

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10827 / August 26, 2020

Admin. Proc. File Nos. 3-17984 to 3-17989

In the Matter of

CANSO ENTERPRISES, LTD.;
PRIVOZ; UNIVERSAL MOVERS CORP.;
LORILAY CORP.; FORMOUS CORP.;
AND LION PRINT CORP.

ORDER DISMISSING CONSOLIDATED PROCEEDING

On November 6, 2018, the Division of Enforcement requested that we dismiss this consolidated proceeding as to Canso Enterprises, Ltd. (“Canso”), Privoz, Universal Movers Corp. (“Universal”), Lorilay Corp. (“Lorilay”), Formous Corp. (“Formous”), and Lion Print Corp. (“Lion Print”) (collectively, “Respondents”). Respondents did not respond to the motion. For the reasons discussed below, we grant the Division’s motion and dismiss the proceeding.

I. Background

On May 12, 2017, the Commission issued separate orders instituting administrative proceedings (“OIPs”) against Respondents under Section 8(d) of the Securities Act of 1933.¹ The OIPs alleged that the registration statements of Canso and Privoz contained material misstatements and omissions and that Universal, Lorilay, Formous, and Lion Print had failed to cooperate with the Commission’s investigation of their registration statements under Securities Act Section 8(e). Each OIP ordered a public hearing to determine whether stop orders

¹ *Canso Enters. Ltd.*, Securities Act Release No. 10358, 2017 WL 2000684 (May 12, 2017); *Privoz*, Securities Act Release No. 10359, 2017 WL 2000685 (May 12, 2017); *Universal Movers Corp.*, Securities Act Release No. 10360, 2017 WL 2000686 (May 12, 2017); *Lorilay Corp.*, Securities Act Release No. 10361, 2017 WL 2000687 (May 12, 2017); *Formous Corp.*, Securities Act Release No. 10362, 2017 WL 2000688 (May 12, 2017); *Lion Print Corp.*, Securities Act Release No. 10363, 2017 WL 2000689 (May 12, 2017).

suspending the effectiveness of Respondents' registration statements should be imposed.² The proceedings were subsequently consolidated before an administrative law judge.³

On July 26, 2017, the administrative law judge issued an initial decision finding Respondents in default because they failed to answer the OIPs, appear at the scheduled hearing, or otherwise defend the proceeding.⁴ The ALJ determined, based on the allegations of the OIP and the evidence received at the hearing, that each Respondent violated Securities Act Section 8(d) by misrepresenting and omitting material information in its filed registration statement or violated Securities Act Section 8(e) by failing to cooperate with the Division's examination. Relying on these determinations, the ALJ found it appropriate to suspend the effectiveness of all six Respondents' registration statements.

No party filed a petition for review of the initial decision, and the Commission determined not to review the initial decision on its own initiative. On October 19, 2017, the Commission issued a notice that the initial decision had become final.⁵ The Commission's EDGAR database shows that the stop orders were effective on October 19, 2017.

On November 30, 2017, the Commission remanded this proceeding to the ALJ who issued the initial decision and ordered that she conduct a *de novo* reconsideration and reexamination of the record to determine "whether to ratify or revise in any respect all prior actions taken" in the proceeding.⁶ As part of the remand, the parties were given the opportunity

² See Securities Act Section 8(d), 15 U.S.C. § 77h(d) (providing that "[i]f it appears to the Commission . . . that the registration statement includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading," the Commission may, after notice and opportunity for hearing, "issue a stop order suspending the effectiveness of the registration statement"); Securities Act Section 8(e), 15 U.S.C. § 77h(e) (authorizing the Commission to "make an examination . . . to determine whether a stop order should issue under" Section 8(d) and providing that "[i]f the issuer or underwriter shall fail to cooperate, or shall obstruct or refuse to permit the making of an examination," the Commission may issue stop order).

³ *Canso Enters. Ltd.*, Admin. Proc. Rulings Release No. 4798 (May 15, 2017), available at <https://www.sec.gov/alj/aljorders/2017/ap-4798.pdf>.

⁴ *Canso Enters. Ltd.*, Initial Decision Release No. 1155, 2017 WL 3169017 (July 26, 2017).

⁵ *Canso Enters. Ltd.*, Securities Act Release No. 10427, 2017 WL 11317886 (Oct. 19, 2017).

⁶ *Pending Administrative Proceedings*, Exchange Act Release No. 82178, 2017 WL 5969234, at *1-2 (Nov. 30, 2017).

to submit new evidence.⁷ No party did and, on January 24, 2018, the ALJ ratified all prior actions she had taken, including the initial decision.⁸

On August 22, 2018, in light of the Supreme Court's decision in *Lucia v. SEC*,⁹ the Commission again remanded these proceedings but this time remanded to a different ALJ.¹⁰ The Commission ordered that Respondents "be provided with the opportunity for a new hearing before an ALJ who did not previously participate in the matter."¹¹

The Division subsequently filed the instant motion. It contends that dismissal of this consolidated proceeding is appropriate because "the registration statements of the Respondents have already been suspended" and "Respondents have failed to appear at any stage in the proceedings (and have never contested the suspension of their registration statements)."

II. Discussion

We have determined to grant the Division's motion. The effectiveness of Respondents' registration statements has been suspended. Because issuing a stop order suspending a registration statement's effectiveness is the only remedy available in a proceeding instituted under Securities Act Section 8(d),¹² we find it appropriate to dismiss these consolidated proceedings.¹³

⁷ *Canso Enters. Ltd.*, Admin. Proc. Rulings Release No. 5374 (Dec. 13, 2017), available at <https://www.sec.gov/alj/aljorders/2017/ap-5374.pdf>.

⁸ *Canso Enters. Ltd.*, Admin. Proc. Rulings Release No. 5518 (Jan. 24, 2018), available at <https://www.sec.gov/alj/aljorders/2018/ap-5518.pdf>.

⁹ 138 S. Ct. 2044 (2018).

¹⁰ *Pending Administrative Proceedings*, Exchange Act Release No. 83907, 2018 WL 4003609, at *1 (Aug. 22, 2018).

¹¹ *Id.*

¹² *See supra* note 2.

¹³ *Cf. Expleo Solutions, Inc.*, Exchange Act Release No. 78638, 2016 WL 4426914, at *1 (Aug. 22, 2016) (granting the Division of Enforcement's motion to dismiss a proceeding instituted under Section 12(j) of the Securities Exchange Act of 1934 against a respondent that no longer had a class of securities registered under Exchange Act Section 12 "[b]ecause revocation and suspension of registration are the only remedies available in a proceeding instituted under Section 12(j)"); *Sahas Techs.*, Securities Act Release No. 9189, 2011 WL 553599, at *1 (Feb. 17, 2011) (granting the Division of Enforcement's motion to dismiss a proceeding instituted under Section 8(d) of the Securities Act of 1933 to determine whether to issue a stop order suspending the effectiveness of a registration statement where respondent filed an application to withdraw the registration statement and the Division of Corporation Finance indicated that it did not object to the withdrawal of the registration statement).

Accordingly, IT IS ORDERED that the consolidated proceedings are dismissed.

By the Commission.

Vanessa A. Countryman
Secretary