

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96993 / February 28, 2023

Admin. Proc. File No. 3-21011

In the Matter of

KARINA CHAIREZ

THIRD ORDER REGARDING SERVICE

The Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) on August 26, 2022, pursuant to Section 15(b) of the Securities Exchange Act of 1934, against Karina Chairez.¹ On December 1, 2022, the Commission issued an Order Regarding Service, directing the Division of Enforcement to file a status report concerning service of the OIP.²

On December 15, 2022, the Division filed a status report (the “First Status Report”), stating that the OIP was mailed “to Chairez’s last known address” in Modesto, California, but that U.S. Postal Service (“USPS”) tracking information showed that the mailing was returned as undeliverable. The Division also stated that the OIP had been sent to an alternate address in Ceres, California, and that USPS tracking information showed that the OIP “was delivered and ‘Left with Individual’” at the Ceres address on December 9, 2022. But the First Status Report did not include any information confirming that Chairez resides at the Ceres address, nor any proof of service for the OIP mailing, such as the USPS tracking information or return receipt.³

On December 22, 2022, the Commission issued a Second Order Regarding Service, directing the Division to file a declaration of service attaching proof of service and explaining the factual basis on which it determined that Chairez resides at the Ceres address.⁴ The order

¹ *Karina Chairez*, Exchange Act Release No. 95619, 2022 WL 3703842 (Aug. 26, 2022).

² *Karina Chairez*, Exchange Act Release No. 96418, 2022 WL 17401533 (Dec. 1, 2022).

³ *See* Rule of Practice 141(a)(2)(i), 17 C.F.R. § 201.141(a)(2)(i) (stating that OIPs may be served on individuals by “sending a copy of the order addressed to the individual by U.S. Postal Service certified, registered, or Express Mail and obtaining a confirmation of receipt”).

⁴ *Karina Chairez*, Exchange Act Release No. 96569, 2022 WL 17902557 (Dec. 22, 2022).

also directed the Division to periodically file a status report concerning service of the OIP until service was accomplished.⁵

On January 19, 2023, the Division filed a status report (the “Second Status Report”). The Second Status Report provided USPS tracking information for the mailing of the OIP to the Ceres address, but did not provide evidence that Chairez resided there. Instead, the Second Status Report asserted that service had been accomplished at the Modesto address through a private process server. The Division explained that, in March 2021, the Commission had effected service on Chairez at the Modesto address in the underlying injunctive action against her. To support its claim that service also had been effected in this proceeding at the Modesto address, the Division attached a January 2023 declaration from a process server stating that, upon unspecified “information and belief,” the process server had concluded that the Modesto address was Chairez’s “usual place of abode” and had “[e]ft the package with Chairez’s father” there on January 17, 2023. The declaration also states that Chairez’s father told the process server that Chairez did not reside at the Modesto address. And although the declaration states that the process server “began surveillance on the [Modesto] address,” it does not state that the process server saw Chairez at that address. The Division also submitted USPS tracking information showing that the OIP could not be delivered to Chairez at the Modesto address in September 2022 because the “Forward Expired.”

Commission Rule of Practice 141(a)(2)(i) provides that service of an OIP on an individual respondent can be accomplished by “leaving a copy at the individual’s dwelling house or usual place of abode with some person of suitable age and discretion then residing therein.”⁶ We cannot determine whether such service was accomplished here based on the facts set forth above. That the Commission was able to accomplish service on Chairez at the Modesto address nearly two years ago in the injunctive action does not establish that service is proper at that address now. Indeed, the process server had received confirmation from the USPS postmaster stating that the Modesto address “was deliverable for Chairez” at the time of service in the injunctive action, but no such confirmation has been provided in this proceeding.

Accordingly, IT IS ORDERED that, if the Division has obtained proof of service, it file a declaration of service attaching such proof and explaining the factual basis on which it determined that Chairez resides at the address at which service was made by March 28, 2023; or, if the Division has not obtained proof of service, it file a status report concerning service of the OIP by March 28, 2023, and every 28 days thereafter until service is accomplished.

⁵ *Id.* at *1.

⁶ 17 C.F.R. § 201.141(a)(2)(i).

The parties' attention is directed to the e-filing requirements in the Rules of Practice.⁷

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

Vanessa A. Countryman
Secretary

⁷ *Amendments to the Commission's Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020), <https://www.sec.gov/rules/final/2020/34-90442a.pdf>; *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>. The amendments impose other obligations such as a redaction and omission of sensitive personal information requirement. *Amendments to the Commission's Rules of Practice*, 85 Fed. Reg. at 86,465–81.