UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21654

In the Matter of

Ameri Metro, Inc.,

Respondent.

MOTION FOR SUMMARY DISPOSITION AND SUPPORTING MEMORANDUM

The Division of Enforcement ("Division"), pursuant to Commission Rules of Practice 154 and 250, moves for an order of summary disposition revoking the registration of each class of securities of Ameri Metro, Inc. ("Respondent") registered pursuant to Section 12 of the Securities and Exchange Act of 1934 ("Exchange Act").

BRIEF IN SUPPORT

I. FACTS

A. Respondent's Background.

Respondent Ameri Metro, Inc. (Ticker Symbol ARMT and CIK No. 1534155) is a Delaware corporation located in York, Pennsylvania with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). Respondent's last report with the Commission, covering the quarterly period ended January 31, 2022, included a going concern disclosure revealing that Respondent had had not generated any revenues since inception. *See*

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Form 10-QA for period ended January 31, 2022.[1] Respondent's common stock is eligible to be quoted on OTC Link.[2] Respondent is delinquent in its periodic filings with the Commission, with ten periodic reports currently outstanding.

B. Respondent's Delinquencies.

On June 28, 2023, the Commission's Division of Corporation Finance sent Respondent a letter notifying Respondent that it was delinquent in filing its periodic reports and that failure to file the reports within 15 days could result in revocation. *See* Harris Dec. at **Ex. 3**. At the time the notice was sent, Respondent had failed to file five periodic reports. *Id.* and **Exs. 4 and 5**. Respondent did not file the then-delinquent reports.

On September 12, 2023, the Commission issued the OIP. When Respondent did not file an Answer, the Commission issued a Show Cause Order. Respondent filed a response to the Show Cause Order on January 25, 2024, which the Commission treated as an Answer. *See* Exchange Act Release No. 99884 (April 2, 2024). In its Answer, Respondent admitted that it had not filed required reports for over a year. *See* Answer at ¶ 9.[3]

By April 2024, eight reports were delinquent – six Form 10-Qs and two Form 10-Ks. *See* Harris Dec. at **Ex. 5**. Between April 18 and April 23, 2024, Respondent filed eight documents with the SEC purporting to be the then-delinquent reports. *See* Harris Dec. at **Ex. 4**. However, none of the filings contained any of the information required by either Form 10-Q or Form 10-K. Item 8

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[1] Available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0001534155/000153415522000009/armt10qa0122.htm. The Commission may take judicial notice of any matter in the Commission's public official records. *See* 17 C.F.R. § 201.323.

[2] Although Respondent's ticker symbol does not currently appear on OTC Markets due to trading inactivity, the symbol will reappear on OTC Markets if a trade is executed. *See* Declaration of Sandhya Harris at **Ex. 2**

[3] The majority of Respondent's Answer refers to what appears to be an SEC investigation into a whistleblower submission in which the undersigned counsel is not involved.

of Form 10-K and Item 1 of Form 10-Q are designated for financial statements. *See* Instructions for Forms 10-K and 10-Q.[4] In lieu of financial statements, Items 8 and 1 of Respondent's filings contained only the following "Note 1:"

