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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Administrative
Proceeding
File No. 3-17250

REPLY BRIEF

Respectfully submitted

Striper Energy, Inc.

By its attorney:

John E. Lux, Esq.
1629 K Street, Suite 300
Washington, DC 20006
(202) 780-1000
Fax (727) 474-9810
John.Lux@Securities-Law.info

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The assertion is made that the $200 trade was "pre-arranged." It is a simple matter to find this out – just call the brokers on both sides of the trade and show the connection between the buyer and seller. As no such facts are introduced, are we not justified in suspecting this was never done and realizing that this conclusion was a guess?

In actual fact, the stock was quoted at $0.12 before the one for 30 reverse split. With the split, it should have traded at $3.60, not just the $1.00 price of the alleged "pre-arranged trade," right? This $200 trade at $1.00 occurred down 72% from what the one for 30 split price should have been. When you look at these actual facts in the proper perspective, doesn't the concern over a $200 trade at $1 just seem silly?

Unfortunately, the most important premise of the suspension is factually inaccurate. We believe that when you start to understand the actual facts you will find yourself forced into placing the suspension into the exact center of that spot in your mind where you hold things that should not be and have to be corrected.

This is from the sworn affidavit:

> 8. The Division understands that Striper's stock is currently subject to a deposit chill with the Depository and Trust Clearing Corporation ("DTCC"). This chill presents new shares from being deposited with DTCC (and thus newly issued shares may not be traded electronically), but it does not prevent the issuance of new shares or the sales of shares into the market. The chill apparently carried over from a chill of the stock of Striper's predecessor and may be lifted by an attorney opinion letter that newly issued shares may be sold pursuant to an exemption in Rule 144 of the Securities Act ("Rule 144").

In other words, this says that using Rule 144 Striper can simply issue new stock and put it immediately into the market by giving DTCC a Rule 144 opinion letter, doesn't it?

This is the key foundation for the claim of stock manipulation – after the "prearranged trade" at $1, the perpetrators are going to use 144 to dump stock into the market, right?

Unfortunately, the more you look at this the more you can easily start to discover that

there is a gross misapprehension of the function of DTCC and Rule 144.

First, DTCC has nothing to do with allowing new shares into the market. It is a clearing utility saving the inconvenience of shuffling paper certificates.

Second, stocks on DTC chill, like Striper Energy, have transfers outside of DTCC.

For this extra work, going outside DTCC and making a transfer of paper certificates, brokers can charge additional commissions. (This might explain the price on the alleged "pre-arranged trade.")

Third, the procedure for lifting DTCC chills has nothing to do directly with Rule 144. DTCC simply wants to know that if there was a massive amount of new stock entering the market, that this stock was validly issued.

Fourth, DTCC would never lift a chill based on newly issued shares. DTCC's procedure to lift a chill is based on a study of outstanding stock and prior issuances, not new stock.

Fifth, lifting a DTCC chill could take months.

Sixth, DTCC would see no relevance in an opinion letter on newly issued shares in present time. DTCC does not rule on this issue. This is for the broker involved in a sale pursuant to Rule 144 and the transfer agent. DTCC does not lift chills based on any consideration of an attorney opinion on Rule 144 on newly issued stock. DTCC does not normally see such letters except in investigating earlier issuances in a procedure to lift a chill years later.

Seventh, brokers and transfer agents have procedures for not allowing stock to be sold under Rule 144 if the company is not eligible.

Eighth, Striper Energy is not eligible to use Rule 144 at all and clearly says so in its disclosure.

Ninth, under Rule 144, the only way Striper Energy can become eligible to use Rule 144 is to file Form 10 information with the SEC for over 12 months. An audit to do this will take more months to start.

Tenth, even if Striper could use Rule 144, the stock would have to have been held for a year and cannot enter the market immediately as the affidavit implies. Now even if the

stock could satisfy the one-year holding period it cannot be sold under Rule 144 as the Company is a shell company.

Eleventh, the Division is already aware that an attempt to transfer stock using bogus Rule 144 opinion letter by Mr. Sayid was stopped. The Division thus knew that the Company cannot use Rule 144.

A company that cannot use Rule 144 has an almost impossible time even selling restricted stock to investors. The investors know that if they buy the stock, the investors have no way to sell it and thus, the stock is virtually worthless to an investor.

How amazing is it that in paragraph 8, the affidavit makes use of Rule 144 as the key basis for the feared manipulation, yet in paragraph 22 the affidavit says the Company cannot use Rule 144?

Further, when you look at the fact that the Company cannot use Rule 144, you soon start to realize that no manipulation is possible because this leaves a very limited float, about 22,000 shares.

Thus, there is no way for any manipulators to get more than a few dollars of free trading stock to sell, if any, and no new shares can be sold that could be traded under Rule 144.

This causes us to immediately realize that there is no risk of manipulation here and fully understand the fact that there never was any risk at all.

In fact, most of this 22,000 shares is owned by shareholders who have amounts of stock that are so small that they cannot sell, pay the commission, and have money left over.

As you can easily see, there is no possibility of stock manipulation without stock to sell.

Viewed in this perspective, the alleged "Pre-Arranged Trade" is naturally not a manipulative event. The Division should have known all this before, shouldn't it?

