

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 74163 / January 28, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16364**

**In the Matter of**

**DAVID L. MARION,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against David L. Marion (“Respondent” or “Marion”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. David L. Marion, age 54, is currently incarcerated at the Duluth Federal Prison Camp in Duluth, Minnesota. At one time, Marion was associated with a registered broker-dealer, but in 1991, the NASD fined him, censured him, and barred him from association with any member of the NASD in any capacity for executing transactions in accounts of customers without their authorization. From at least November 2008 through at least July 2009, Marion engaged in the unregistered offer and sale of securities issued by Investment Rarities Holdings Inc. (“IR Holdings”). At the time Marion solicited investors to invest in IR Holdings’ securities he was not registered with the Commission as a broker-dealer nor associated with a registered broker-dealer.

B. ENTRY OF THE INJUNCTION/RESPONDENT'S CRIMINAL CONVICTION

1. On June 20, 2013, a judgment was entered by consent against Marion, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. David L. Marion, et al., Civil Action Number 1:12-CV-749, in the United States District Court for the District of Minnesota.

2. The Commission's complaint alleged the following: From at least November 2008 through at least July 2009, Marion raised approximately \$1 million from at least 26 investors by selling ownership shares of IR Holdings. The offer and sales of IR Holdings' securities were not registered with the Commission. Marion, personally and through others he directed, made multiple fraudulent representations in the offer and sale of securities of IR Holdings, a company that Marion owned and controlled. Marion sold ownership shares of IR Holdings to investors, telling them that IR Holdings owned 100% of International Rarities Corporation ("IR Corp."). Marion told the investors that IR Corp. was a successful gold coin and bullion sales and trading company. He told investors that by buying a piece of IR Holdings, they would share in the profits and success of IR Corp. This representation was false. When Marion sold IR Holdings' shares to investors, he was the sole owner of IR Corp. IR Holdings had no ownership interest in IR Corp. whatsoever. Marion sold the investors shares of a worthless shell company, and he knew that it was a worthless shell company. Marion also told the investors that IR Holdings had a functioning seven member-board of directors, including three independent directors. Marion also told the investors that he would use their money to expand IR Holdings' business, including taking the company public. These representations were false. In reality, IR Holdings did not have a functioning board of directors, Marion diverted the investors' funds for his own personal use, and Marion failed to take virtually any substantive action towards taking IR Holdings public. IR Holdings issued offering documents, including a Private Placement Memorandum, to investors that repeated these misrepresentations.

3. On February 21, 2013, Marion pled guilty to one count of conspiracy to commit mail and wire fraud and one count of money laundering in violation of Title 18 United States Code, Sections 1349 and 1957, respectively, before the United States District Court for the District of Minnesota, in United States v. David Laurence Marion, No. 1:12-CR-282. On August 29, 2013, a judgment in the criminal case was entered against Marion. He was sentenced to a prison term of 60 months followed by three years of supervised release and ordered to make restitution in the amount of \$3,370,748.93.

4. The counts of the criminal complaint to which Marion pled guilty alleged, inter alia, that from at least November 2008 through at least July 2009, Marion made false and fraudulent representations to investors in connection with the unregistered offer and sale of approximately \$1 million in securities to approximately 26 investors. Marion obtained money and property by means of materially false and misleading statements at a time when he was acting as a

broker but was not registered with the Commission as a broker or dealer and was not associated with an entity registered with the Commission as a broker dealer.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields  
Secretary