



UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

3-19575

In the Matter of the Application of
Falcon Technologies, Inc.
For Review of Action taken by
FINRA

APPLICATION FOR REVIEW

Falcon Technologies, Inc. (the "Company"), by its attorneys Brinen & Associates, LLC, hereby submits the instant Application for review of FINRA's denial under Rule 6490 of the Company's requested corporate actions of a change of stock symbol and change of corporate name (the "Corporate Actions").

On January 22, 2019, FLCN submitted an application requesting that the Department process documentation related to the Corporate Actions. The Department reviewed FLCN's submission, but it determined that FLCN's request was deficient and did not process the documentation. The Department cited FINRA Rule 6490(d)(3)(2), and it stated that FLCN's request for corporate actions was deficient because the issuer was not current in its reporting requirements to the Commission. The Department gave a determination on July 11, 2019.

The Company appealed the Notice of Deficiency to a subcommittee of FINRA's Uniform Practices Code Committee on July 17, 2019. The subcommittee affirmed FINRA's denial on September 4, 2019, Case No. CAS-65999-D4D0V6.

The Company argues that FINRA has improperly exercised its discretion under Rule 6490 and acted in an arbitrary and capricious manner by declining the Corporate Actions due to a failure to comply with the requirements of the Securities Act of 1934 ("34 Act") when the Company had filed and the Securities and Exchange Commission had accepted a valid Form 15 in May 2007. By filing a valid Form 15 which the Commission accepted, the Company exempted itself from Exchange Act Rules 12g-4(a)(1)(i) and 12h-3(b)(1)(i), which apply to issuers whose securities

are held by less than 300 shareholders. The Company's Form 15 certified that the issuer had 53 shareholders as of the date of the filing.

While FINRA has given itself broad discretion under Rule 6490, the Company contends FINRA declined the Corporate Actions based on improper application of the factors to the facts and the law that governed the Company at the time of the request in 2019. Rule 6490 sets forth the following factors: (1) FINRA staff reasonably believes the forms and all supporting documentation, in whole or in part, may not be complete, accurate or with proper authority; (2) the issuer is not current in its reporting obligations, if applicable, to the Commission or other regulatory authority; (3) FINRA has actual knowledge that parties related to the Company-Related Action are the subject of pending, adjudicated or settled regulatory action or investigation by a regulatory body, or civil or criminal action related to fraud or securities laws violations;¹⁰ (4) a government authority or regulator has provided information to FINRA, or FINRA has actual knowledge, indicating that persons related to the Company-Related Action may be potentially involved in fraudulent activities related to the securities market and/or pose a threat to public investors; and/or (5) there is significant uncertainty in the settlement and clearance process for the security.

Here, FINRA only cites to the second factor, "(2) the issuer is not current in its reporting obligations, if applicable, to the Commission or other regulatory authority [.]" FINRA admits that "[a]s an initial matter, FINRA Rule 6490 did not become effective until September 2010. See *Obligation of Issuers to Provide Notice of Company-Related Actions*, FINRA Regulatory Notice 10-38, 2010 FINRA LEXIS 71, at *1 (Aug. 2010)." See, Exhibit A, p. 3. FINRA further admits that the Company filed a valid Form 15. See, Exhibit A, p. 4. A valid Form 15 terminates the reporting requirement. The Company had no obligation to file the reports at the time of the request for Corporate Action. Without an obligation to file reports, the phrase "if applicable" applies to the factor as a whole, and exempts the factor from being considered in the analysis of this Company's Corporate Action.

FINRA admits that the termination took place in May 2007 – prior to the rule change. At that time, FINRA approved several corporate actions because "prior to September 2010, FINRA was not authorized to deny an issuer's corporate action request." See, Exhibit A, p. 3. FINRA is impermissibly penalizing the Company for actions that occurred over a decade ago, and three (3) years prior to FINRA having the authority to review such actions. Accordingly, the Company

respectfully requests that the Commission reverse the decision and permit the name and symbol change of the Company.

The Company hereby requests Oral Agreement. The applicant may be served through its attorneys, whose address is below.

