SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Release No. 98468 / September 21, 2023

Admin. Proc. File No. 3-20743

In the Matter of

ZENOSENSE, INC.

OPINION OF THE COMMISSION

SECTION 12(j) PROCEEDING

Grounds for Remedial Action

Failure to Comply with Periodic Filing Requirements

Company failed to file periodic reports in violation of Section 13(a) of the Securities Exchange Act of 1934 and Exchange Act Rules 13a-1 and 13a-13. *Held*, it is in the public interest to revoke the registration of the company's securities.

APPEARANCES:

Jonathan Leinwand, Esq. for Zenosense, Inc.

Samantha Williams and *Gina Joyce* for the Division of Enforcement.

On February 9, 2022, the Commission issued an order instituting proceedings ("OIP") pursuant to Section 12(j) of the Securities Exchange Act of 1934 against Zenosense, Inc. (CIK No. 1458581; ticker: ZENO) ("Respondent"), alleging that it did not file required periodic reports.[1] Respondent filed an answer to the OIP, but it failed to respond to the Division of Enforcement's ("Division") motion for summary disposition or to an order to show cause why it should not be found in default.[2] We now find Respondent to be in default, deem the allegations of the OIP to be true, and revoke the registration of its securities.

I. Background

A. The Commission issued an order instituting proceedings against Respondent alleging that it violated the Securities Exchange Act of 1934 and the rules thereunder by failing to file required periodic reports.

Exchange Act Section 12(j) authorizes the Commission as it deems necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months, or to revoke, the registration of a security if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of the Exchange Act or the rules and regulations thereunder.[3] As explained in the OIP, 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.[4] The periodic reports must be filed even if the registration is voluntary under Section 12(g).[5] Specifically, Rule 13a-1 requires issuers to file annual reports, and Rule 13a-13 generally requires domestic issuers to file quarterly reports.[6] These requirements are imposed "for the proper protection of investors and to insure fair dealing" in an issuer's securities.[7] A violation of these provisions does not require scienter.[8]

The OIP alleges that Respondent is delinquent in its periodic filings with the Commission because it has repeatedly failed to meet its obligations to file timely periodic reports. The OIP further alleges that Respondent also failed to heed a delinquency letter sent to it by the Division

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1 *Zenosense, Inc.*, Exchange Act Release No. 94209, 2022 WL 394645 (Feb. 9, 2022).

2 *Zenosense, Inc.*, Exchange Act Release No. 95731, 2022 WL 4181151 (Sept. 12, 2022).

3 15 U.S.C. § 78*l*(j).

4 *See* 15 U.S.C. §§ 78m(a), 78*l*.

5 *See* 15 U.S.C. §§ 78m(a), 78*l*(g).

6 17 C.F.R. §§ 240.13a-1, .13a-13.

7 15 U.S.C. § 78m(a).

8 *Advanced Life Scis. Holdings, Inc.*, Exchange Act Release No. 81253, 2017 WL 3214455, at *2 (July 28, 2017) (citing *Citizens Cap. Corp.*, Exchange Act Release No. 67313, 2012 WL 2499350, at *5 (June 29, 2012)); *accord SEC v. McNulty*, 137 F.3d 732, 740–41 (2d Cir. 1998).

of Corporation Finance requesting compliance with its periodic filing obligations or, by failing to maintain a valid address on file with the Commission, did not receive such letter.

Specifically, the OIP alleges that Respondent is a Nevada corporation located in New York, New York, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). The OIP further alleges that Respondent is delinquent in its periodic filings with the Commission, having not filed twelve periodic reports: the Forms 10-K for its 2018, 2019, and 2020 fiscal years; and the Forms 10-Q for the first, second, and third quarters of 2019, 2020, and 2021. The OIP alleges that Respondent subsequently filed a Form 10-K for its 2021 fiscal year on January 26, 2022, which reported a net loss of $243,674 for that reporting period.[9] The OIP alleges that, as of February 1, 2022, unsolicited quotations for the common stock of Respondent were quoted on OTC Link operated by OTC Markets Group Inc.