> **NOTE 1 – LETTER FROM AMERI METRO, INC. CFO**
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> To Whom this May Concern and for the Record:
>
> **Ameri Metro, Inc. ("ARMT") Background:**
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> ARMT filed its original S-1 on June 13, 2013. ARMT is an infrastructure company specializing in highly technical toll roads, bridges, high-speed rails, and ports. Since 2013, ARMT has solidified over 100 infrastructure contracts throughout the USA and the world. All these contracts will ultimately recognize well more than $1,000,000,000 each averaging approximately $20,000,000,000 each. All contracts ultimately benefit State or Federal agencies. ARMT has solidified funding of approximately $950,000,000,000 from large financial institutions. ARMT was formed to enhance the humanitarian crisis everywhere and fund governments whereby the projects are otherwise not affordable without raising taxes.
>
> **Personal Background:**
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> My name is Phillip M. ("Marty") Hicks, and I am the Co-Chief Executive Officer and Chief Financial Officer of Ameri Metro, Inc. My brief professional background is that I have more than 40 years' experience and have served throughout the USA as a forensic accountant, one of the most accredited forensic accountants in America. I am a former Partner for Deloitte and a veteran professional Whistleblower for the Security Exchange Commission's ("SEC") program since its inception in August of 2011. With respect to White Collar crimes, I have assisted various U.S. Attorney's offices and the local Federal Bureau of Investigation. I continue to work with former Federal agents. In this respect, I have extensive regulatory experience and have assisted with more than 50 Federal indictments including but not limited to; Robert Bandfield, Gregg Mulholland, Brian Sodi, Scott Key, Barry Honig and others.
>
> **Late Regulatory Filings:**
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> We at Ameri Metro, Inc. are providing details resulting in our late filing of the following:
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> - All 10-Q's and the 10-K due since January 31, 2022

[4] Available at https://www.sec.gov/files/form10-k.pdf and https://www.sec.gov/files/form10-q.pdf.

Even though we have adequate books and records for all periods questioned in the opinion of management, we are unable to file financial statements nor footnotes for these periods due to the following:

1. A bogus lawsuit was filed before the financial periods in question by Andrew Lentz for more than $389,000,000. Mr. Lentz was a former consultant to a related entity of ARMT. Mr. Lentz was fully aware that this bogus lawsuit would cause significant damages to ARMT including, but not limited to, not being able to meet its financial reporting requirements. To date, his strategy has worked.

2. Andrew Lentz boasted to many ARMT affiliates about "blowing the whistle" on ARMT to the SEC. In fact, the SEC indeed accepted the Lentz TCR (complaint) and acted upon it by opening an investigation and issuing questionnaires to all but a few ARMT Stock Class B shareholders. Only an insider such as Andrew Lentz was privy to that very private information. ARMT is currently supporting a lawsuit against Lentz and the SEC on behalf of our Class B shareholders for violations of personal privacy, fraud and extortion. In that regard, Lentz was not in a position to file a lawsuit of this magnitude, notably having filed personal bankruptcy three times, thus fraudulent.

3. Even though Andrew Lentz clearly made materially false statements to a Federal agency (i.e. the SEC) causing serious damages to ARMT, the SEC has not pursued, to our knowledge, a criminal complaint against him via the Department of Justice. In fact, the SEC continues to pursue de-registration of ARMT regardless of merit.

4. The SEC has not issued its final position on accounting for digital currencies. The proposed SEC position remains in direct conflict with GAAP standards and the AICPA's proposals. We agree with the AICPA's position because the SEC's position opens the door to massive financial statement manipulations.

If these matters remain outstanding and the SEC continues its course of action against ARMT, we have no choice but to do the following or any combination thereof to protect our interests:

- File a complaint in Federal Court against the SEC and Andrew Lentz for numerous allegations involving damages of more than $1,000,000,000.

- Immediately tokenize ARMT so that the company is no longer regulated by the SEC because the company will no longer have equity positions.

- File our complaint against Andrew Lentz for consideration to the US Attorney's office in Pennsylvania.

We sincerely hope this clarifies our inability to meet our regulatory filing requirements, several of which are directly a consequence of SEC negligence.

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See, e.g., Purported Form 10-K for Fiscal Year Ended July 31, 2023 at Item 8[5] and Purported Form 10-Q for Quarter Ended April 30, 2022 at Item 1.[6] All other required Items of the eight reports simply refer to "Note 1." *See, e.g.,* Purported Form 10-K for Fiscal Year Ended July 31, 2023 at Items 1-7 and 9-15. *See also* Harris Dec. at ¶7 (all Items in the two purported Forms 10-K and six purported Forms 10-Q consist of "Note 1" or references to Note 1).

In August 2024, Respondent filed a Form 8-K announcing that it had terminated Mr. Hicks, the author of "Note 1," for alleged "unprofessional and unethical behavior." *See* August 12, 2024 Form 8-K.[7] Since April 2024, two additional reports have fallen delinquent meaning that the investing public has been without required and current information about Respondent since January 31, 2022. *See* Harris Dec. at **Exs. 4 and 5**. At no point during Respondent's now 34-month delinquency did Respondent file a Form 12b-25, which is required when an issuer does not file a timely report. Harris Dec. at **Ex. 5**.[8]

II. APPLICABLE STANDARDS

Pursuant to Rule of Practice 250(b), a motion for summary disposition may be granted if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law. *See* 17 C.F.R. §201.250. Section 12(j) empowers the Commission, where "necessary and appropriate for the protection of investors" to either suspend (for a period not exceeding twelve months) or permanently revoke a security's registration "if the

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[5] Available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0001534155/000121390024035125/ea0204278-10k_ameri.htmForm**.**

[6] Available at https://www.sec.gov/ix?doc=/Archives/edgar/data/0001534155/000121390024034150/ea0204143-10q_ameri.htm.

[7] Available at https://www.sec.gov/ix?doc=/Archives/edgar/data/1534155/000121390024067690/ea0211150-8k_ameri.htm.

[8] Forms 12b-25 are required filings. *See* Compliance and Disclosure Interpretations, Questions and Answers of General Applicability (March 31, 2020), available at https://www.sec.gov/divisions/corpfin/guidance/exchangeactrules-interps.html.

Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder." 15 U.S.C. § 78l(j). In making this assessment, the Commission considers, among other things: (1) the seriousness of the issuer's violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer's efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer's assurances, if any, against future violations. *Gateway International Holdings, Inc.,* Exchange Act Release No. 53907, 2006 SEC LEXIS 1288, at *19-20 (May 31, 2006).

Where an issuer's violations are serious and recurrent, the Commission applies "a strong presumption in favor of revocation" that can only be rebutted by "a strongly compelling showing with respect to the other factors." *Absolute Potential, Inc. (f/k/a Absolute Waste Services, Inc.)*, Exchange Act Release No. 71866, 2014 SEC LEXIS 1193, at *24 (April 4, 2014) (quoting *Impax Laboratories, Inc.,* Exchange Act Release No. 57864, 2008 SEC LEXIS 1197, at *27 (May 23, 2008)).

III. ARGUMENT

Respondent admits that has failed to file required reports for over a year, *see* Answer at ¶9, that fact and additional delinquencies are established by the Commission's own records. *See* Harris Dec. at **Ex. 4**. Therefore, whether a violation occurred is not disputed and no evidentiary hearing is necessary on that issue. The only remaining issue is the appropriate remedy for Respondent's violations. Because the facts relevant to the *Gateway* factors are not disputed, no evidentiary hearing is necessary for a remedy determination. Under Commission precedent, the appropriate remedy is revocation.

A. Respondent's Violations of Section 13(a) Are Serious and Recurrent, Giving Rise to a Presumption That Revocation Is Required to Protect Investors.

All violations of Section 13(a)'s reporting requirements are serious because timely and accurate reporting is statutorily required and the reporting requirements are one of the primary statutory tools for protecting the integrity of the securities marketplace. As the Commission has stated:

> Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions. Those requirements are "the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities." Proceedings initiated under Exchange Act Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

Gateway, 2006 SEC LEXIS 1288, at *26 (citation omitted).

Respondent's reporting violations were especially serious because they coincided with a $389,000,000 lawsuit against Respondent that Respondent claims "would cause significant damages to" it and a whistleblower complaint about the company. *See* Purported Form 10-K for Fiscal Year Ended July 31, 2023 at Item 8, Note 1 (lawsuit) and Answer at ¶1 (whistleblower complaint). *See China-Biotics, Inc.,* Exchange Act Release No. 70800, 2013 WL 5883342, at *11 (Nov. 4, 2013) (delinquencies were especially serious where the periods coincided with significant changes to financial results, changes to its business model, turnover in management, and major financial investments); *Citizens Capital Corp.*, Exchange Act Release No. 67313, 2012 WL 2499350, at *9 (June 29, 2012) (reporting violations were especially significant when they "occurred during a period when the [c]ompany admittedly engaged in various and significant changes in its business"). The seriousness of Respondent's failure to file periodic reports is also

aggravated by Respondent's failure to file Forms 12b-25. *See China-Biotics,* 2013 WL 5883342 at n.72 (failure to file a Form 12b-25 may be an aggravating factor).

Respondent's failure to file ten successive reports also constitutes recurrent and continuous violations under the second *Gateway* factor. "Exchange Act Section 12(j) does not require a minimum number of missed filings before an administrative proceeding may be brought or before revocation may be considered." *China-Biotics, Inc.*, 2013 WL 5883342 at *10. Shorter delinquencies for fewer reports have been held to be continuous and recurrent. *See, e.g., iBIZ Technology Corp.*, Exchange Act Release No. 312, 2006 WL 1675913, at *4 (June 16, 2004) (failure to file one Form 10-K and two Forms 10-Q was serious and recurrent); *Triton Emission Sols. Inc.*, Release No. 94255, 2022 WL 488504, at *3 (Feb. 15, 2022) (failure to file for "more than a year"); *WSF Corp.*, Initial Decision Release No. 204, 2002 WL 917293, at *14 (May 8, 2002 (one Form 10-K and three Forms 10-Q), *aff'd* (May 24, 2002).

B. Respondent Has Not Rebutted the Presumption of Revocation With a Compelling Showing on the Remaining *Gateway* Factors.

Respondent's violations are serious and recurrent, and it has failed to make a compelling showing on the remaining *Gateway* factors rebutting the presumption of revocation. Indeed, those factors confirm that revocation is required to protect investors.

1. Respondent's violations were knowingly committed, establishing a high degree of culpability.

Evidence that a violation was "inadvertent or accidental" establishes a low level of culpability. *China-Biotics, Inc.,* 2013 WL 5883342 at *10 n.60. Evidence that an issuer knew of its reporting obligations but failed to comply with them, or persisted in noncompliance after receiving multiple warnings, establishes "a high degree of culpability." *Id*. (issuer had a "high degree of culpability" where it "did not file a single periodic report for more than a year and a half" and continued in its delinquencies "despite multiple warnings and the institution of

[revocation] proceedings"). *See also LegacyXChange, Inc.*, Exchange Act Release No. 96401, 2022 WL 17345980, at *5 (Nov. 29, 2022) (finding a high degree of culpability where issuer "was aware of its periodic and other filing obligations" yet committed repeated reporting violations).

Respondent's filing failures were not inadvertent or accidental. Respondent understood that it was required to file periodic reports, having filed dozens prior to the current delinquency. *See* Harris Dec. at **Ex. 4**. Moreover, the delinquency notice from the Division of Corporation Finance warned Respondent about the need to file the outstanding periodic reports. Harris Dec. at **Ex. 3**. Despite its own knowledge of the reporting requirements and the warning from the Division of Corporation Finance, Respondent continued to disregard its regulatory responsibilities.

2. Respondent has not remedied its past violations or provided evidence of concrete measures to ensure future compliance.

Respondent has not cured any of the delinquencies existing when the OIP issued or any that have accrued since then. (Respondent is not entitled to credit for filing "shell" Forms 10-K and 10-Q that include none of the information required by those forms). To make a compelling showing on future compliance, Respondent must demonstrate that it implemented concrete and effective measures to ameliorate the cause of its filing failures. *Phlo Corp.,* Exchange Act Release No. 55562, 2007 WL 966943, at *16 (Mar. 30, 2007). Respondent has submitted no evidence that any purported causes of its filing failures have been ameliorated.

3. Respondent has made no assurances against future violations.

The likelihood that Respondent will commit future violations can be inferred from its past violations, including the very violation that led to the enforcement action. *See KPMG Peat Marwick LLP*, Exchange Act Release No. 44050, 2001 SEC LEXIS 422, at *21-22 (March 8, 2001) (risk of future violation "need not be very great to warrant issuing a cease-and-desist order and that in the ordinary case and absent evidence to the contrary, a finding of past violation raises

a sufficient risk of future violation"). Respondent has not provided any assurances, let alone compelling assurances, that it is unlikely to commit future violations.

CONCLUSION

Revocation seeks to protect investors from issuers whose filing failures deprive "both existing and prospective holders of its registered stock of the ability to make informed investment decisions based on current and reliable information." *Accredited Bus. Consolidators*, Exchange Act Release No. 75840, 2015 WL 5172970, at *2 (September 4, 2015). Here, Respondent's filing failures have left existing and prospective investors without current and accurate financial information for 34 months at a time when Respondent is facing significant challenges. Revocation also protects current and prospective investors of all public filers by deterring other issuers from committing similar violations. *See Absolute Potential, Inc,* 2014 SEC LEXIS 1193, at *7. The protection of investors through an actively enforced reporting program mandates revocation here.

Dated: November 21, 2024

Respectfully submitted,

/s/ *Samantha M. Williams*
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COUNSEL FOR
DIVISION OF ENFORCEMENT

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CERTIFICATE OF SERVICE

I hereby certify that I caused true copies of the Division of Enforcement's Motion for Summary Disposition, Brief in Support, and Declaration of Sandhya C. Harris in Support thereof and accompanying Exhibits, to be served on the following on this 21 day of November, 2024, in the manner indicated below:

By Email Service

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/s/ Sandhya C. Harris
Sandhya C. Harris

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21654

In the Matter of

Ameri Metro, Inc.,

Respondent.

DECLARATION OF SANDHYA C. HARRIS IN SUPPORT OF DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

SANDHYA C. HARRIS, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Senior Counsel with the Division of Enforcement ("Division") of the Securities and Exchange Commission ("Commission") and co-counsel for the Division in the above-captioned administrative proceeding. I submit this Declaration in support of the Division's Motion for Summary Disposition ("Motion").

2. Attached hereto as Exhibit 1 is a true copy of a printout from the Delaware Secretary of State showing corporate filing information for Respondent.

3. Attached hereto as Exhibit 2 is a true copy of a printout from https://otce.finra.org/otce/dailyList?viewType=Deletions showing the trading status of Respondent's common stock (Symbol: ARMT) effective August 18, 2023, and an email from FINRA confirming the trading status of inactive securities.

4. Attached hereto as Exhibit 3 is a true copy of a delinquency letter from the Division of Corporation Finance to Respondent, dated July 14, 2023.

5. Attached hereto as Exhibit 4 is a true copy of a download from the Commission's internal EDGAR site showing all EDGAR filings made by Respondent

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through October 18, 2024. This download has also been designed to capture all Forms 3, 4 or 5, all Schedules 13D and 13G and amendments thereto, if any, and all Forms 12b-25 which may have been filed relating to Respondent. This download contains a complete record of all of the foregoing filings.

6. Attached hereto as Exhibit 5 is a true copy of a chart I prepared concerning Respondent's periodic filings from the period ended July 31, 2020 to present. The chart includes a list of filings that remain outstanding as of November 30, 2024. The first column lists the type of filing. The second column gives the fiscal period end to which the filing relates. The third column gives the due date for the filing. The fourth column gives the date on which the filing was actually filed. The fifth column gives the number of days by which the filing was late. The sixth column gives either the date on which a Form 12b-25 Notification of Late Filing was filed for the periodic report or indicates that the filing was not made.

7. Respondent filed two purported Forms 10-K and six purported Forms 10-Q between April 18, 2024 and April 23, 2024. These filings are all mostly blank except Note 1, titled "LETTER FROM AMERI METRO, INC. CFO" appears on pages 5 and 6 of each Form 10-Q and pages 7 and 8 of each Form 10-K. The remaining Items of the reports simply stating, "SEE NOTE ONE."

I declare under penalty of perjury that the foregoing is true and correct.

Executed: November 21, 2024.

Sandhya C. Harris