The Company's business model is based on the premise that while oil prices are down, you can buy distressed oil and gas assets well below their true value. Then when the price of oil rises, as the Company believes it will, there is additional profit.

As these striper wells are small, there is no competition from the large oil and gas players and the prices are bargains.

In fact, this business model was recently endorsed by a brilliant billionaire investor:

> *Sam Zell, the billionaire investor who correctly predicted a top in the last commercial real-estate cycle, said his private investment firm is buying distressed energy assets even as it invests less in the broader market.*
>
> *"We've been investing in the oil patch and buying natural gas and some other energy-related assets. Why? Because we think they're very cheap, and in many respects, they're purchasable at huge discounts to any kind of replacement costs or future competition," the chairman of Equity Group Investments toldCNBC.*

Striper Energy is a small company and naturally, it will take years for the amount of assets purchased to reach enough mass to make it a worthy investment vehicle for a meaningful market to develop for the stock.

Therefore, the Company determined to save resources by buying a cheap OTC shell that needed work and fix it up over time. The Company would rather devote assets to buying striper wells than for a reporting shell. An IPO was not an option because of the costs.

The plan was to spend two years getting the books audited and getting the Company eligible to use Rule 144 by filing Form 10 information with the SEC as is required. Until the Company was eligible to use Rule 144, no significant investor would invest. After two years, the Company would have acquired enough striper wells to make it an interesting speculation and to afford the costs of a fully reporting company.

Unfortunately, the Company bought a cheap shell to fixing it up only to discover from the suspension that the shell had undisclosed hidden problems.

The Company now knows it was cheated.

The Company is grateful to the Division for revealing defects that might not have been

discovered for years if at all. There was no other way we know of to find out what was in the Division's files on the bad actors. Now the Company can take remedial action.

The Company has canceled the stock owned by offshore bank, instead of just blocking it. Similarly, any claim that Mr. Sayid has on the stock of the Company has been rescinded and the Company is considering suing Mr. Sayid and the former directors for fraud.

In the meantime, there is absolutely no possibility anyone can profit from manipulating the stock because of Rule 144, as we have shown.

The Company is preparing a new current information filing for OTCMarkets that will fully disclose, among other things (1) the suspension and the difficulties the suspension will cause the Company, (2) the cancellation of the offshsore bank stock and Mr. Sayid's right to receive stock, including the possibility of litigation by the Company or by Mr. Sayid and the unknown alleged holders of the offshore bank stock because the Company canceled their stock, (3) the very limited float and limited market for stock, (4) the likelihood of hidden defects in the limited books and records the Company has, (5) emphasize again that the Company is a shell company for purposes of Rule 144, and (6) the difficulties the Company will have in filing a Form 211 to get the stock trading again, and (7) the difficulties the Company may have obtaining an audit and filing Form 10 information. The Company will prominently recommend that investors avoid the stock.

As it stood before the suspension, the Company did not expect any trading at all in the stock. The Company thought that the 23 pages of risk factors in the earlier filing on OTCMarkets would have made this clear.

The Company further intends to proceed not to file a Form 211 and get a market maker, but rather to first get a PCAOB audit and file Form 10 information with the SEC. At this point in time, given the fact that the Company is in the development stage, there is no point in having the stock trade. It is in fact a nuisance to the Company. The Company does not want to run the risk of any more "pre-arranged trades" or anything else it does not have control over.

Later, the Company can get the DTC chill lifted and then get a market maker. We would rather not spend the money for a Form 211 market maker without first getting things squared away with the audit and SEC filing, however long it takes.

We do not see any point in having the stock trade while the assets of the Company are

limited. It will take a significant amount of time to acquire a critical mass of stripper wells as by their nature they are bought from small operators and take time to acquire. Yet this is why they are cheap to buy.

As we find ourselves surprised to discover, the suspension has had no real effect on the Company. The game plan for the Company was always since inception to get the stock trading in about two years, after Form 10 information had been filed for over 12 months. There was no interest in marketing stock to the public before that so the suspension makes no difference. People know Sam Smith and they trust him. They know that any allegation that he would be involved in stock manipulation is ridiculous because when they asked him if they should buy the stock in the market, he was telling them NOT to buy the stock. This is one reason there was virtually no trading in the stock.

We apologize if anything we did created a false impression and contributed to this waste of precious enforcement resources. Here we would simply like to put on the record the actual facts and end the matter.

Respectfully submitted,

Attorney for Striper Energy, Inc.
John E. Lux, Esq.
1629 K Street, Suite 300
Washington, DC 20006
(202) 780-1000
Fax (727) 474-9810
John.Lux@Securities-Law.info

CERTIFICATE OF SERVICE

I hereby certify that, on June 4, 2016, I served copies of Striper Energy, Inc.'s submission entitled Reply Brief in the Matter of Striper Energy, Inc., by email transmission and USPS overnight mail upon:

Richard M. Harper II
Dahlia Rin
Michael J. Vito
U.S. Securities and Exchange Commission
33 Arch Street, 24th Floor
Boston, Massachusetts 02110

On the same date, I filed copies of Striper Energy's submission entitled Reply Brief in the Matter of Striper Energy, Inc., by facsimile transmission and USPS overnight mail to the following address and phone number.

The Commission
Office of the Secretary
Securities and Exchange
Commission 100 F Street, N.E.
Washington, D.C. 20549

Fax: 202-772 -9324