

HARD COPY

**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING
File No. 3-16824**

**RECEIVED
OCT 23 2015
OFFICE OF THE SECRETARY**

In the Matter of

DANIEL PAEZ,

Respondent.

**DIVISION OF ENFORCEMENT'S REPORT OF
INITIAL PREHEARING CONFERENCE**

Pursuant to the Order Postponing Hearing and Scheduling Prehearing Conference (AP Rulings Rel. No. 3193, Oct. 2, 2015), the Division of Enforcement ("Division") and Respondent Daniel Paez held an initial prehearing conference on October 19, 2015. Due to Mr. Paez's incarceration, his pro se status, and his incomplete understanding of the proceeding, the submission of a *joint* prehearing conference statement is not possible. The Division's report attempts to fairly present Mr. Paez's position on these matters.

Item	Division's Position	Paez's Position
1. Simplification/ Clarification of Issues	See item 7, below	See item 2, below
2. Exchange of Witness and Exhibit Lists and Copies of Exhibits	Due two weeks before the hearing. The Division opposes Mr. Paez's request for a continuance and believes summary disposition is appropriate. See item 7, below.	Mr. Paez cannot meaningfully participate in this matter without counsel and while incarcerated. For the reasons detailed in his Motion for Adjournment (copy attached as Exhibit A), the proceeding should be postponed until he is released [REDACTED] in April 2016.
3. Stipulations, Admissions of Fact, and Stipulations Concerning the Contents, Authenticity, or Admissibility into Evidence of Documents	Due two weeks before the hearing.	See item 2, above.

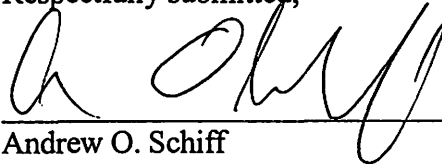
4. Matters of Which Official Notice May Be Taken	Official notice may be taken of the records of Mr. Paez's criminal case.	Mr. Paez did not understand what the Division was seeking (he was confused about the distinction between authentication of the records and their evidentiary value).
5. The Schedule for Exchanging Prehearing Motions or Briefs, If Any	See item 7, below.	See item 7, below.
6. The Method Of Service For Papers Other Than Commission Orders	The parties agree that service is to be made via mail.	
7. Summary Disposition Of Any Or All Issues	<p>The Division seeks leave pursuant to Rule 250(a) to file a Motion for Summary Disposition.¹ The Division suggests the following:</p> <p>If Mr. Paez's motion for continuance is denied, he should be given 20 days from the denial to answer the OIP. The Division would have 30 days from that due date to file either a motion for summary disposition or motion for default judgment, depending on whether Mr. Paez had filed an answer. Mr. Paez would have 30 days to respond, and the Division would have 14 days to reply.</p>	See item 2, above.
8. Settlement of Any or All Issues	The parties agree settlement is unlikely at this time.	

¹Summary disposition is an appropriate method of determining a follow-on proceeding based on a conviction or permanent injunction. See *Kornman v. SEC*, 592 F.3d 173, 181-83 (D.C. Cir. 2010); *John W. Lawton*, AP File No. 3-14162, 2012 WL 6208750, *5 (Dec. 13, 2012) (Commission Opinion).

9. Determination of Hearing Dates	The parties agree any necessary hearings be held, if possible, after Mr. Paez has been released [REDACTED] in April 2016, which would allow more flexibility as to the hearing location.	
10. Amendments to the Order Instituting Proceedings or Answers Thereto	None intended.	Not applicable.
11. Production of Documents as Set Forth in Rule 230, and Prehearing Production of Documents in Response to Subpoenas Duces Tecum as set Forth in Rule 232	The Division has mailed to Mr. Paez the pertinent materials. Prehearing production of documents pursuant to Rule 232 is not applicable at this time.	Mr. Paez's position was not clear.
12. Specification of Procedures as Set Forth in Rule 202	Not applicable.	Not applicable.
13. Such Other Matters as May Aid in the Orderly and Expeditious Disposition of the Proceeding	See items 2 and 7, above	See items 2 and 7, above

October 22, 2015

Respectfully submitted,



Andrew O. Schiff
Regional Trial Counsel
Direct Line: (305) 982-6390
Email: schiffa@sec.gov

DIVISION OF ENFORCEMENT
SECURITIES AND EXCHANGE COMMISSION
801 Brickell Avenue, Suite 1800
Miami, FL 33131
Phone: (305) 982-6300
Fax: (305) 536-4154

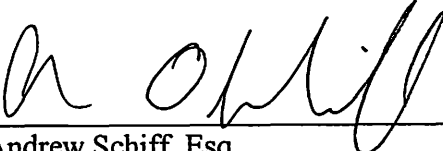
CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, N.E., Washington, D.C. 20549-9303 and that a true and correct copy of the foregoing has been served by U.S. Mail, on this 22nd day of October 2015, on the following persons entitled to notice:

The Honorable Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Daniel Paez

[REDACTED]
FCI
[REDACTED]



Andrew Schiff, Esq.

