UNITED STATE OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17210

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In the Matter of

PAUL LEON WHITE II,
Respondent.
----------X

REPONDENT'S RESPONSE TO ADMINISTRATIVE LAW JUDGE'S ORDER TO SHOW CAUSE DATED JUNE 8, 2016

Dated: June 22, 2016
Dannemora, NY

Respectfully Submitted,

Paul Leon White II, [redacted]
Respondent Pro Se
[redacted]
P.O. Box [redacted]
Dannemora, NY [redacted]

FACTS OF THE CASE AT BAR

On April 21, 2016, the Securities and Exchange Commission ("SEC") initiated an action against Paul Leon White II ("Respondent"), by serving him an Order Instituting Proceedings ("OIP") which is being prosecuted by the Division of Enforcement ("DOE"). On June 13, 2016, Respondent was received the Court's Order to Show Cause ("OSC") dated June 8, 2016, having a rapid unreasonable (i.e. Respondent is a prisoner) return date of June 22, 2016, especially in light of the fact that the Court is fully aware that the DOE has been "pummeling" Respondent with a plethora of Motions, Responses and letters, which Respondent has filed extensions of time to adequately and effectively answer same. Please allow this Response to be a formal reply to the Court's OSC.

REASONS WHY RESPONDENT REQUIRES EXTENSION OF TIME TO RESPOND TO SEC'S ORDER INSTITUTING PROCEEDINGS ("OIP")

REASON #1: RESPONDENT IS INCARCERATED

Respondent has previously stated on numerous occasions, in other pleadings before the Court, that New York State prisoners are only mandated to attend the prison law library one(1) day per week for approximately one(1) hour. All legal research and document preparation must be done in the prison law library because virtually all of the legal reference books, treatises, encyclopedias etc. were removed from the [redacted] Law Library, during the summer of 2015, and prisoners no longer have access to same and, thereby, must do all lagal research on the computers located in the prison law library. In addition, there are no word processing computers or word processors available to prisoners, such that all legal document preparation must be done on antiquated typewriters which takes approximately 4-5 times as long as using a computerized word processor. Furthermore, Respondent has recently encountered a totally unexpected problem which is how can an indigent

prisoner (i.e. Respondent) make photocopies of exhibit documents to be utilized in Respondent's Answer to the OIP.

On Thursday, June 16, 2016, in anticipation of complying with the Court's June 22, 2016 mandate to Answer the OIP, Respondent submitted a written request (i.e. Authorized Advance Request) to photocopy approximately seventy(70) pages of documents, which Respondent intends to utilize as Exhibits in Respondent's Answer. Due to the fact that the Court denied Respondent's Motion for Informa Pauperis requesting the Court to allow respondent to file only one(1) set of Exhibits, pursuant to Rules 151 and 152, Respondent is mandated to print six(6) copies and file (1) original (i.e. Office of Secretary) and five(5) copies (i.e. three(3) copies to Office Of Secretary, and one(1) copy each to DOE and Hearing Officer), thereby, totalling approximately four hundred twenty (420) copies that must be photocopied at a cost of $0.10 each (i.e. $42.00) total. Due to Respondent's indigency, he was forced to submit the Authorized Advance Request to the Law Library Supervisor, who allegedly, submits same to the accounting office for approval. To date, this approval has not been received by Respondent and, therefore, Respondent is being constructively prevented from filing an adequate and effective Answer to the OIP.

Attached hereto, as EXHIBIT A, is a formal Inmate Grievance Complaint, which Respondent submitted to the prison grievance committee, regarding their constructive prevention of Respondent's ability to file Respondent's Answer to the OIP in violation of Respondent's Due Process Rights protected by the Constitution. Accordingly, submitted herewith, is a Motion for Extension of Time, pursuant to Rule 161, respectfully requesting the Court to grant Respondent a time allowance of seven(7) days, commencing from the date that Respondent receives the photocopies of the afore-described Exhibits, to submit Respondent's Answer to the OIP, pursuant to Rule 220.

REASON #2:
DEPARTMENT OF ENFORCEMENT ("DOE") INTENTIONALLY OMITTED RELEVANT INFORMATION REQUIRED BY RESPONDENT TO ADEQUATELY AND EFFECTIVELY RESPOND TO THE OIP

Previously, Respondent submitted Motions: pursuant to Rule 220(d) for a More Definitive Statement as well as Rule 230 to provide Documents to enable Respondent to adequately and effectively respond to the OIP. In Respondent's Motion, pursuant to Rule 230, Respondent respectfully requested that the DOE provide Respondent with printed copies of a few selected requested documents and records and further provide Respondent with electronic versions of the large majority of items. The DOE only provided the electronic versions of the requested items to an attorney acquaintance of Respondent but failed to provide the printed copies of items as requested by Respondent. Due to Respondent's unfortunately unjust incarceration for a crime that he truly did not commit, he cannot receive the electronic versions of the relevant discovery items as requested. Hence, Respondent cannot adequately respond to the DOE's Motion for Summary Judgment.

