

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4286 / December 2, 2015

Admin. Proc. File No. 3-15263

In the Matter of

ZPR INVESTMENT MANAGEMENT, INC.,
and MAX E. ZAVANELLI.

ORDER DENYING STAY IN LIGHT OF PENDING RECONSIDERATION MOTION

On October 30, 2015, the Commission issued an opinion finding ZPR Investment Management, Inc. (“ZPRIM”), and Max E. Zavanelli, ZPRIM’s former president and owner, liable for violations of the Investment Advisers Act of 1940 and imposing sanctions.¹ The Commission found that ZPRIM made false or misleading claims of compliance with the Global Investment Performance Standards in magazine advertisements and newsletters and found Zavanelli liable for those statements. The Commission also found that ZPRIM made misrepresentations in two Morningstar reports. The Commission issued an order censuring ZPRIM and imposing an industry-wide bar on Zavanelli, a cease-and-desist order on each Respondent, a \$250,000 civil money penalty against ZPRIM, and a \$570,000 civil money penalty against Zavanelli.

On November 16, 2015, Respondents moved for reconsideration of the opinion and order. That motion is pending before the Commission.² The following day, Respondents moved for a stay of sanctions imposed on them. The Division of Enforcement opposes Respondents’ stay motion.

¹ *ZPR Inv. Mgmt., Inc.*, Investment Advisers Act Release No. 4249, 2015 WL 6575683 (Oct. 30, 2015).

² Rule of Practice 470(b) generally requires that a “motion for reconsideration shall be filed within 10 days after service of the order complained of,” 17 C.F.R. § 201.470(b); Respondents obtained an extension of that deadline until November 16, 2015. *ZPR Inv. Mgmt., Inc.*, Advisers Act Release No. 4260, 2015 WL 6777087 (Nov. 6, 2015).

Because Respondents' motion for reconsideration remains pending, their stay motion is denied. A pending request for reconsideration renders agency action nonfinal.³ Because the Commission's opinion is not final, "no stay [is] required."⁴

Accordingly, IT IS ORDERED that ZPR Investment Management, Inc., and Max E. Zavanelli's motion for stay is denied.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Brent J. Fields
Secretary

³ *United Transp. Union v. ICC*, 871 F.2d 1114, 1117 (D.C. Cir. 1989).

⁴ *Castle Sec. Corp.*, Exchange Act Release No. 39999, 1998 WL 248379, at *4 (May 18, 1998); *see also Leslie A. Arouh*, Exchange Act Release No. 62898, 2010 WL 3554584, at *2 (Sept. 13, 2010) (recognizing that sanctions order "became final" when "the Commission denied Arouh's motion for reconsideration"); *Reuben D. Peters*, Exchange Act Release No. 51237, 2005 WL 424918, at *1 n.8 (Feb. 22, 2005) ("Once NASD timely filed its Motion for Reconsideration, the Opinion ceased to be a final order of the Commission.").