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

ADMINISTRATIVE PROCEEDING
File No. 3-16824

In the Matter of
DANIEL PAEZ

MOTION FOR ADJOURNMENT AND POSTPONMENT OF HEARING
PURSUANT RULE 161 OF THE COMMISSION'S RULES PRACTICE

To the Honorable Administrative Judge:

COMES NOW the Petitioner, Daniel Paez, pro se, and respectfully submits this Motion for the adjournment and postponement of the hearing scheduled to commence at 9:30 AM Thursday October 15, 2015. In support of this motion, the petitioner shows the following:

- 1) The Securities and Exchange Commission, pursuant Rule 360(a)(2) of the Commission's Rules of Practice, specified the 210-days time period in which the hearing officer's initial decision must be filed with the Secretary.
- 2) It is also ordered that the parties confer and notify the presiding judge of a suggested date and time for a prehearing conference, which will be conducted telephonically, unless the parties prefer otherwise.
- 3) Actually, the petitioner is incarcerated in the Federal Correctional Complex- [REDACTED] in [REDACTED]. He will be released on April [REDACTED] 2016, which is before the 210 days limit for the filing of the initial decision.
- 4) In the institution where the petitioner is held, telephone calls for legal purposes has to be coordinated with at least 14 days of anticipation. Petitioner must specify the person who will be at the other side of the line, as well as the telephone number to be called, and other relevant information. It is also required that the institution confirm with anticipation



that the call will be answered as scheduled because an officer has to be assigned to be present with the petitioner during the telephone conference. Actually it will be impossible for the parties to confere before the date of the hearing.


- 5) On the other hand, petitioner wishes to excersise his right to be represented by a legal counselor in all stage of this proceedings.
- 6) Given these circumstances, the time frame specified by the Commission for the initial hearing puts the respondent in a state of indefension since his incarceration causes any and all gestions in the procedure to be extremely slow.
- 7) Petitioner respectfully states that the purposes of the Prehearing Conference stated in Rule 221 will not be served because, with such short notice, the petitioner is not able to find an appropriate legal represntation and is also impeded to produce any answer pursuant Rule 220 since he has not access to any evidence.
- 8) This situation will certainly has the consequence of an initial hearing in which the petitioner will not be equally protected by the law since he will be impeded, among others, to:
 - a) Have legal representation
 - b) File an answer pursuant Rule 220
 - c) Submit an outline or narrative summary of his case or defense
 - d) Establish a legaltheory upon its defense will rely
 - e) Present any witness that can testify in his favour
 - g) Have the bennefit of consulting an expert

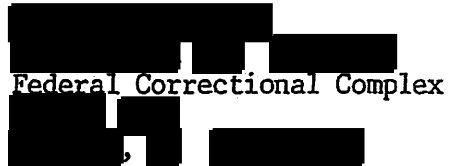

THEREFORE, pursuant Rule 161 of the Commision's Rules of Practice, petitioner respectfully request the following:

- A) To give the petitioner a reasonable frame of time to confer with the other party and to notify the presiding administrative judge for a suggested course of procedural followings.
- B) To adjour and postpone the initial hearing to a date after the said communications were acomplished. (Rule 161(c))

This petition is requested in the Commission's determination of serving the best interest of justice and not result in the prejudice of any of the parties to the procedure (Rule 100(c)). Since the petitioner is "de facto" impeded to work, the suggested petition of postponement will not result in any danger to the protected interests of the public, but will result in a warranty of the due process rights for the petitioner.

Respectfully submitted, this Monday October 5, 2015.


Daniel Paez


Federal Correctional Complex


CERTIFICATE OF SERVICE

I hereby certify that an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F Street, N.E., Washington, D.C. 20549-9303 and that a true and correct copy of the foregoing has been served by U.S. Mail, on this October 5, 2015, on the following persons entitled to notice:

Honorable Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Andrew O. Schiff
Regional Trial Counsel
Division of Enforcement
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131



Daniel Paez