On May 19, 2016 and June 9, 2016, Alexander Jangorbani ("JANGORBANI") made the following statement, in sum and substance, in his letters regarding the afore-described electronic files provided to Respondent's acquaintance:

Volumes I-III: Contain approximately 90,000 pages of documents at an approximate printing cost of $6,800 (see JANGORBANI'S May 19, 2016 letter at the bottom of page 1).

Volume IV: Contains Transcripts of Respondent's Criminal Trial (approximately 10,000 pages).

Volumes V-VI: Comprising two(2) hard drives containing approximately 845 GB of data Respondent produced to the SEC, pursuant to a Subpoena Duces Tecum served upon Respondent in 2009, consisting of between 8.45 million and 63.4 million pages of documents (See JANGORBANI May 19, 2016 letter at the bottom of page 2). It is important to note that the SEC values the printing cost of Volumes V-VI at between $507,000 and $3.8M that Respondent previously furnished the SEC, at no charge, pursuant to their 2009 Subpoena Duces Tecum.

Due to the facts that Respondent cannot receive the afore-described "Volumes" contained in hard drives and DVDs or CDs, without a Court order, which the Administrative Law Judge ("ALS") lacks the power to issue and enforce, the Respondent must file an action in the United States District Court to enable him to receive and review the afore-described "Volumes" which contain relevant exhonerating evidence critical to Respondent's defense of the OIP. Therefore, the Respondent is submitting a Motion, pursuant to Rule 161 and Subpoenas, pursuant to Rule 232, in order to provide the review and production of the relevant documents Respondent requires to adequately and effectively respond to the DOE'S recent Motion for Summary Disposition.

THE COURT SHOULD DISMISS THE ORDER TO SHOW CAUSE BECAUSE IT VIOLATES RULES 152 AND 154 ENACTED BY CONGRESS OF THE UNIITED STATES OF AMERICA

The Code of Federal Regulations, Title 17, Chapter II: Securities and Exchange Commission, Part 200. Conduct and Ethics, Subpart C. Canons of Ethics, Section 200.54 states:

"Members of this Commission have undertaken in their oaths of office to support the federal Constitution. Insofar as the enactments of Congress impose executive duties upon members, they must faithfully execute the laws which they are charged with administering. Members shall also carefully guard against any infringement of the Constitutional rights, privileges, or immunities of those who are subject to regulation nu the Commission."

Code of Federal Regulations, Title 17, Chapter II, Subpart C. Canons of Ethics, Section 200.55 states:

"In administing the law, members of this Commission should vigorously enforce compliance with the law by all persons affected thereby. In the exercise of the rulemaking powers delegated this Commission by Congress, members should always be concerned that the rulemaking power be confined to the proper limits of the law and be consistant with statutory purposes addressed by the Congress. In the exercise of their judicial functions, members shall honestly, fairly and impartially determine the rights of all persons under the law."

Respondent respectfully requests that the Administrative Law Judge (i.e. Hearing Officer), James E. Grimes ("Hon. Grimes"), Alexander Janghorbani ("JANGHORBANI") and Margaret Spillane ("SPILLANE"), carefully read, re-read, and fully understand the above Sections of the Code of Federal Regulations as well as JANGHORBANI and SPILLANE study both Canons Code of Professional Responsibility and the New York State Code of Conduct (Respondent assumes that Hon. Grimes is not an attorney) because the Respondent promises to uphold all of you to the afore-described Federal Regulations as well as all other Federal and New York State Laws and Statutes, including, but not limited to the Constitution of the United States of America and the New York State Consititution. Respondent is a proponent of the Constitutions and will vigorously defend same, even to death or imprisonment, because upholding same is in the best interest of the public, the citizens of the United States and residents of New York State, which will be proven in the United States Court of Appeals, Second Circuit in which this case will ultimately be decided, whether the Administrative Proceeding is against or favorable to Respondent. Unlike, Respondent's adversary(ies), Respondent is always truthful and candid with any Honorable Court which was reiterated by Honorable United States District Court Judge Jack B. Weinstein's statement, on the record, on or about December 23, 1985:

"In all my years sitting on this bench, I have never encountered a witness as honest as Mr. White. Make sure that you [Respondent's adversary's attorney] take that into account when you discuss settlement [pointing at Respondent's adversary's attorney]."