B. Respondent filed an answer to the OIP and filed some of its delinquent periodic reports; but Respondent then failed to respond to the Division's motion for summary disposition or to a show cause order, and has become delinquent in additional periodic reports.

On February 18, 2022, Respondent filed an answer to the OIP in which it denied that it was delinquent with its periodic reporting obligations, but also asserted that it "has undertaken to prepare and file the periodic reports that the [OIP] alleges have not been filed and intends to devote significant resources to satisfying its reporting obligations."

On March 16, 2022, Respondent filed ten of the twelve periodic reports alleged to be delinquent in the OIP: the Form 10-K for 2019, and the nine Forms 10-Q for 2019 through 2021.[10] On April 20, 2022, Respondent also filed its Form 10-Q for the first quarter of 2022, which was its first periodic report due after the Commission issued the OIP. That report falsely stated that Respondent was "not currently involved in any legal proceedings," although the Commission issued the OIP instituting this proceeding before Respondent filed that report.

On May 16, 2022, the Division filed a pre-hearing conference statement, the provisions of which Respondent stated in a separate filing that it adopted. The pre-hearing conference statement stated that the "parties agreed that Zenosense had been delinquent in its obligation to file periodic reports with the Commission." It also stated that, after the Commission issued the OIP, Respondent filed some delinquent reports, but that the "Division has not yet determined whether the content of these recent filings complies with all applicable statutes, rules, and

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[9] After the OIP was issued, Respondent filed an amended Form 10-K for its 2021 fiscal year on March 1, 2022. Respondent represented in that Form 10-K/A that the amendment was being filed "to include the Company's audited financial statements for the fiscal year ended December 31, 2020" and "to add supplemental disclosure . . . to reflect that the Company's disclosure controls were not effective as of December 31, 2021."

[10] We take official notice of Respondent's EDGAR filings. *See* Rule of Practice 323, 17 C.F.R. § 201.323 ("Official notice may be taken of . . . any matter in the public official records of the Commission . . . ."). A table summarizing Respondent's delinquent filings is attached as Exhibit 1.

regulations." The statement further indicated that the parties discussed that the Division would likely file a motion for summary disposition, and that the parties agreed that Respondent would have fourteen days to respond to any motion.

On August 11, 2022, the Division filed a motion for summary disposition asserting that revocation of all registered classes of Respondent's securities is the appropriate remedy for Respondent's failure to timely file required periodic reports in violation of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13. The Commission then issued a briefing schedule, stating that, based on the parties' agreement at the pre-hearing conference concerning deadlines, Respondent's opposition to the Division's motion was due by August 25, 2022.[11] The order warned Respondent that failing to file a timely opposition could result in the Commission deeming Respondent in default and determining the proceeding against it.[12] Respondent failed to file an opposition.

On September 12, 2022, the Commission ordered Respondent to show cause by September 26, 2022, why the registration of its securities should not be revoked by default due to its failure to respond to the Division's motion.[13] The order warned Respondent that failing to file an opposition could result in the Commission deeming Respondent in default, deeming the allegations in the OIP to be true, and determining the proceeding against it upon consideration of the record.[14] Respondent did not file an opposition to the Division's motion or respond to the show cause order.

Further, Respondent did not file the remaining two periodic reports alleged to be delinquent in the OIP: the Forms 10-K for 2018 and 2020.[15] Respondent also did not file five periodic reports that were due after the OIP was issued: the Forms 10-Q for the second and third quarters of 2022 and the first and second quarters of 2023; and the Form 10-K for 2022.[16]

II. Analysis

A. We hold Respondent in default, deem the OIP's allegations to be true, and find that Respondent violated the Exchange Act by failing to file required periodic reports.

Rule of Practice 155(a) provides that if a respondent fails to "answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding," we may deem the respondent in default and "determine the proceeding against [it] upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed

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11 *Zenosense, Inc.*, Exchange Act Release No. 95509, 2022 WL 3443764 (Aug. 16, 2022).

