

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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ADMINISTRATIVE PROCEEDING
File No. 3-18336

In the Matter of

AmbiCom Holdings, Inc., *et al.*,

Respondents.

**DIVISION OF ENFORCEMENT'S RESPONSE TO
AMBICOM'S RESPONSE TO ORDER TO SHOW CAUSE**

Introduction

The Division of Enforcement ("Division"), by counsel, pursuant to the Court's Order dated March 27, 2018, hereby responds to the "Response to Feb. 5, 2018 Order to Show Cause" received from respondent AmbiCom Holdings, Inc. ("AmbiCom").

Argument

In its Response, AmbiCom first tries to blame its prior management for its troubles, but it then admits certain facts that render its position untenable. For example, the Response admits that:

- current CEO Kevin Cornell gained control of the company in September 29, 2017;
- AmbiCom received the Commission's Order Instituting Proceedings ("OIP") dated January 17, 2018;
- Cornell contacted the SEC about avoiding revocation; but
- Cornell's attention was diverted to the "PC Drivers" matter and "*the deadline to respond passed.*"

(emphasis added) (AmbiCom Response at 1-3.) These circumstances are not an adequate excuse for AmbiCom's failure to answer the OIP, nor do they show cause why AmbiCom

should not be held in default.

The Court's order of March 27, 2018 stated that AmbiCom's Response "will be considered as a motion to correct a manifest error of fact in the February 21 Initial Decision, pursuant to 17 C.F.R. § 201.111(h). SEC Rule of Practice 111(h) provides that "a motion to correct is properly filed under this Rule only if the basis for the motion is a patent misstatement of fact in the initial decision." "A patent misstatement is something that is 'readily visible or intelligible: obvious.'" *David G. Ghysels*, Administrative Proceedings Rulings Rel. No. 648, 2010 SEC LEXIS 200, at *4 (Jan. 25, 2010), quoting MERRIAM-WESBTER'S COLLEGIATE DICTIONARY 849 (10th ed. 2001). The alleged errors in a motion to correct must be "plain and undisputable, and . . . amount[] to a complete disregard of the controlling law or the credible evidence in the record.'" *Raymond James Financial Services, Inc.*, Administrative Proceedings Rulings Rel. No. 622, 2005 SEC LEXIS 3369, at *2 (Oct. 14, 2005), quoting *Robert Cord Beatty*, 84 SEC Docket 3331, 3334 (Feb. 10, 2005).

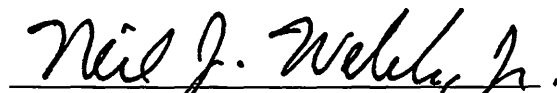
AmbiCom's Response does not meet the standard for a motion to correct a manifest error of fact. Notably, it does not dispute any fact in the Initial Decision. See *Joseph P. Doxey, et al.*, 109 SEC Docket 378, 2014 WL 11034300, at *1 (June 12, 2014) (motion to correct denied "because it does not identify any factual findings in the Initial Decision that were believed to be 'patent misstatement[s] of fact'"). Instead, AmbiCom's Response supports the facts in the Initial Decision regarding the service of the OIP on AmbiCom and its failures to respond to the OIP and Order to Show Cause, which are the basis for the revocation of its securities registration by default. Thus, AmbiCom's motion to correct via its Response should be denied.

Conclusion

For the reasons set forth above, the Division respectfully submits that the Court should deny AmbiCom's Response and its motion to correct a manifest error of fact in the Initial Decision.

Dated: April 13, 2018

Respectfully submitted,



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CERTIFICATE OF SERVICE

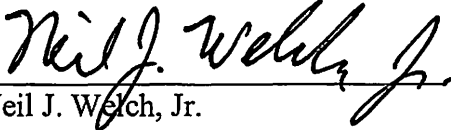
I hereby certify that true copies of the Division of Enforcement's Response to AmbiCom's Response to Order to Show Cause were served on the following on this 13th day of April, 2018, in the manner indicated below:

By Email:

The Honorable Carol Fox Foelak
Administrative Law Judge
Securities and Exchange Commission
100 F St., NE
Washington, DC 20549-2557

By First Class Mail and Email:

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