On page 15, paragraph 2, of DOE'S Motion for Summary Disposition ("DOE'S MOTION"), dated June 8, 2016, JANGHORBANI makes false allegations against Respondent: "[attempted to mislead this Court about FINRA'S action against him", "he [Respondent] was thoroughly investigated by FINRA, which found no wrongdoing by Respondent". In fact, until JANGHORBANI produced Exhibit 3, FINRA BrokerCheck and Exhibit 15, Order Accepting Offer of Settlement in DOE'S MOTION, Respondent had never seen either or known of their existence. However, upon Respondent's review of DOE'S MOTION: Exhibit 3, Respondent was never aware of any arbitration involving Berthel, Fisher & Company Financial Services, Inc., and most other non-dated allegations contained therein, information about same has been requested in the afore-described Subpoenas, pursuant to Rule 232. Furthermore, Respondent has never seen DOE'S MOTION: Exhibit 15, FINRA'S Order Accepting Offer of Settlement dated September 19, 2011, nor recalls ever agreeing to any "Offer of Settlement" ("OFFER") concerning same. Interestingly, in fact, on page 1, paragraph 2, of the "OFFER" (DOE'S MOTION: Exhibit 15), FINRA Senior Regional Counsel, Kathleen S. Lynch ("LYNCH"), states:

"Under the terms of the Offer, Respondent has consented, <u>without admitting or denying the allegations in the Cpmplaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA,or to which FINRA is a party</u>, ..."

To the best of Respondent's knowledge and recollection, Respondent <u>never</u> agreed to any condition other than disposing of the FINRA action by relinquishing his securities licenses (i.e. "LICENSES": Series 7 & 66). In fact, Respondent does vividly recall the situation surrounding Respondent <u>voluntarily</u> relinquishing his licenses. Prior

to Respondent voluntarily relinquishing his LICENSES, and, after, over a year of FINRA unsuccessfully attempting to find wrongdoing bt Respondent, FINRA served Respondent, yet another, demand for copies of books and records of his wife, Donna's business, First National Qualified Intermediary Corp.. Respondent was extremely outraged by FINRA's unethical and immoral tactics and conduct. During a conversation prior to going through yet another "interview", which is analogous to a deposition, Respondent asked Craig Thompson ("THOMPSON"), a FINRA employee who was heading the investigation concerning Respondent.

Respondent asked:
"Mr. Thompson, if I did have the records and documents regarding my wife, Donna's business, in my care and custody, would I have to produce them?"

THOMPSON replied:
"Yes"

Respondent then asked:
"Is it true that FINRA can ask me to produce any documents, records even pictures that are not relevant to the investigation, similar to my wife's company's records, documents and even pictures, and if I do not produce them, if they are in my care and custody, my securities licenses will be suspended?"

THOMPSON answered:
"Yes"

Respondent further asked:
"Do you mean if you requested me to give you nude pictures of [redacted] even if they were not relevant to your investigation, and they were in my care and custody, which they are, if I did not produce them to you, you would suspend my securities licenses?"

Respondent replied:
"Take my securities licenses and [redacted] I would never be associated with such and immoral, unethical and unprofessional organization such as FINRA or any of its employees such as you!"

Shortly, thereafter, FINRA apparently pleaded with Respondent's attorney to dispose of the case, by not admitting to any guilt but simply to dispose of the case, similar to an "Alford Plea" or "Sarrano Plea", because FINRA knew that Respondent's next legal maneuver would be to Federal Court. As the Court will notice that conveniently missing, in violation of truthfullness and candor before the Court (violation of the Codes of Professional Responsibility and New York State Code of Professional Conduct), from the DOE'S MOTION is the exhibit of Respondent's signed FINRA stipulation, a request of which has been included in the afore-described Subpoena's, pursuant to Rule 232.

ORDER TO SHOW CAUSE ("OSC") SHOULD BE DISMISSED BY THE COURT
GROUNDED UPON NON-CONFORMANCE OF RULE 152

17 C.F.R. §201.152 was enacted by Congress and, thereby, pursuant to 17 C.F.R. §200.54 and §200.55, "Members of this Commission have undertaken their oaths to support the federal Constitution ... they must faithfully execute [abide by] the laws which they are charged with administrating" and "in administering the law, members of this Commisison should vigorously enforce compliance with the law by all persons affected thereby".

17 C.F.R. §201.52 states:

"(a) Specifications. Papers filed in connection with any proceeding as defined in Rule 101(a) shall:

(2) be typewritten or printed in 12-point or larger typeface ...