12 *Id.*

13 *Zenosense, Inc.*, 2022 WL 4181151, at *1.

14 *Id.*

15 *See supra* note 9 (concerning official notice of EDGAR filings).

16 *See id.*

to be true."[17] Because Respondent has failed to respond to the Division's motion and to the order to show cause, we find it appropriate to deem Respondent in default and to deem the allegations of the OIP to be true.

The OIP alleges that Respondent had a class of securities registered with the Commission under Exchange Act Section 12(g), and that it has failed to file required annual and quarterly reports. The allegations of the OIP, deemed true, establish that Respondent violated Exchange Act Section 13(a) and the rules thereunder.[18] Indeed, according to the parties' pre-hearing conference statements, Respondent admits that it was "delinquent in its obligation to file periodic reports with the Commission." This admission is supported by our official notice of Respondent's EDGAR filings.[19]

B. We deem it necessary and appropriate to revoke the registration of all classes of Respondent's registered securities.

Section 12(j) authorizes us as we deem "necessary or appropriate for the protection of investors" to suspend for twelve months or less or revoke the registration of an issuer's securities if the issuer has failed to make required filings.[20] We apply a multifactor test to determine an appropriate sanction:

> [W]e will consider, among other things, the seriousness of the issuer's violations, the isolated or recurrent nature of the violations, the degree of culpability involved, the extent of the issuer's efforts to remedy its past violations and ensure future compliance, and the credibility of its assurances, if any, against further violations.[21]

Although these factors are nonexclusive, and no single factor is dispositive,[22] "[w]e have held that a respondent's repeated failure to file its periodic reports on time is 'so serious' a violation of the Exchange Act that only a 'strongly compelling showing' regarding the other *Gateway* factors would justify a sanction less than revocation."[23]

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[17] 17 C.F.R. § 201.155(a) (specifically authorizing such action where a respondent fails "[t]o answer . . . or otherwise to defend the proceeding").

[18] *See supra* notes 4–8 and accompanying text.

[19] *See supra* note 9 and accompanying text.

[20] 15 U.S.C. § 78*l*(j); *see also* 15 U.S.C. § 78m(a); 17 C.F.R. §§ 240.13a-1, .13a-13.

[21] *Gateway Int'l Holdings, Inc.*, Exchange Act Release No. 53907, 2006 WL 1506286, at *4 (May 31, 2006).

[22] *China-Biotics, Inc.*, Exchange Act Release No. 70800, 2013 WL 5883342, at *12 (Nov. 4, 2013).

[23] *Calais Res. Inc.*, Exchange Act Release No. 67312, 2012 WL 2499349, at *4 (June 29, 2012) (quoting *Nature's Sunshine Prods., Inc.*, Exchange Act Release No. 59268, 2009 WL 137145, at *7 (Jan. 21, 2009)); *accord Cobalis Corp.*, Exchange Act Release No. 64813, 2011 WL 2644158, at *5 (July 6, 2011); *Am. Stellar Energy, Inc. (n/k/a Tara Gold*), Exchange Act Release No. 64897, 2011 WL 2783483, at *4 (July 18, 2011).

Respondent's violations are serious because "reporting requirements are 'the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.'"[24] An issuer's failure to file periodic reports violates "a central provision of the Exchange Act . . . , depriv[ing] both existing and prospective holders of its registered stock of the ability to make informed investment decisions based on current and reliable information."[25] Respondent's violations, which at the time of the OIP involved twelve missed filings over multiple years, were recurrent.[26] Respondent's "undisputed awareness of [its] obligation[] to make the filings at issue" further demonstrates that its "violations were committed with a high degree of culpability."[27]

