

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

April 13, 2021

Admin. Proc. File No. 3-19861

In the Matter of SPOTLIGHT INNOVATION, INC., and TEMPUS APPLIED SOLUTIONS HOLDINGS, INC.	OPPOSITION TO ORDER TO SHOW CAUSE AS TO SPOTLIGHT INNOVATION, INC.
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Simply, previously served Respondents management no longer controls the issuer, and the prior controlling management regrettably ignored their obligation to respond. The instant Order to Show Cause issued just after an entrepreneurial, conscientious and hard-working young African-American securities lawyer, based and practicing in Washington, DC, completed the legal process of taking control of the issuer, after expending significant effort and doing extensive work to bring Spotlight Innovation, Inc. (“Spotlight”) back into compliance with Nevada corporate law. Before the Commission now is the question whether to give Destiny Aigbe the opportunity to bring Spotlight into compliance with its SEC filing obligations or pull out the rug from under him just after he completed the painstaking Nevada corporate law reclamation project.

Spotlight, by and through undersigned counsel, files this response in opposition to the Order to Show Cause as to Spotlight issued on March 30, 2021 (the “Order to Show Cause”) by the Securities and Exchange Commission (“Commission”).¹ The Order to Show Cause directed Spotlight to respond to the Commission by April 13, 2021, as to why the registration of its securities should not be revoked by default due to its failure to file an answer and to otherwise

¹ *Spotlight Innovation, Inc.*, Exchange Act Release No. 91440 (March 30, 2021).

defend this proceeding.² The answer is current management was unaware of the Commission's proceeding and requests a reasonable opportunity to preserve and build shareholder value and opportunity.

As further discussed below, Spotlight's current management is committed to fully participating in and defending these proceedings as in the interest of the company and its shareholders. Spotlight respectfully submits that, notwithstanding the delay in filing its Answer, it can show good cause as to why it is making a reasonable request for an extension of time to Answer the allegations in this proceeding, consistent with Rule 161(a) of the Commission's Rules of Practice (17 C.F.R. § 201.161(a)) and the Commission's March 18, 2020 order regarding the filing and service of papers.³

I. PROCEDURAL HISTORY

On July 8, 2020, the Commission issued an Order Instituting Proceedings ("OIP") against Spotlight, pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the "Exchange Act"), alleging Spotlight is delinquent in its periodic filings with the Commission.⁴ According to the OIP, this proceeding was instituted to "afford [Spotlight] an opportunity to establish any defenses to such allegations" and determine whether it is necessary and appropriate to suspend or revoke each class of Spotlight's securities registered pursuant to Section 12 of the Exchange Act.⁵ The OIP directed Spotlight to file its Answer within ten (10) days after service of the OIP.⁶

² *Id.*

³ *See In re Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020), <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf> ("all reasonable requests for extensions of time will not be disfavored as stated in Rule 161.")

⁴ *Spotlight Innovation, Inc.*, Exchange Act Release No. 89253, 2020 WL 3883271 (July 8, 2020). The OIP also instituted proceedings against Tempus Applied Solutions Holdings, Inc., which subsequently had the registration of its securities revoked pursuant to a settlement.

⁵ *Id.* at p. 2.

⁶ *Id.* at p. 3.

According to the Order to Show Cause, on September 28, 2020, the Division of Enforcement filed a declaration which stated that service of the OIP was made on Spotlight on August 10, 2020.⁷ As such, Spotlight's Answer ostensibly was due by midnight Eastern Time on August 20, 2020.⁸ However, the deadline passed without Spotlight filing its Answer and no Answer has been filed to date. The Order to Show Cause directed Spotlight to respond to the Commission by April 13, 2021, as to why the registration of its securities should not be revoked by default due to its failure to file an Answer and to otherwise defend this proceeding.⁹

II. ANALYSIS AND ARGUMENT

Spotlight has undergone substantial changes in management since the original deadline to file the Answer. Spotlight is now managed by its court-appointed custodian Lazarus LLC.¹⁰ The principal of Lazarus LLC is Mr. Destiny Aigbe, who now is Chief Executive Officer and sole Director of Spotlight following a Spotlight shareholder meeting held on March 24, 2021.¹¹ Mr. Aigbe is a dynamic and entrepreneurial young African-American securities lawyer, based in Washington, DC, who has expended significant effort and done extensive work to bring Spotlight back into compliance with Nevada law and now seeks the opportunity to bring Spotlight similarly back into compliance with its SEC filing obligations.

A. Spotlight Opposes the Order to Show Cause Because its New and Current Management is Committed to Participating Fully In and Defending these Proceedings.

i. Lazarus LLC Demonstrated to the Nevada Court that it Merited Court Appointment as Judicially-Designated Custodian for Spotlight.

⁷ *Spotlight Innovation, Inc.*, Exchange Act Release No. 91440 (March 30, 2021).

⁸ 17 C.F.R. § 201.152(a).

⁹ *Id.*

¹⁰ Lazarus LLC is a limited liability company organized under the laws of Delaware on April 14, 2020.

¹¹ Mr. Aigbe initially assumed the role of President of Spotlight on September 1, 2020, upon filing the Certificate of Reinstatement/Revival for Spotlight on September 1, 2020, with the Secretary of State of Nevada.

On June 16, 2020, Lazarus LLC, a stockholder of Spotlight, filed a petition pursuant to N.R.S. § 78.347(b) with the Eighth Judicial District Court of Clark County, Nevada for appointment as custodian of Spotlight in order to continue the business of the corporation for the benefit of the corporation and its stockholders.¹² When Lazarus LLC filed the petition, the State of Nevada already had revoked Spotlight’s corporate charter for various violations of N.R.S. § 78.710, including failure to file its annual list of officers and directors and failure to pay its annual franchise tax since 2019.¹³ The appearance and perception was that Spotlight’s then officers and directors of record had abandoned the business.

In granting Lazarus LLC’s petition for custodianship, the Nevada District Court found that, beginning on May 21, 2020, Lazarus LLC attempted to give notice and serve demand on Spotlight, at its last known registered business address and all active members’ and officers’ last known addresses demanding that Spotlight comply with its statutory obligations under N.R.S. § 78.710 and N.R.S. § 78.150. Lazarus LLC received no response.¹⁴ Thereafter, the District Court, after making the affirmative finding that Lazarus LLC “has demonstrable experience in managing the affairs of Nevada corporations,” granted the petition and appointed Lazarus LLC as custodian of Spotlight by Order issued on July 30, 2020 (the “Custodianship Order”).¹⁵

ii. As Custodian, Lazarus LLC has brought Spotlight into Compliance with its Obligations under Nevada Law.

¹² *In re the Petition of Lazarus LLC*, District Court of Clark County, Nevada (Case No. A-20-816667-P), (June 16, 2020); *see also*, Section 78.347(b) of the NRS provides that: “Any Stockholder may apply to the district court to appoint one or more persons to be custodian of the corporation, and, if the corporation is insolvent, to be receivers of the corporation when: ... (b) The corporation has abandoned its business and has failed within a reasonable time to take steps to dissolve, liquidate or distribute its assets in accordance with this chapter.” N.R.S. § 78.347(b).

¹³ See Petitioner's Application for Appointment of Custodian, (June 16, 2020), *In re the Petition of Lazarus LLC*, District Court of Clark County, Nevada (Case No. A-20-816667-P), (June 16, 2020).

¹⁴ Order Granting Application for Appointment of Lazarus LLC as Custodian of Spotlight Innovation Inc., p. 2 (July 31, 2020), *In re the Petition of Lazarus LLC*, District Court of Clark County, Nevada (Case No. A-20-816667-P), (June 16, 2020).

¹⁵ *Id.* at p. 2-3.

The District Court appointed Lazarus LLC as custodian of Spotlight and authorizing Lazarus LLC to take any actions on behalf of Spotlight that are reasonable, prudent or for the benefit of Spotlight. The District Court then directed Lazarus LLC to (i) reinstate Spotlight with the State of Nevada; (ii) identify and name a registered agent within the State of Nevada for Spotlight; (iii) provide notice to all stockholders of record of a meeting of stockholders; (iv) submit a report to the district court of the actions taken at said stockholders meeting; (v) provide a status report to the district court of the actions taken and the status of the custodianship every 120 days; and (vi) file an amendment to Spotlight's Articles of Incorporation making certain required disclosures pursuant to N.R.S. 78.347(4).¹⁶ Lazarus LLC complied.

Lazarus LLC duly provided the District Court with an update on December 16, 2020 as to these court-assigned tasks when Lazarus LLC filed a required status report.¹⁷ Lazarus LLC, now acting as custodian for Spotlight, affirmed that (i) it had reinstated Spotlight with the Nevada Secretary of State, (ii) filed to amend Spotlight's Articles of Incorporation with the Nevada Secretary of State on or about September 1, 2020 as required by N.R.S. 78.347; (iii) appointed an interim management team for Spotlight; and (iv) scheduled a shareholders' meeting.¹⁸ Lazarus LLC also caused Spotlight's registered agent within the State of Nevada to be Premier Legal Group, 1333 North Buffalo Drive, Suite 210, Las Vegas, Nevada 89128. Lazarus LLC took these

¹⁶ Section 78.347(4) requires that, "Within 10 days after being appointed custodian of a Nevada publicly traded corporation, the custodian shall file with the Secretary of State an amendment to the articles of incorporation containing the following information: (a) Disclosures of any previous criminal, administrative, civil or National Association of Securities Dealers, Inc., or Securities and Exchange Commission investigations, violations or convictions concerning the custodian and any affiliate of the custodian. (b) A statement indicating that: (1) Reasonable attempts were made to contact the officers or directors of the corporation to request that the corporation comply with corporate formalities and to continue its business. (2) The custodian is in fact continuing the business and attempting to further the interests of the shareholders. (3) The custodian will reinstate or maintain the corporate charter. (c) Any other information required by regulation to be submitted to the Secretary of State. N.R.S. § 78.347(4).

¹⁷ Report of Lazarus LLC as Court Appointed Custodian for Spotlight Innovation Inc., (Dec. 16, 2020), *In re the Petition of Lazarus LLC*, District Court of Clark County, Nevada (Case No. A-20-816667-P), (June 16, 2020).

¹⁸ The shareholder meeting was recently held on March 24, 2021 following the distribution of proxy statements. As mentioned above, Mr. Aigbe was appointed CEO and sole director during the shareholding meeting.

actions at its own expense and cost and did not cause Spotlight to borrow money from any third-party. On February 13, 2021, the District Court entered an Order to Statistically Close Case in the corporate custodianship proceedings, effectively putting its imprimatur on the new Destiny Aigbe-led Spotlight.¹⁹

iii. Spotlight's Current Management Seeks the Opportunity to Defend Spotlight Against the OIP in order to Protect the Shareholders.

Mr. Aigbe's diligent and Nevada law-compliant efforts make clear that the current management of Spotlight is engaged fully in and spending considerable effort to bring into compliance Spotlight's affairs with all laws and regulations to which it is subject. After righting the ship in Nevada, Spotlight's current management seeks a similar opportunity to address these proceedings before the Commission with appropriate diligence and candor.

Spotlight submits that the prior failure to respond to these proceedings was due entirely to previous management's abandonment of the company's affairs. New management, that is the dynamic and committed Destiny Aigbe, assures the Commission that he is and will be responsive. Since learning of these proceedings, Spotlight's current management has endeavored to address them. Accordingly, Spotlight believes that it is demonstrating good cause as to why it is making a reasonable request for an extension of time to file an Answer to the allegations in this proceeding, consistent with Rule 161(a) of the Commission's Rules of Practice (17 C.F.R. § 201.161(a)) and the Commission's March 18, 2020 order regarding the filing and service of papers.²⁰

B. Spotlight Seeks An Extension of Time and Access to the EDGAR System In Order to Comply With Its SEC Reporting Obligations.

¹⁹ Civil Order to Statistically Close Case, (Feb. 13, 2021), *In re the Petition of Lazarus LLC*, District Court of Clark County, Nevada (Case No. A-20-816667-P), (June 16, 2020).

²⁰ See *In re Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020), <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf> (providing that, "all reasonable requests for extensions of time will not be disfavored as stated in Rule 161.")

Destiny Aigbe is an experienced African-American investor, business manager, and attorney, specializing in creative corporate funding solutions, corporate restructuring, mergers and acquisitions, and going public transactions. Mr. Aigbe has experience in creating, revising and managing sound business and marketing plans for investors and companies to succeed. Mr. Aigbe has overseen corporate projects to fund businesses for start-ups and established corporations, including necessary due diligence and management of corporate organizations. Mr. Aigbe intends to use his entrepreneurial experience to turn the business of Spotlight around in a positive direction. Mr. Aigbe is the principal of and controls Lazarus LLC. Neither Lazarus LLC nor its principal have been subject to any previous criminal, administrative, civil or FINRA or SEC investigations, violations or convictions.

With respect to these proceedings, Lazarus LLC's express objective is to bring Spotlight into compliance with its SEC reporting obligations as soon as possible to comply with the filing requirements of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder. Specifically, Lazarus LLC, on behalf of Spotlight, requests (i) an extension of six (6) months from the date hereof to make the requisite filings of its financial statements pursuant to 17 C.F.R. § 210.3-11; and (ii) access to the SEC's EDGAR filing system to make the filings with the Commission.

Consistent with the foregoing, Spotlight respectfully requests that the Commission first allow it to prepare and file an Answer to the allegations and defend itself against the OIP. Spotlight asks that the Commission grant this opportunity before the Commission considers the question of whether it is necessary and appropriate to suspend or revoke the registration of Spotlight's securities registered pursuant to Section 12 of the Exchange Act. However, in the event the Commission decides to consider summarily the question of whether to suspend or revoke the registration of Spotlight's registered securities, then Spotlight respectfully requests that the

Commission decide that no such action is necessary and appropriate, given the new leadership and commitment of Mr. Aigbe.

If the Commission instead decides to punish Spotlight's shareholders and new management for the neglect and disinterest of prior management -- and disregard Mr. Aigbe's efforts and financial investment to date, then Spotlight requests respectfully that the Commission limit any punitive action to suspension rather than revocation of the registration of Spotlight's securities. Suspension, rather than revocation, at least would afford the current management of Spotlight a chance to bring Spotlight back into SEC compliance, as per its commitment. Moreover, suspension would be consistent with and recognize the demonstrable efforts of Mr. Aigbe upon Lazarus LLC becoming custodian of Spotlight. Mr. Aigbe has endeavored to take all reasonable actions necessary to bring Spotlight into compliance with its state and federal obligations.

WHEREFORE, Spotlight respectfully requests that the Commission (i) grant Spotlight an extension of time to file its Answer to allow it to defend properly and adequately these proceedings; (ii) not revoke the registration of Spotlight's securities by default action; (iii) grant Spotlight an extension of time to file its periodic reports; and (iii) grant Spotlight access to the EDGAR filing system.

Dated: April 13, 2021, Washington, DC

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Statement of Filing by eFAP and E-Mail

The undersigned hereby certify that on April 13, 2021, we caused a true and correct copy of the foregoing Opposition to Order to Show Cause as to Spotlight Innovation, Inc. to be filed via the SEC's eFAP system and via e-mail to e-mail address APFilings@sec.gov, in Administrative Proceeding File No. 3-19861, *In the Matter of Spotlight Innovation, Inc., and Tempus Applied Solutions Holdings, Inc.*, with the Office of the Secretary of the United States Securities and Exchange Commission. The eFAP system and e-mail filing are pursuant to the amendments to 17 C.F.R. § 201.151(a), Rule 151(a) of the Commission's Rules of Practice that recently took effect.²¹

Dated: April 13, 2021, Washington, DC

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²¹ *Amendments to the Commission's Rules of Practice*, 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020); *see also* *Amendments to the Commission's Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020); *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>; *In re Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020).

Certificate of Service

I hereby certify that on April 13, 2021, I caused a true and correct copy of the foregoing Opposition to Order to Show Cause as to Spotlight Innovation, Inc. and Statement of Filing by eFAP and E-Mail, to be served upon other persons entitled to notice in the manner set forth to the right of each served party:

Division of Enforcement (via e-mail)
Securities and Exchange Commission
Attn: Gina M. Joyce, Esq. (to joyceg@sec.gov)

Dated: April 13, 2021, Washington, DC

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