Dated: New York, New York
October 2, 2019

Respectfully submitted,



Joshua D. Brinen
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90 Broad Street, Tenth Floor
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(212) 227-0201 (Fax)
jbrinen@brinenlaw.com
Attorneys for Petitioner
Falcon Technologies, Inc.

CERTIFICATE OF SERVICE

I hereby certify that true copies of the Application for Review were served on the following
on this 2 October 2019, in the manner indicated below:

By Overnight and First Class Mail:

The Office of the Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

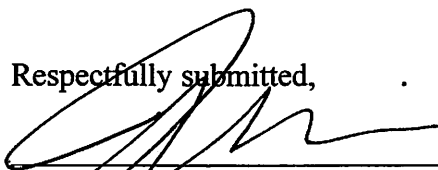
Jante C. Turner
FINRA - Office of General Counsel
1735 K Street, NW
Washington, DC 20006

By Email:

APFilings@sec.gov

Dated: New York, New York
October 2, 2019

Respectfully submitted,



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Exhibit A



Financial Industry Regulatory Authority

Jante C. Turner
Associate General Counsel – Appellate Group

Telephone: 202-728-8317
Facsimile: 202-728-8264

September 4, 2019

VIA MESSENGER

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Room 10915
Washington, DC 20549-1090

RE: CASE NO. CAS-65999-D4D0V6
FALCON TECHNOLOGIES, INC. (FLCN)

Ms. Countryman:

Enclosed is the decision of the Uniform Practice Code Committee for this matter. The attached decision is the final decision of FINRA.

Sincerely,

A handwritten signature in black ink, appearing to read "J. C. Turner".

Jante C. Turner

Enclosures

cc: Nancy Espinosa



Financial Industry Regulatory Authority

Jante C. Turner
Associate General Counsel – Appellate Group

Telephone: 202-728-8317
Facsimile: 202-728-8264

September 4, 2019

VIA CERTIFIED AND ELECTRONIC MAIL

Joshua D. Brinen, Esq.
Brinen & Associates, LLC
90 Broad Street, 2nd Floor
New York, NY 10004

RE: CASE NO. CAS-65999-D4D0V6
FALCON TECHNOLOGIES, INC. (FLCN)

Dear Mr. Brinen:

On August 29, 2019, a subcommittee of FINRA's Uniform Practice Code Committee (UPCC Subcommittee) convened to review the Department of Operations' (Department) denial of FLCN's request to process documentation related to a name change to Eco-Growth Strategies, Inc. and a symbol change to ECGS, EGSI, or ECOI. After careful consideration of: (1) FLCN's request; (2) the Department's denial of that request; (3) the additional documentation that the Department and FLCN submitted in this appeal; and (4) FLCN's periodic filings in the Securities and Exchange Commission's (Commission) EDGAR system,¹ the UPCC Subcommittee affirms the Department's denial.

A. FLCN's Application and the Department's Deficiency Determination

On January 22, 2019, FLCN submitted an application requesting that the Department process documentation related to the proposed corporate actions. The Department reviewed FLCN's submission, but it determined that FLCN's request was deficient and did not process the documentation. The Department cited FINRA Rule 6490(d)(3)(2), and it stated that FLCN's request for corporate actions was deficient because the issuer was not current in its reporting requirements to the Commission.

¹ The UPCC Subcommittee obtained FLCN's periodic filings from the Commission's EDGAR system, and, accordingly, took official notice of the periodic filings discussed in this letter. Cf. FINRA Rule 9145(b) (explaining that FINRA adjudicators "may take official notice of such matters as might be judicially noticed by a court, or of other matters within the specialized knowledge of FINRA as an expert body").

The Department explained that FLCN had failed to file 14 quarterly and six annual reports. The Department determined that FLCN's failure to file the 20 periodic reports with the Commission raised concerns about FLCN's proposed corporate actions. The Department provided FLCN with the deficiency determination on July 11, 2019. On July 17, 2019, FLCN filed this appeal.

