

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940  
Release No. 4814 / November 22, 2017

Admin. Proc. File No. 3-15263

In the Matter of

ZPR INVESTMENT MANAGEMENT, INC.

ORDER SCHEDULING BRIEFS

On October 30, 2015, the Commission issued an opinion and order finding that respondents ZPR Investment Management, Inc. (“ZPRIM”) and Max Zavanelli violated Section 206 of the Investment Advisers Act of 1940 and imposing sanctions.<sup>1</sup> Respondents petitioned for review in the United States Court of Appeals for the Eleventh Circuit. On June 30, 2017, the Eleventh Circuit affirmed in part and vacated and remanded in part.

The Eleventh Circuit affirmed all of the findings of violations and the sanctions imposed except it vacated the Commission’s finding of violations based on ZPRIM’s December 2009 newsletter and the civil penalties related to that newsletter.<sup>2</sup> The Eleventh Circuit directed that “the penalties imposed here must be reduced by any amounts related to the December 2009 newsletter violations.”<sup>3</sup> “Because the Commission’s order ma[de] clear it assessed a \$75,000 penalty on Mr. Zavanelli for the December 2009 newsletter,” the court “vacate[d] that portion of his monetary sanction.”<sup>4</sup> But because “the Commission did not impose penalties for each [ZPRIM] violation, but instead a single \$250,000 penalty,” the court “vacate[d] the ZPRIM penalty and remand[ed] for the Commission to determine the amount, if any, by which that penalty should be reduced.”<sup>5</sup> The court’s mandate issued on November 3, 2017.

---

<sup>1</sup> *ZPR Inv. Mgmt., Inc.*, Advisers Act Release No. 4249, 2015 WL 6575683 (Oct. 30, 2015), *reconsideration denied*, Advisers Act Release No. 4417, 2016 WL 3194778 (June 9, 2016).

<sup>2</sup> *ZPR Inv. Mgmt., Inc. v. SEC*, 861 F.3d 1239, 1244 (11th Cir. 2017).

<sup>3</sup> *Id.* at 1257.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

Accordingly, IT IS ORDERED, pursuant to Rule 450 of the Rules of Practice,<sup>6</sup> that the parties shall file briefs limited to the issue of the amount, if any, by which the penalty imposed on ZPRIM should be reduced. ZPRIM shall file an opening brief, not to exceed 15 pages, by December 22, 2017, the Division of Enforcement shall file a response brief, not to exceed 15 pages, by January 22, 2018, and ZPRIM may file a reply brief, not to exceed 10 pages, by February 5, 2018. No further briefs may be filed without leave of the Commission.<sup>7</sup>

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

Brent J. Fields  
Secretary

---

<sup>6</sup> 17 C.F.R. § 201.450.

<sup>7</sup> Attention is called to Rules of Practice 150-153 with respect to form, filing, and service. 17 C.F.R. §§ 201.150-153. Requests for extensions of time to file briefs will be disfavored.