 2013, I communicated with a member of the staff of the Office of Enforcement Liaison of the Division of Corporation Finance, which maintains a database of all of its contacts with delinquent issuers, which confirmed that it has no record of any contact with China Cablecom Holdings Ltd. ("CABLF") or any representative thereof concerning the delinquencies at issue in this proceeding, other than the attempted delivery of a delinquency letter
3. Attached hereto as Exhibit 9 is a true copy of a printout from the Bloomberg subscription based online securities research system showing the weekly trading volume in the ordinary shares of CABLF for the period from the week ended May

4, 2012 through the week ended September 6, 2013, inclusive. The weeks are presented in reverse chronological order.¹

4. Attached hereto as Exhibit 10 are true copies of documents printed out by me on December 27, 2013 from the website of Chardan Capital Markets (“Chardan”) at www.chardancm.com. These documents include a brief biography of Mr. Kerry Propper, who is identified as the Chief Executive Officer and Co-Founder of Chardan. They also include a listing of certain transactions handled by Chardan for CABLF and other companies. My search of the website showed that, as of December 27, 2013, the website list over 200 public and private transactions in which Chardan was involved. Due to difficulties in printing out the documents, which caused certain information present on the website to fail to display, a table of the CABLF-related transactions showing the full information available on the website is reproduced below:

| Company | Amount, | Type | Date | Role |
|-------------------------------|--------------|-------------------|-----------------|-----------------|
| China Cablecom | \$47 Million | Restructuring | October, 2009 | Sole Advisor |
| China Cablecom | \$33 Million | Private Placement | October, 2009 | Sole Advisor |
| China Cablecom | \$43 Million | PIPE | May, 2008 | Placement Agent |
| China Cablecom | \$20 Million | Bridge Financing | September, 2007 | Placement Agent |
| China Cablecom Holdings, Ltd. | \$24 Million | IPO | April, 2006 | Mangement |

¹ For ease of reference, this declaration continues the exhibit numbering started in the Declaration of David S. Frye in Support of the Division of Enforcement’s Motion for Summary Disposition on file with the Secretary.

Source: <http://www.chardancm.com/~ccmadmin/transactions/transactions>.²

I declare under penalty of perjury that the foregoing is true and correct.

Executed: December 27, 2013


David S. Frye

² To view this information in tabular form on the website go to the link provided and select the second icon under "View By" to display the information as a list. Then select "Technology Media Telecommunications" from the Sector pull down menu and click "Apply." Click on the hyperlink for the "Company" column to sort the list alphabetically by company.

<HELP> for explanation.

Comp/CLOSE/PRICE

Page 1/2 Historical Price Table

CHINA CABLECOM HOLDINGS (CABL US) PRICE .080 V \$ DELAYED

Range **05/04/2012** - **09/06/2013** Period **Weekly** High .230 on 9/14/12
 Currency **USD** Market **Trade** Avg .1453 Vol 48007.91
 Low .060 on 5/24/13

| DATE | PRICE | VOLUME | DATE | PRICE | VOLUME | DATE | PRICE | VOLUME |
|----------|-------|--------|----------|-------|--------|----------|-------|--------|
| SEP 9/ 6 | .105 | 10000 | JUN 6/28 | .080 | 42600 | MAR 3/29 | .1312 | 19334 |
| | | | 6/21 | .075 | 3300 | 3/22 | .1551 | 39401 |
| | | | 6/14 | .080 | 11696 | 3/15 | .170 | 195582 |
| | | | 6/ 7 | .080 | 55500 | 3/ 8 | .170 | 12600 |
| | | | | | | 3/ 1 | .171 | 20600 |
| AUG 8/30 | .110 | 38162 | MAY 5/31 | .0712 | 9133 | FEB 2/22 | | |
| 8/23 | .095 | 4948 | 5/24 | L.060 | 29318 | 2/15 | .170 | 164126 |
| 8/16 | .104 | 176564 | 5/17 | .0715 | 36432 | 2/ 8 | .170 | 18482 |
| 8/ 9 | .105 | 63200 | 5/10 | .1175 | 3875 | 2/ 1 | .160 | 12250 |
| 8/ 2 | .110 | 40000 | 5/ 3 | .0874 | 51065 | | | |
| JUL 7/26 | .100 | 666 | APR 4/26 | .0803 | 39175 | JAN 1/25 | .160 | 2730 |
| 7/19 | .100 | 65053 | 4/19 | .120 | 7150 | 1/18 | .150 | 5499 |
| 7/12 | .090 | 31399 | 4/12 | .115 | 26966 | 1/11 | .150 | 45100 |
| 7/ 5 | .073 | 20433 | 4/ 5 | .118 | 250 | 1/ 4 | .150 | 56653 |

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2013 Bloomberg Finance L.P.
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<HELP> for explanation.

