

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10339 / April 10, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 80409 / April 10, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17913

In the Matter of

CRAIG KEOLANUI

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Craig Keolanui (“Keolanui” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹:

SUMMARY

Between March and August 2013, Craig Keolanui violated the anti-fraud and anti-touting provisions of the federal securities laws by publishing various articles describing issuer securities on investment websites that purported to be independent when, in fact, they were paid promotions.

RESPONDENT

1. **Craig Keolanui**, 49, resides in San Diego, California. He has a B.S. in Bioengineering from the University of California at San Diego. Keolanui worked as a paid writer publishing articles on investment websites for stock promotion firms Dunedin, Inc. and Lidingo Holdings, LLC.

RELATED PARTIES

2. **Dunedin, Inc.** is a Florida corporation headquartered in Jupiter, Florida. Dunedin, which is owned and operated by Edward Borrelli, provided promotional services to issuers that included the publication of more than 12 articles describing securities on investment websites. The Commission has charged Dunedin and Borrelli for their roles in the misconduct described in this Order and for other misconduct unrelated to Keolanui.

3. **Lidingo Holdings, LLC** was a Nevada limited liability company that was formed in 2011 and dissolved in 2014. Lidingo, which was owned and operated by Kamilla Bjorlin, provided promotional services to issuers that included the publication of over 400 articles describing securities on investment websites. The Commission has charged Lidingo and Bjorlin for their roles in the misconduct described in this Order and for other misconduct unrelated to Keolanui.

FACTS

4. Between March and August 2013, Keolanui published four articles on investment websites Onemedplace.com, MarketPlayground.com and SeekingAlpha.com. These articles positively described the securities of four issuers that were clients of Dunedin or Lidingo: DelMar Pharmaceuticals, Inc., Labstyle Innovations Corp. (now DarioHealth Corp.), Neostem Inc. (now Caladrius Biosciences, Inc.), and Stevia First Corp. (now Vitality Biopharma, Inc.). Dunedin and Lidingo paid Keolanui at least \$2,000 for these articles.

5. Keolanui did not disclose that these articles were paid-for promotions or the amount of the compensation he received. Moreover, in both of the articles that he published on

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

SeekingAlpha.com, Keolanui misrepresented that he was “not receiving compensation” for the article.”² Keolanui falsely stated that he was not receiving compensation because, at the time, Seeking Alpha had a policy that expressly prohibited compensated articles.

6. Keolanui’s misstatements regarding his compensation were material.

7. Keolanui’s articles were bullish descriptions of publicly-traded stocks. Seeking Alpha held itself out as a “platform for investment research, with broad coverage of stocks, asset classes, ETFs and investment strategy” where “articles frequently move stocks, due to a large and influential readership which includes money managers, business leaders, journalists and bloggers.”

VIOLATIONS

8. As a result of the conduct described above, Keolanui violated Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

9. As a result of the conduct described above, Keolanui violated Securities Act Section 17(b), which prohibits any person from publishing, giving publicity to, or circulating any communication that describes a security in exchange for direct or indirect consideration from an issuer, underwriter, or dealer without fully disclosing the past or prospective consideration and the amount.

UNDERTAKING

Respondent has undertaken to:

In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, (i) appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) accept service by mail, email, or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoint his attorney in these proceedings as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waive the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent’s travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consent to personal jurisdiction over Respondent in any United States District Court for purposes of enforcing any such subpoena.

² On June 22, 2012, Seeking Alpha announced that it would “no longer publish articles that a writer has been paid for preparing.” Starting in August 2012, Seeking Alpha required writers to affirmatively disclose whether they received third-party compensation. If the writer represented that he was not compensated, then Seeking Alpha added the representation quoted above to the article on its website.

In determining whether to accept the Offer, the Commission has considered this undertaking.

Disgorgement and Civil Penalties

Respondent has submitted a sworn Statement of Financial Condition dated March 29, 2016 and other evidence and has asserted his inability to pay a civil penalty.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Keolanui's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Keolanui cease and desist from committing or causing any violations and any future violations of Sections 17(a) and 17(b) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Based upon Respondent's sworn representations in his Statement of Financial Condition dated March 29, 2016 and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

C. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

D. Respondent shall pay disgorgement of \$2,000 and prejudgment interest of \$211 in 12 installments to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3), according to the following schedule: (1) \$200 within 14 days of entry of the Order; (2) \$200 on March 1, 2017; (3) \$200 on April 3, 2017; (4) \$200 on May 1, 2017; (5) \$200 on June 1, 2017; (6) \$200 on July 3, 2017; (7) \$200 on August 1, 2017; (8); \$200 on September 1, 2017; (9) \$200 on October 2, 2017; (10) \$200 on November 1, 2017; (11) \$200 on December 1, 2017; and (12) \$11 on January

2, 2018. Payments shall be deemed made on the date they are received by the Commission and shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 on any unpaid amounts due after 14 days of the entry of the Order. Prior to making the final payment set forth herein, Respondent Keolanui shall contact the staff of the Commission for the amount due for the final payment, which shall include accrued interest.

If Respondent Keolanui fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under the Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Craig Keolanui as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Associate Director Melissa Hodgman, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary