

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

SECURITIES EXCHANGE ACT OF 1934

Release No. 99648 / February 29, 2024

ADMINISTRATIVE PROCEEDING

File No. 3-21877

In the Matter of  
MBG Holdings, Inc.  
(f/k/a American Metals Recovery and  
Recycling, Inc.),  
Respondent.

**ANSWER: ORDER INSTITUTING  
ADMINISTRATIVE  
PROCEEDINGS AND NOTICE OF  
HEARING PURSUANT TO  
SECTION 12(j) OF THE  
SECURITIES EXCHANGE ACT  
OF 1934**

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) against the respondent named in the caption (“Respondent”).

**ANSWER: The Respondent is without information sufficient to affirm or deny the foregoing statement and hereby deny the same and request strict proof. To the extent it calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

1. MBG Holdings, Inc. (f/k/a American Metals Recovery and Recycling, Inc.) (“MBGH” or “Respondent”) (CIK No. 1488638) is a Nevada corporation located in Austin, Texas with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). MBGH is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2022, which reported a net

MBG Holdings, Inc. (SEC)

Answer

3-11-24

1

**OS Received 03/11/2024**

loss of \$2,769,288 for the prior three months. As of February 8, 2024, unsolicited quotations for the common stock of MBGH (Symbol: MBGH) were quoted on OTC Link, whose parent company is OTC Markets Group Inc.

**ANSWER: The averment is denied except insofar as to admit that the Respondent's common stock was quoted on OTC Link, and that the Respondent is a Nevada corporation located in Austin, Texas with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g); the dates and contents of all such reports speak for themselves.**

2. As discussed in more detail above, the Respondent is delinquent in its periodic filings with the Commission, has repeatedly failed to meet its obligation to file timely periodic reports, and failed to heed a delinquency letter sent to it by the Division of Corporation Finance requesting compliance with its periodic filing obligations or, through its failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such Letter.

**ANSWER: The dates of the Respondent's periodic reports speak for themselves, as does the delinquency letter referenced in the averment. The balance of the averments is denied.**

3. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports, and Rule 13a-13 requires domestic issuers to file quarterly reports.

**ANSWER: To the extent the averment calls for a legal conclusion, no answer is**

**necessary. To the extent that such an answer is necessary, it is denied.**

4. As a result of the foregoing, the Respondent failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

**ANSWER: To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II hereof are true and, in connection therewith, to afford the Respondent an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities registered pursuant to Section 12 of the Exchange Act of the Respondent, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of the Respondent.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondents, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of the Respondent, may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

This Order shall be served forthwith upon the Respondent by any means permitted by the Commission's Rules of Practice.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an

appearance on behalf of the Division, and not by paper service.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system accessed through the Commission's website, [www.sec.gov](http://www.sec.gov), at <http://www.sec.gov/eFAP>. Respondent also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission. Any exhibits should be sent as separate attachments, not a combined PDF.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the

Commission. This proceeding shall be deemed to be one under the 30-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

The Commission will issue a final order resolving the proceeding after one of the following: (A) the completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) the completion of briefing on a motion for a ruling on the pleadings or a

motion for summary disposition pursuant to Rule 250 of the Commission’s Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) the determination that a party is deemed to be in default under Rule 155 of the Commission’s Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary. In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action. For the Commission, by the Division of Enforcement, pursuant to delegated authority.

**ANSWER: The responses to the foregoing averments are incorporated by reference, as are the affirmative defenses set forth below. To the extent the averment calls for a legal conclusion, no answer is necessary. To the extent that such an answer is necessary, it is denied.**

#### **FIRST AFFIRMATIVE DEFENSE**

The Commission lacks authority to conduct the proceedings sought by the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the “Order”).

#### **SECOND AFFIRMATIVE DEFENSE**

The allegations fail to state a claim upon which the Commission can render the relief and/or sanctions as requested Order initiating these proceedings.

#### **THIRD AFFIRMATIVE DEFENSE**



The allegations set forth in the Order are barred by laches.

**FOURTH AFFIRMATIVE DEFENSE**

In light of the allegations set forth in the Order, the request to institute public administrative proceedings against the Respondent are inconsistent with Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

**FIFTH AFFIRMATIVE DEFENSE**

The relief sought by the Order is vague and ambiguous.

**SIXTH AFFIRMATIVE DEFENSE**

The Respondent is entitled to a 60-day period in which it may bring its reports current. Therefore, any proceeding to revoke or suspend the registration of the Respondent's securities is premature.

**SEVENTH AFFIRMATIVE DEFENSE**

The Respondent has had its incumbent management replaced by a restructuring officer who is still currently deciding the best course of action. More time is required to sufficiently chart a course of action.

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WHEREFORE, having fully answered, Respondent prays:

1. That the relief sought by the Order be denied; and
2. That Respondent Can-Cal be given all and such other further relief is just and proper.

MARCH 11, 2024

/s/ Mark M. Billion  
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**CERTIFICATE OF SERVICE**

A copy of this document has been filed via eFAP and further by U.S. Post, first class on the Securities and Exchange Commission as set forth below:

SEC Headquarters  
100 F Street, NE  
Washington, DC 20549

As well as by email at:

- Chair@sec.gov
- CommissionerPeirce@sec.gov
- CommissionerCrenshaw@sec.gov
- CommissionerUyeda@sec.gov
- CommissionerLizarraga@sec.gov

MARCH 11, 2024

/s/ Mark M. Billion  
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