(5) be double-spaced ..."

Indisputably, the OSC is printed in 10-pt typeface and 1½ spaced in non-conformity to Rules 152(a)(2),(5) and, therefore, should be dismissed accordingly by the Court.

17 C.F.R. §201.55 further states:

"In the exercise of their [members of the Commission] judicial functions, members shall honestly, fairly, and impartially determine the rights of all parties under the law". In the instant case at bar, the Respondent's "right" is that the Administrative Law Judge ("ALJ"), who is a "member of the Commission", "shall" dismiss the OSC based upon the afore-described non-conformity to Rules 152(a)(2),(5). Obviously, the preparer of the the OSC has absolutely no regard for Federal Law, enacted by Congress, and should be held accountable, accordingly by dismissal of the OSC. Respondent, on the other hand, exhibited the utmost respect for the Court by previously submitting a formal Motion respectfully requesting that the Court grant Respondent permission to submit non-conforming papers, unlike, the disrespectful preparer of the OSC, who appears to believe that he/she is "above the law".

OSC SHOULD BE DISMISSED BY THE COURT GROUNDED UPON NON-CONFORMANCE OF RULE 154

17 C.F.R. §201.154 states:

"a motion

shall be in writing,

shall state with particularity the grounds therefor,

shall set forth the relief or order sought, and

shall be accompanied by a written brief of the points and authorities relied upon.

shall ... meet the requirements of Rule 152"

Indisputably, the OSC lacks "authorities relied upon". In fact, there is absolutely no statute in Title 17 of the Code of Federal Regulations authorizing a Hearing Officer or Administrative Law Judge to issue any motion, certainly not an Order to Show Cause, which is normally based upon an urgent need to obtain relief. A judge issuing his own motion and, thereafter, ruling on same, certainly violates the very essence of both the Federal and New York State Constitutions. "Laws" enacted in most dictatorship non-democratic countries allow one person to be prosecutor, judge, jury and executioner. Historically, Stalin summarized it best by stating:

"First we try them,
thenwe execute them"

Fortunately, we reside in America and New York and our rights should be protected by our Federal and State Constitutions. Unfortunately, sometimes innocent persons, such as Respondent, fall through the cracks of justice and get convicted for a crime that they did not commit. Luckily, our justice system was designed to "right the wrong" and, God willing, it will be proven by Respondent's exoneration, in the near future. Respondent respectfully requests that the Court remember that we reside in the United States of America. In accord with 17 C.F.R. §200.54 and §200.55, "members of this Commission have undertaken their oaths of office to support the Federal Constitution. ... Members shall also carefully guard against any infringement of the constitutional rights, privileges, or immunities of those [Respondent] who are subject to regulation by this Commission". Based upon the afore-described indisputable facts, Respondent respectfully requests that the Court dismiss the Order to Show Cause in its entirety.

COURT CANNOT CONSIDER DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION ("MSD")
BASED UPON THE FACT THAT THE MSD FAILS TO SATISFY
THE REQUIRED ELEMENTS OF RULE 250 AND
THE HEARING OFFICER OR ADMINISTRATIVE LAW JUDGE LACKS AUTHORITY
PURSUANT TO TITLE 17 OF THE CODE OF FEDERAL REGULATIONS
TO "CONSTRUE THE DIVISION'S MOTION FOR
SUMMARY DISPOSITION AS A MOTION FOR SANCTIONS"

17 C.F.R. §201.250(a) states:

"After a respondent's answer has been filed and ... documents have been mad available to that respondent ... the interested division may make a motion for summary disposition ... If the interested division has not completed presentation of its case in chief, a motion for summary disposition shall be made only with leave of the hearing officer."

In the case at bar, there can be no factual dispute about "After a respondent's answer has been filed", grounded upon the OSC, that clearly states that the Respondent has not filed an Answer to the OIP, to date, for valid reasons stated herein. The most significant reason is that the Plaintiff (i.e. SEC, DOE), knowingly and intentionally withheld accusatory information, which was not included in the OIP, preventing Respondent from adequately and effectively submitting a comprehensive Answer to the OIP. As the Court is fully aware, Respondent previously submitted Motions and Subpoenas seeking the necessary information to enable Respondent to adequately and effectively prepare an Answer to the OIP.

In addition, there are a plethora of other valid reasons associated with Respondent's incarceration, constructively preventing the Respondent from submitting an Answer to the OIP, that is explained in detail herein. Only recently (i.e. June 9, 2016), did the DOE finally provide barely enough information in the DOE'S Motion for Summary Disposition ("MSD") to enable Respondent to Answer the

OIP, which Respondent immediately continued completing after receiving same. As respectfully requested in Respondent's latest Motion to Extend Time to Answer the OIP, Respondent will be submitting his Answer to the OIP, within seven (7) days after Respondent receives the afore-described photocopies of the Exhibits to be included with Respondent's Answer.