B. FLCN Fails to File 20 Periodic Reports

On June 30, 2000, FLCN, as Novamex USA, Ltd., filed a Form 10-SB with the Commission.² FLCN filed two amendments to the Form 10-SB in July 2000 and April 2001, respectively. FLCN made all required quarterly periodic filings (Form 10-Q) from the period ending on September 30, 2000 to the period ending on March 31, 2002. FLCN, however, failed to file quarterly periodic reports for 14 periods between September 2002 and December 2006, and it failed to file any annual periodic report (Form 10-K).

On May 15, 2007, FLCN filed a Form 15 to terminate its securities registration and status as a reporting company under the Exchange Act.³ FLCN filed the Form 15 by certifying that it had complied with Exchange Act Rules 12g-4(a)(1)(i) and 12h-3(b)(1)(i), which apply to issuers whose securities are held by less than 300 shareholders. FLCN's Form 15 certified that the issuer had 53 shareholders as of the date of the filing.

C. The UPCC Subcommittee's Findings and Conclusions

FINRA Rule 6490 authorizes the Department to process or decline to process documentation related to corporate actions. *See AutoChina Int'l Ltd.*, Exchange Act Release No. 79010, 2016 SEC LEXIS 3771, at *1 (Sept. 30, 2016) (affirming FINRA's denial of issuer's request for a name change); *Positron Corp.*, Exchange Act Release No. 74216, 2015 SEC LEXIS 442, at *4 (Feb. 5, 2015) (affirming FINRA's denial of issuer's request for reverse stock split and change in domicile). Under FINRA Rule 6490, the Department is permitted to exercise discretion and to decline to process documentation related to corporate actions if an issuer's request is "deficient," based on one or more of the five-factors listed in FINRA Rule 6490(d)(3), and if denial of the issuer's request is "necessary for the protection of investors, the public

² The Form 10-SB provides for the registration of securities for small businesses pursuant to Section 12(g) of the Securities Exchange Act of 1934 (Exchange Act).

³ The Form 15 is the Commission's Certification and Notice of Termination of Registrant Under Section 12(g) of the Securities Exchange Act of 1934 or Suspension of Duty to File Reports Under Sections 13 and 15(d) of the Securities Exchange Act of 1934.

interest and to maintain fair and orderly markets.” *mPhase Techs., Inc.*, Exchange Act Release No. 74187, 2015 SEC LEXIS 398, at *6 (Feb. 2, 2015). Based on our review of FLCN’s request to process documentation related to the proposed name change and symbol change, and the Department’s and FLCN’s related submissions and arguments, we find that the Department’s deficiency determination is correct.

The record in this case establishes, and FLCN acknowledges,⁴ that the issuer failed to file the 20 periodic reports cited in the Department’s deficiency determination – 14 quarterly periodic reports for the periods between September 2002 and December 2006, and six annual periodic reports for the periods between June 2001 and June 2006. FLCN’s failure to file the periodic reports triggered FINRA Rule 6490(d)(3)(2), which states that the Department may decline to process a corporate action if “the issuer is not current in its reporting requirements, if applicable, to the [Commission] or other regulatory authority.” On appeal, FLCN proffers two reasons to permit the corporate actions to proceed. Neither argument is persuasive.

First, FLCN states that “FINRA previously accepted and approved a name and symbol change in May 2007[, and that] . . . FINRA did not require that the reports be filed at that time.”⁵ FLCN’s estoppel argument fails for three reasons. As an initial matter, FINRA Rule 6490 did not become effective until September 2010. *See Obligation of Issuers to Provide Notice of Company-Related Actions*, FINRA Regulatory Notice 10-38, 2010 FINRA LEXIS 71, at *1 (Aug. 2010). Accordingly, prior to September 2010, FINRA was not authorized to deny an issuer’s corporate action request. *See mPhase Techs., Inc.*, 2015 SEC LEXIS 398, at *5 (stating that, “FINRA proposed, and the Commission approved, FINRA Rule 6490 authorizing FINRA to deny an issuer’s request that FINRA announce a [c]ompany-[r]elated [a]ction on the [over-the-counter bulletin board] under certain circumstances.”). Moreover, FINRA’s processing of corporate actions is not the type of process in which FINRA can be estopped from issuing a denial when FINRA Rule 6490 would allow it. As FINRA Rule 6490(e) highlights, “[t]he subcommittee’s determination should not constitute an estoppel as to FINRA nor bind FINRA in any subsequent administrative, civil, or disciplinary proceeding.” Finally, FINRA cannot compel issuers to make periodic filings with the Commission. That authority rests solely with the Commission. *See e.g., Am. Sands Energy Corp.*, Exchange Act Release No. 86477, 2019 SEC LEXIS 1863, at *10-11 (July 25, 2019) (Commission-initiated administrative proceeding to revoke the registration of the issuer’s securities based on the issuer’s failure to file periodic reports).