Comp/CLOSE/PRICE

Page 2/2 Historical Price Table

CHINA CABLECOM HOLDINGS (CABL US) PRICE .080 V \$ DELAYED

Range **05/04/2012** - **09/06/2013** Period **Weekly** High .230 on 9/14/12
 Currency **USD** Market **Trade** Avg .1453 Vol 48007.91
 Low .060 on 5/24/13

| DATE | PRICE | VOLUME | DATE | PRICE | VOLUME | DATE | PRICE | VOLUME |
|-----------|-------|--------|----------|-------|--------|----------|-------|--------|
| DEC 12/28 | .130 | 34250 | SEP 9/28 | .200 | 37833 | JUN 6/29 | .1412 | 11432 |
| 12/21 | .132 | 94208 | 9/21 | .200 | 20816 | 6/22 | .220 | 31400 |
| 12/14 | .140 | 303003 | 9/14 | H.230 | 157280 | 6/15 | .220 | 49682 |
| 12/ 7 | .140 | 86966 | 9/ 7 | .180 | 43333 | 6/ 8 | .200 | 84102 |
| | | | | | | 6/ 1 | .200 | 50901 |
| NOV 11/30 | .185 | 28350 | AUG 8/31 | .150 | 8900 | MAY 5/25 | .200 | 77026 |
| 11/23 | .1351 | 27983 | 8/24 | .140 | 37100 | 5/18 | .200 | 6626 |
| 11/16 | .150 | 36435 | 8/17 | .150 | 8478 | 5/11 | .214 | 48869 |
| 11/ 9 | .160 | 38146 | 8/10 | .170 | 67213 | 5/ 4 | .180 | 18685 |
| 11/ 2 | | | 8/ 3 | .180 | 149333 | | | |
| OCT 10/26 | .190 | 10136 | JUL 7/27 | .160 | 208301 | | | |
| 10/19 | .200 | 91584 | 7/20 | .160 | 50500 | | | |
| 10/12 | .200 | 1866 | 7/13 | .170 | 200 | | | |
| 10/ 5 | .190 | 2267 | 7/ 6 | .150 | 30100 | | | |

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Beginning with our very first deal in 2003, a China-based SPAC transaction, Chardan's leadership team has continued to maintain a global perspective. Expanding beyond our New York headquarters, the firm launched a complete 24-hour global trading platform through the addition of our Los Angeles office. We then ventured into a variety of markets around the globe. In the process, we have taken on a position as the leading global investment bank serving the micro, small, and mid-cap markets. Experienced, knowledgeable and diverse in their backgrounds, Chardan's leadership team is known for fostering a spirit of collaboration with our clients and through partnerships with our investment banking peers. Their unique approach has helped earn us a reputation as the firm's go-to company on to those particularly complex and challenging deals. It also enables us to solve difficult challenges with creative solutions that consistently deliver value to both our corporate clients and their investors.

| Name | Title |
|-------------------------------|--|
| Kerry Propper | Co-Founder and Chief Executive Officer |



Kerry Propper is the Co-founder and CEO of Chardan Capital Markets. He drives the firm's overall strategic direction and oversees its investment banking effort.

Kerry serves on the Executive Board of Voices of Rwanda, a non-profit organization dedicated to filming and preserving the testimony of survivors of the 1994 genocide in Rwanda and spends his free time working to educate the public about genocide related humanitarian concerns in conjunction with a variety of other NGOs.

Kerry began his investment career at Aegis Capital in 1997. In 1999, he started Windsor Capital Advisors, a full service broker-dealer firm, which he managed until 2003, when he set out to found Chardan Capital Markets.

Kerry holds a BA in Economics and International Studies from Colby College.

| | |
|-----------------------------------|--|
| Steven Urbach | Co-Founder and President |
| Todd Gold | Managing Partner and Head Trader |
| George Kaufman | Managing Director, Investment Banking |
| Joe Reds | Managing Director and Head of the Special Equities Group |
| Jonas Grossman | Managing Partner and Head of Capital Markets |
| Jay Srivatsa | Managing Director of Equity Research |
| Matthew Weisbarth | Managing Director and Head of International Trading |
| Mark Xue | Managing Director and Group Head of China |
| Shai Gerson | Senior Vice President - Capital Markets |



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Transactions

Below is a list of transactions Chardan has closed to date. To view the associated press releases, visit the [Press Release](#) ([news/press-releases](#)) section.

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[Himax Technologies](#)
 (/~ccmadmin/transactions/case-studies/case-study-himax-technologies)

Type: Role: Sector:

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|--|---|--|
| Ancestry.com Inc | \$182 Million | Secondary Offering |
| China Broadband | \$9.625 Million | Private Placement |
| China Cablecom <small>(/~ccmadmin/transactions/13)</small> | \$47 Million | Restructuring |
| China Cablecom | \$33 Million | Private Placement |
| China Cablecom | \$43 Million | PIPE |
| China Cablecom | \$20 Million | Bridge Financing |

| Company <small>// ~ccadmin/transactions/transactions?order=field&sort=desc&start=1&type=All&role=All&sector=Technology%20Media%20Telecommunications&view_name=transactions&view_display_id=page_2&view_path=media%2F35&view_base_path=media%2F35&view_dom_id=2&report_element=5&view_size=</small> | Amount <small>// ~ccadmin/transactions/transactions?order=field transaction amount value&order=desc&start=1&type=All&role=All&sector=Technology%20Media%20Telecommunications&view_name=transactions&view_display_id=page_2&view_path=media%2F35&view_base_path=media%2F35&view_dom_id=2&report_element=5&view_size=</small> | Type <small>// ~ccadmin/transactions/transactions?order=field transaction type value&order=desc&start=1&type=All&role=All&sector=Technology%20Media%20Telecommunications&view_name=transactions&view_display_id=page_2&view_path=media%2F35&view_base_path=media%2F35&view_dom_id=2&report_element=5&view_size=</small> |
|--|---|---|
| China Cablecom Holdings, Ltd. | \$24 Million | IPO |
| China Networks | \$11 Million | Convertible Debenture |
| China Networks | \$25.5 Million | Restructuring |
| China Networks, Ltd. | \$28 Million | Bridge Financing |