Respondent asserted in its answer that it "has undertaken to prepare and file the periodic reports" and that it "intends to devote significant resources to satisfying its reporting obligations." But Respondent has yet to file all of its delinquent reports from the period covered by the OIP.[28] And since making these representations, Respondent has failed to file five additional periodic reports.[29] Moreover, although Respondent filed a Form 10-Q for the first quarter of 2022, that report contained a false statement that Respondent was "not currently involved in any legal proceedings" despite it being involved in this proceeding during the

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[24] *Am.'s Sports Voice, Inc.*, Exchange Act Release No. 55511, 2007 WL 858747, at *4 n.17 (Mar. 22, 2007) (alteration in original) (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)); *see also supra* note 22 and accompanying text (recurrent failure to file periodic reports is "so serious" as to require a "strongly compelling showing" regarding other factors to justify a sanction less than revocation).

[25] *Accredited Bus. Consolidators Corp.*, Exchange Act Release No. 75840, 2015 WL 5172970, at *2 (Sept. 4, 2015); *see also United States v. Arthur Young & Co.*, 465 U.S. 805, 810 (1984) (observing that "[c]orporate financial statements are one of the primary sources of information available to guide the decisions of the investing public").

[26] *See, e.g.*, *Accredited Bus. Consolidators*, 2015 WL 5172970, at *2 (failure to file "any periodic reports for over two years" was recurrent); *China-Biotics*, 2013 WL 5883342, at *10 (failure to "file a single periodic report for more than a year and a half" was recurrent); *Nature's Sunshine Prods.*, 2009 WL 137145, at *5 (failure to file "required filings over the course of the two-year period in the OIP" was recurrent). Respondent's EDGAR filings demonstrate that its delinquency has continued since the issuance of the OIP. *See supra* note 9 (concerning official notice of Respondent's EDGAR filings); *Nature's Sunshine Prods.*, 2009 WL 137145, at *5 & n.23, *6 n.27 (finding that we may consider "matters that fall outside the OIP[] in assessing appropriate sanctions," such as an issuer's failure to file additional required reports with the Commission).

[27] *United Dev. Funding III, LP*, Exchange Act Release No. 89535, 2020 WL 4720528, at *4 (Aug. 12, 2020); *see also Glob. Boatworks Holdings, Inc.*, Exchange Act Release No. 96814, 2023 WL 1819195, at *3 (Feb. 6, 2023) (finding that respondent's "long history of ignoring reporting obligations" over a two year period "evidences a high degree of culpability") (cleaned up).

[28] *See* Exhibit 1.

[29] *See id.*

reporting period. Thus, Respondent's extensive and continuing non-compliance renders its efforts to remedy its past violations and ensure future compliance insufficient to avoid revocation.[30]

Respondent has not made any credible assurances against future violations. Respondent claims in its answer that it "intends to devote significant resources to satisfying its reporting obligations," but Respondent's continuing non-compliance undermines the credibility of that assurance.[31] And Respondent's failure to respond to the Division's motion or to the show cause order further undermines the credibility of Respondent's assurances that it will comply with future filing obligations.

Accordingly, each of the factors we analyze favors revocation. Respondent has failed to make a strongly compelling showing to justify another sanction. We find it necessary and appropriate for the protection of investors to revoke the registration of all classes of Respondent's registered securities.

An appropriate order will issue.

By the Commission (Chair GENSLER and Commissioners PEIRCE, CRENSHAW, UYEDA and LIZÁRRAGA).

Vanessa A. Countryman
Secretary

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[30] *See LegacyXChange, Inc.*, Exchange Act Release No. 96401, 2022 WL 17345980, at *5–6 (Nov. 29, 2022) (finding respondent's efforts to remedy its past violations and ensure future compliance "insufficient to avoid revocation" where, although after issuance of the OIP respondent "filed the reports that were delinquent at that time, it failed to timely file nine additional periodic reports that became due after we issued the OIP, and seven of [those] reports remain[ed] outstanding," and some of the periodic reports failed to report the Section 12(j) proceeding).

[31] *See Nature's Sunshine Prods.*, 2009 WL 137145 at *7 (finding it not "realistic to expect" a return to compliance "in the foreseeable future" since issuer needed "'substantially more time than anticipated' to remedy its many delinquencies") (quoting *Impax Labs., Inc.*, Exchange Act Release No. 57864, 2008 WL 2167956, at *9 (May 23, 2008)).

EXHIBIT 1

Zenosense, Inc.
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Summary of Zenosense's Delinquent Filings Before Issuance of OIP

No.	Report	Period Ending	Due Date For Filing Report[32]	Delinquency Corrected	
				Date	How Late
01	10-K	12/31/2018	04/01/2019[33]	Still delinquent	
02	10-Q	03/31/2019	05/15/2019	03/16/2022	1,036 days
03	10-Q	06/30/2019	08/14/2019	03/16/2022	945 days
04	10-Q	09/30/2019	11/14/2019	03/16/2022	853 days
05	10-K	12/31/2019	03/30/2020	03/16/2022	716 days
06	10-Q	03/31/2020	05/15/2020	03/16/2022	670 days
07	10-Q	06/30/2020	08/14/2020	03/16/2022	579 days
08	10-Q	09/30/2020	11/16/2020	03/16/2022	485 days
09	10-K	12/31/2020	03/31/2021	Still delinquent	

[32] Pursuant to Exchange Act Rule 13a-1 and General Instruction A.2 to Form 10-K, non-accelerated filers such as Respondent are required to file annual reports with the Commission no later than ninety calendar days after the end of the fiscal year covered by the report. 17 C.F.R. §§ 240.13a-1, 249.310(b)(3); Form 10-K, https://www.sec.gov/files/form10-k.pdf. An annual report is required "for each fiscal year after the last full fiscal year for which financial statements were filed in [the issuer's] registration statement." 17 C.F.R. § 240.13a-1. Pursuant to Exchange Act Rule 13a-13 and General Instruction A.1 to Form 10-Q, non-accelerated filers are required to file quarterly reports with the Commission no later than forty-five calendar days after the end of the period covered by the report. 17 C.F.R. §§ 240.13a-13, 249.308a(a)(2); Form 10-Q, https://www.sec.gov/files/form10-q.pdf.

[33] On April 1, 2019, Respondent filed a Form 12b-25 for this report, indicating that it would file the report within the fifteen-day extension provided by the rule. But Respondent did not do so. *Cf.* 17 C.F.R. § 240.12b-25(b) (providing that an annual report is deemed timely filed if the registrant files a compliant Form 12b-25, indicates that it will file the report within fifteen days of the due date, and files it by then).

No.	Report	Period Ending	Due Date For Filing Report[32]	Delinquency Corrected	
				Date	How Late
10	10-Q	03/31/2021	05/17/2021	03/16/2022	303 days
11	10-Q	06/30/2021	08/16/2021	03/16/2022	212 days
12	10-Q	09/30/2021	11/15/2021	03/16/2022	121 days

Summary of Zenosense's Delinquent Filings After Issuance of OIP

No.	Report	Period Ending	Due Date For Filing Report	Delinquency Corrected	
				Date	How Late
01	10-Q	06/30/2022	08/15/2022	Still delinquent	
02	10-Q	09/30/2022	11/14/2022	Still delinquent	
03	10-K	12/31/2022	03/31/2023	Still delinquent	
04	10-Q	03/31/2023	05/15/2023	Still delinquent	
05	10-Q	06/30/2023	08/14/2023	Still delinquent	

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98468 / September 21, 2023

Admin. Proc. File No. 3-20743

In the Matter of

ZENOSENSE, INC.

ORDER IMPOSING REMEDIAL SANCTIONS

On the basis of the Commission's opinion issued this day, it is

ORDERED that the registration of all classes of the registered securities of Zenosense, Inc. (CIK No. 1458581; ticker: ZENO), under Section 12(g) of the Securities Exchange Act of 1934 is hereby revoked pursuant to Exchange Act Section 12(j).

The revocation is effective as of September 22, 2023.

By the Commission.

Vanessa A. Countryman
Secretary