UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10314 / February 27, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17862

In the Matter of

the Registration Statement of

Arc LifeStyle Group Inc.
10360 SW 186th St.
Miami, FL 33197

Respondent.

ORDER FIXING TIME AND PLACE OF
PUBLIC HEARING AND INSTITUTING
PROCEEDINGS PURSUANT TO SECTION
8(d) OF THE SECURITIES ACT OF 1933

I.

The Commission’s public official files disclose that:

On September 8, 2015, Arc LifeStyle Group Inc. (“Respondent”) filed a Form S-1 registration statement seeking to register the offer and sale of 5,000,000 shares of common stock by Respondent for $0.20 per share along with registering another 1,488,400 shares of common stock offered by selling shareholders at $0.20 per share until Respondent’s common stock becomes quoted. The registration statement was amended on November 17, 2015, and again on February 12, 2016 (together, the “Registration Statement”). The Registration Statement has not been declared effective.

II.

After an investigation and examination, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent is a Florida corporation purportedly headquartered in Miami, Florida.
B. MATERIAL MISSTATEMENTS AND OMISSIONS

2. The Registration Statement includes untrue statements of material facts and omits to state material facts necessary to make the statements contained therein not misleading concerning disclosures regarding Respondent’s operations, control persons and/or promoters.

3. The Registration Statement states that Respondent’s executive office is located at 10360 SW 186th Street in Miami, Florida. This disclosure is false and misleading because that location is simply a mailbox, and no executive offices are located there. Further, packages sent by the staff of the Division of Enforcement (“staff”) to that address have been returned as undeliverable.

4. The Registration Statement states that Respondent’s sole officer and director, Carlos Lopez, is living in Spain. This disclosure is false because Lopez informed the staff that he has been living in China for several years.

5. The Registration Statement states that Respondent’s Advisor to the CEO, Abraham Cinta, resides in Mexico. This disclosure is false because Cinta informed the staff that he has been living in China for several years. Lopez acknowledged that he knew that Cinta had been living in China for several years at the time he signed the Registration Statement.

6. The Registration Statement states that Respondent’s Finance Advisor, Rory San, resides in Edinburgh, Scotland. This disclosure is false because Lopez informed the staff that he was aware at the time he signed the Registration Statement that San had been living in China for several years.

7. The Registration Statement fails to disclose that Respondent’s sole officer and director previously worked with Cinta, San, and Respondent’s head of Operation and Administration in Asia, Xiaoyue Zhang, at Evotech Capital, S.A. This omission is materially misleading because the consulting agreements that Respondent entered into with these individuals were not negotiated at arms-length.

8. The Registration Statement claims that Respondent is importing Korean women’s wear and “operating 82 Room.” This is materially misleading because another company is actually operating 82 Room, and importing Korean women’s wear through 82 Room. Respondent does not control that other company, and has not received any revenues from that company’s business, or from 82 Room.

9. The Registration Statement does not disclose that Cinta, San, and Zhang are all key personnel in another new company, Nova Smart Solutions Inc., and that Cinta is also (or was at the time the Registration Statement was filed) sole officer and one of two directors for a third public company, Go EZ Corp. This omission is material because if Nova Smart Solutions Inc. or Go EZ Corp. were to become successful, Respondent’s key personnel (Cinta, San, and Zhang) would no longer have sufficient time to dedicate to Respondent. The Registration Statement discloses that “the loss of one or more of our key personnel . . . could have a material adverse effect on our business,” but does not disclose that these key personnel have other
commitments that may cause them to have insufficient time to dedicate to Respondent, or may create conflicts of interest.

10. The Registration Statement discloses Capital Flows Ltd. as its promoter and states that Capital Flows Ltd. was responsible for the incorporation of the company and has majority control over the business. This is materially misleading because the staff’s investigation suggests that Capital Flows Ltd. did not incorporate Respondent and does not control Respondent. Lopez acknowledged to the staff that Capital Flows Ltd. was simply an investor in Respondent.

11. The Registration Statement discloses that Respondent is a development stage company that has recently begun operations. This is materially misleading because the staff’s investigation shows that Respondent has no operations and no genuine intent to develop operations.

C. FAILURE TO COOPERATE WITH THE SECTION 8(e) EXAMINATION

13. On April 4, 2016, the staff issued a subpoena to Respondent for the production of documents and testimony. Respondent has failed to fully respond to the subpoena. Respondent provided only limited and incomplete document productions that omitted, among other things, all relevant communications, including but not limited to responsive communications involving Respondent’s sole officer and director. Respondent has not represented that it has no additional responsive documents.

14. Respondent has failed to make key individuals with knowledge relevant to the examination available to the staff. Respondent’s sole officer and director, and its key personnel, refused to appear for testimony pursuant to the subpoenas issued to them on April 4, 2016.

III.

The Commission, having considered the aforesaid, deems it appropriate that public proceedings pursuant to Section 8(d) of the Securities Act of 1933 (“Securities Act”) be instituted with respect to the Registration Statement to determine whether the allegations of the Division of Enforcement are true; to afford the Respondent with an opportunity to establish any defenses to these allegations; and to determine whether a stop order should issue suspending the effectiveness of the Registration Statement referred to herein.

Accordingly, IT IS ORDERED that public proceedings be and hereby are instituted under Section 8(d) of the Securities Act, such hearing to be commenced at 9:30 a.m. on March 16, 2017, in Hearing Room 2 at the Commission’s offices at 100 F Street N.E., Washington, DC 20549, and to continue thereafter at such time and place as the hearing officer may determine.

IT IS FURTHER ORDERED that these proceedings shall be presided over by an Administrative Law Judge to be designated by further order, who is authorized to perform all the duties of an Administrative Law Judge as set for the in the Commission’s Rules of Practice or as otherwise provided by law.
IT IS FURTHER ORDERED that the Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, pursuant to Rule 220 of the Commission’s Rules of Practice, 17 C.F.R. § 201.220. If the 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 the Respondent upon consideration of this Order, the allegations 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 the Respondent in accordance with Rule 141 of the Commission’s Rules of Practice, 17 C.F.R. §201.141.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 30 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission’s Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission’s Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

By the Commission.

Brent J. Fields
Secretary