⁴ FLCN concedes that “[p]rior to filing [the] Form 15 on May 15, 2007, the issuer was delinquent with its required [Commission] filings.”

⁵ In June 2007, the Department announced corporate actions related to FLCN’s request for a 1-100 reverse stock split, name change from Novamex USA, Ltd. to Falcon Technologies, Inc., and symbol change from NOVMM to FLCN.

Second, FLCN states that it “filed a Form 15 on May 11, 2007 terminating its obligations under [Exchange Act] Rules 12g-4(a)(1)(i) and . . . 12h-3(b)(1)(i)[, and] [n]either the [Commission] nor FINRA has made any demand or request to file these . . . reports” We acknowledge that FLCN filed the Form 15 to terminate its ongoing periodic reporting requirements with the Commission. But FLCN’s termination of its ongoing periodic filing requirements does not obviate the issuer’s filing obligations related to the 20 delinquent periodic reports it has neglected to file. The termination of FLCN’s ongoing periodic reporting requirements does not render the issuer current in its reporting obligation to the Commission. As the Commission staff has explained:

When a registrant becomes delinquent in its reporting obligation . . . [the] delinquent filer must file all delinquent reports in order to become current in its [Securities] Exchange Act [of 1934] reporting. While filing required documents late will not ‘cure’ . . . violations, and will not make the registrant timely for purposes of eligibility to use certain Securities Act [of 1933] forms, it will permit the registrant to become current in its [Securities] Exchange Act [of 1934] reporting.

US Securities and Exchange Commission, Division of Corporation Finance, *Compliance and Disclosure Interpretations: Exchange Act Sections*, <https://www.sec.gov/divisions/corpfin/guidance/exchangeactsections-interps.htm> (last visited Sept. 4, 2019). In order for FLCN to become current in its reporting obligations with the Commission, the issuer must file the 14 quarterly reports and six annual reports listed in the Department’s deficiency determination.

The public interest strongly favors issuers becoming current in their Exchange Act reporting obligations, and, when issuers fail to file periodic reports, it violates “a central provision of the Exchange Act, . . . depriv[ing] both existing and prospective holders of its registered stock of the ability to make informed investment decisions based on current and reliable information.” *Am. Sands Energy Corp.*, 2019 SEC LEXIS 1863, at *10-11 (finding that the issuer’s failure to file periodic reports was “serious” and “recurrent” because the issuer failed to file required annual and quarterly reports for multiple years). To be sure, the Exchange Act’s periodic reporting requirements provide public disclosure of financial information about an issuer, so investors may make informed decisions:

The reporting requirements of the [Exchange Act] is the primary tool which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities. Congress has extended the reporting requirements even to companies which are “relatively unknown and insubstantial.”

SEC v. Beisinger Indus. Corp., 552 F.2d 15, 18 (1st Cir. 1977) (quoting the Exchange Act's legislative history). FLCN's history of ignoring its reporting obligations evidences a high degree of disregard for the importance of public disclosure, and we have determined that it is in the public interest not to process the issuer's corporate action requests. *See, e.g., Am. Sands Energy Corp.*, 2019 SEC LEXIS 1863, at *11. We therefore affirm the Department's denial of FLCN's request for the proposed name change and symbol change. This decision constitutes FINRA's final action with respect to this matter.

D. Appeals to the Commission

FLCN may appeal this decision to the Commission. To do so, FLCN must file an application for review with the Commission within 30 days of receipt of this decision. A copy of this application must also be sent to FINRA's Office of General Counsel.

The address of the Commission is:

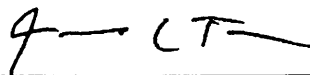
Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE, Room 10915
Washington, DC 20549-1090

The address of FINRA is:

Jante C. Turner
FINRA – Office of General Counsel
1735 K Street, NW
Washington, DC 20006

If FLCN files an application for review with the Commission, the application must identify the FINRA case number and state the basis for appeal. The application also must include an address where FLCN may be served and a telephone number where FLCN may be reached during business hours. Attorneys must file a notice of appearance. Questions regarding the appeal process may be directed to the Office of the Secretary at the Commission. The telephone number of that office is 202-551-5400.

On Behalf of the Uniform Practice Code Committee,



Jante C. Turner

cc: Millicent Banks
Patricia Casimates
Kosha Dalal
Kwame Baah-Gyimah
Nancy Espinosa

Exhibit B

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 15**

**CERTIFICATION AND NOTICE OF TERMINATION OF REGISTRATION UNDER SECTION 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934 OR SUSPENSION OF DUTY TO FILE REPORTS UNDER SECTIONS 13
AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

Commission File Number 0-30935

NOVAMEX U.S.A. LTD.

(Exact name of registrant as specified in its charter)

22281 Guenette Street

Ville Saint-Laurent, Quebec, Canada H4R 2E9 (418) 652-9001

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

COMMON STOCK, NO PAR VALUE

(Title of each class of securities covered by this Form)

NONE

(Titles of all other classes of securities for which a duty to file reports under Section 13(a) or 15(d) remains)

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to terminate or suspend the duty to file reports:

Rule 12g-4(a)(1)(i)	<input checked="" type="checkbox"/>	Rule 12h-3(b)(1)(i)	<input checked="" type="checkbox"/>
Rule 12g-4(a)(1)(ii)	<input type="checkbox"/>	Rule 12h-3(b)(1)(ii)	<input type="checkbox"/>
Rule 12g-4(a)(2)(i)	<input type="checkbox"/>	Rule 12h-3(b)(2)(i)	<input type="checkbox"/>
Rule 12g-4(a)(2)(ii)	<input type="checkbox"/>	Rule 12h-3(b)(2)(ii)	<input type="checkbox"/>
		Rule 15d-6	<input type="checkbox"/>

Approximate number of holders of record as of the certification or notice date:
53

Pursuant to the requirements of the Securities Exchange Act of 1934, Novamex U.S.A. Ltd. caused this certification/notice to be signed on its behalf by the undersigned duly authorized person.

Date: MAY 11, 2007

By: /s/ William J. Delgado

Name: William J. Delgado
Title: President

Instruction: This form is required by Rules 12g-4, 12h-3 and 15d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934. The registrant shall file with the Commission three copies of Form 15, one of which shall be manually signed. It may be signed by an officer of the registrant, by counsel or by any other duly authorized person. The name and title of the person signing the form shall be typed or printed under the signature.



Brinen & Associates, LLC

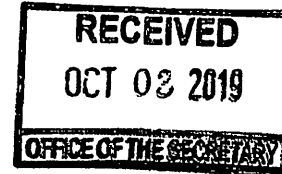
Joshua D. Brinen
Attorney at Law
New York Office
jbrinen@brinenlaw.com

Member New York, New Jersey, Florida, California, Texas & Nevada Bar
LL.M. in Taxation

October 2, 2019

VIA ELECTRONIC & FIRST CLASS MAIL

Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



3-19575

Email: APFilings@sec.gov

Re: Application for Review & Notice of Appearance
In the Matter of Falcon Technologies, Inc.
FINRA Case No. CAS-65999-D4D0V6
Our File No.: Falcon.11

To the Secretary of the Commission:

My firm represents Falcon Technologies, Inc. ("Falcon") in the above-referenced matter.

Please find my Notice of Appearance and an Application for Review in the above-referenced matter.

Should you have any questions, please do not hesitate to contact me at the New York office or via electronic mail at jbrinen@brinenlaw.com.

Yours truly,
Brinen & Associates, LLC

Joshua D. Brinen

Enclosure

JDB:mew

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Facsimile: (212) 227-0201

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