

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86543 / August 1, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19302

In the Matter of

ALAN SHINDERMAN,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
17A(c)(4)(C) OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS AND IMPOSING REMEDIAL
SANCTIONS**

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 17A(c)(4)(C) of the Securities Exchange Act of 1934 (“Exchange Act”) against Alan Shinderman (“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 over the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 17A(c)(4)(C) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent, age 68, is a resident of Las Vegas, Nevada.
2. On July 26, 2019, a final judgment was entered against Respondent, permanently enjoining him from future violations of Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, and from aiding and abetting future violations of Section 17A(d)(1) of

the Exchange Act and Rules 17Ad-12 and 17Ad-13 thereunder, in the civil action entitled *Securities and Exchange Commission v. Quicksilver Stock Transfer, LLC et al.*, Civil Action Number 2:18-cv-00131, in the United States District Court for the District of Nevada.

3. The Commission's complaint alleged Respondent has been the president and sole owner of Quicksilver Stock Transfer, LLC ("Quicksilver"), a Nevada corporation headquartered in Las Vegas, Nevada, since September 2008. Quicksilver has been registered with the Commission as a transfer agent since August 8, 2007.

4. In 2013, Quicksilver served as the transfer agent for China Energy Corporation ("China Energy"), a China-based Nevada corporation that produces, processes, and sells raw coal products in the People's Republic of China. At the time of the conduct alleged in the Complaint, China Energy had securities registered with the Commission, pursuant to Section 12(g) of the Exchange Act.

5. In September 2013, China Energy effected a reverse stock split as part of a going private transaction. In connection with the reverse stock split, dissenting shareholders were to redeem approximately 8.9 million shares of China Energy stock rather than receive post-split shares. To fund the redemptions, China Energy wired a total of \$1,450,000 to Quicksilver's bank account through three wire transfers between August 5 and August 15, 2013.

6. Shinderman had sole signatory authority over Quicksilver's bank account. Quicksilver's bank account had a balance of only approximately \$1,000 prior to receiving the first wire transfer of \$50,000 from China Energy on August 5, 2013.

7. Depository Trust & Clearing Corporation ("DTCC") was responsible for the administration of funding for China Energy's stock redemption in connection with the reverse stock split. As part of the reverse stock split and redemption process, China Energy instructed Quicksilver to forward some or all of the funds that Quicksilver was holding for China Energy's benefit to DTCC to effect the redemptions.

8. On August 5, 2013, DTCC sent its first instruction to Quicksilver for a payment of \$34,568.80. Two days later, Quicksilver received authorization from China Energy to make that payment to DTCC, and two days after that, on August 9, Quicksilver made the requested payment to DTCC by wire transfer.

9. Also on August 9, 2013, DTCC sent a second instruction for payment in the amount of \$17,381.56. After subsequent discussions between DTCC and Quicksilver, Quicksilver represented to DTCC that it would remit the entire balance to DTCC once the reverse split was fully effective.

10. Quicksilver did not maintain in its bank account the balance of the funds it had received from China Energy, for China Energy's benefit. Rather, Quicksilver and Shinderman, without authorization by China Energy, diverted over \$630,000, including \$500,000 to an investment for the benefit of Quicksilver.

11. On August 23, Shinderman caused Quicksilver to make a \$500,000 loan to a Nevada real estate investment company, memorialized by a promissory note for the benefit of Quicksilver. China Energy did not authorize the use of its funds for that. The terms of the loan provided that Quicksilver was to be repaid the entire amount of the principal along with \$25,000, a 5% return, after four days. The real estate company, however, failed to repay the loan on time.

12. Shinderman also caused Quicksilver to make additional payments to other entities and individuals with China Energy funds from Quicksilver's bank account, without authorization from China Energy, totaling approximately \$130,000.00.

13. China Energy's reverse stock split became effective on September 18, 2013. On that same date, DTCC sent instructions to Quicksilver to make a final payment to DTCC in the amount of \$1,247,465.38, which included the \$17,381.56 payment Quicksilver had previously not remitted.

14. Because it had diverted approximately \$630,000 of China Energy's funds for other unauthorized purposes, Quicksilver and Shinderman did not have funds available to make the required payment to DTCC. Therefore, instead of immediately paying the amount over to DTCC on behalf of China Energy, Quicksilver made a series of partial payments to DTCC over the course of six weeks. Quicksilver paid \$500,000 on October 2, and \$220,500 on October 4, 2013. During this period, Shinderman failed to respond to multiple inquiries from China Energy and DTCC regarding the reasons for the delay.

15. After the real estate company failed to pay the principal or interest on the loan, Quicksilver threatened to sue the company to recover the amounts due. Quicksilver and the real estate company entered into a settlement agreement whereby Quicksilver was paid the \$500,000 principal back, without interest, on October 23, 2013.

16. On October 23, 2013, the same day that Quicksilver recovered the \$500,000 loan principal, Quicksilver paid \$500,000 to DTCC. Quicksilver paid the remaining balance of \$26,902.38 to DTCC on November 6, 2013.

17. Quicksilver untimely filed an independent accountant's report with the Commission on January 13, 2015, for the period ending December 31, 2013, which should have been filed by March 31, 2014, but was not filed until January 13, 2013.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 17A(c)(4)(C) of the Exchange Act, that Respondent be, and hereby is barred from association with any transfer agent, broker, dealer, investment adviser, municipal securities dealer, municipal advisor, or nationally recognized statistical rating organization, with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization or, if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Vanessa A. Countryman
Secretary