In Summary, since, Respondent has not filed his Answer to the OIP, the DOE'S Motion for Disposition should not be entertained by the Court, lacking authority to "construe the Division's motion for summary disposition, due on June 10, 2016 (NOTE: MSD was only served on Respondent on June 9, 2016), as a motion for sanctions". A judge has the authority to grant, deny or modify relief requested by a litigant, not "construe" or convert one motion into another motion on behalf of a party because doing so would exhibit dishonesty, unfairness, and partiality (i.e. bias) in violation of 17 C.F.R. §200.55. The afore-described statement by the Court is a classical example why our fore-fathers, framers of the Federal and New York State Constitutions were so adamant about "separation of powers" between the three branches of Government: Legislative (creates the law), Judicial (interprets the law), and Executive/Administrative (enforces the law). Clearly, there is a separation of powers issue in violation of the Federal and N.Y. State Constitutions in any SEC Administrative Proceeding, grounded upon the fact that the "judiciary Branch" is an employee of the "Executive Branch", sharing office space in the same building, possibly sharing employees that serve dual functions, same cafeteria to permit co-mingling with both Branches, attending the same holiday parties and other social events, etc. which is discussed in greater detail in a forthcomming Respondent's pleading.

RELIEF REQUESTED

Respondent respectfully requests that the Court grant the following relief:

1. Dismissal of the Order to Show Cause ("OSC") grounded upon violations of 17 C.F.R. §201.152 and §201.154,

2. Grant Respondent an Extension of Time to file an Answer, pursuant to 17. C.F.R. §201.220, to the Securities and Exchange Commission's Order Instituting Proceedings ("OIP"), and

3. Deny Petitioner's "threat" to "construe the Division's Motion for Summary Disposition as a Motion for Sanctions",

and any other relief that the Court deems just and proper.

Dated: June 22, 2016
Dannemora, NY

Paul Leon White II, [redacted]
Respondent, Pro Se
[redacted]
P.O. Box [redacted]
Dannemora, NY [redacted]

TABLES OF CONTENTS, CASES, STATUTES, AND OTHER AUTHORITIES PURSUANT TO 17 C.F.R. §201.152(e)

TABLE OF CONTENTS

TABLE OF CASES

None

TABLE OF STATUTES

EXHIBIT A

CDCR 2131E (REV. 6/06)

INMATE GRIEVANCE COMPLAINT

Grievance No.

[redacted]

Date June 22, 2016

Name June Paul White Dept.No. Porter Housing Unit Computer Program AM 10-2-22 PM

*(Please Print or Type - This form must be filed within 21 calendar days of Grievance Incident)**

Description of Problem: (Please make as brief as possible) See attached Inmate Grievance

Grievant Signature [redacted]

Grievance Clerk _____ Date: _____

Advisor Requested ☐ YES ☐ NO Who: Cedric Celeste

XX

Action requested by inmate: Photocopying of Exhibits for Answer to SEC's Order Instituting Proceedings (OIP)

This Grievance has been informally resolved as follows:

This Informal Resolution is accepted:
(To be completed only if resolved prior to hearing)

Grievant Signature _____ Date: _____

Unresolved, you are entitled to a hearing by the Inmate Grievance Resolution Committee (IGRC)

On Thursday, June 16, 2016 at approximately 9:00 AM, I, Paul White, DIN# [redacted] ("INMATE"), requested the Law Library Supervisor to grant me permission to make six (6) photocopies of Exhibits (approximately 420 pages) that INMATE required to include with an Answer to the United States Securities and Exchange Commissions Order Initiating Proceedings ("OIP"), File No. 3-17210, that was due June 22, 2016. The Law Library Supervisor mandated that I submit an Authorized Advance Request form and wait to receive the authorization back from the INMATE Accounting Department after the Law Library Supervisor submits same. Today, the Answer is due and I still do not have the Authorized Advance Request returned to me from the Inmate Accounting Department and Inmate is constructively prevented from submitting the Answer to the OIP in violation of his Constitutional rights of Due Process, specifically Access to the Courts. Please change the [redacted] policy to allow Inmates with court mandated deadlines, such as grieving Inmate, to obtain immediate authorization to make photocopies of legal documents to be utilized in their pleadings.

Dated: June 22, 2016
Dannemora, NY

Paul White, [redacted]