

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87102 / September 25, 2019

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4093 / September 25, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19516

In the Matter of

MICHAEL P. TOUPS,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3) OF THE
COMMISSION’S RULES OF PRACTICE**

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 Rule 102(e)(3)¹ of the Commission’s Rules of Practice against Michael P. Toups (“Respondent” or “Toups”).

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

II.

The Commission finds that:

A. RESPONDENT

1. Toups, age 53, was the Chief Financial Officer (“CFO”) of Longwei Petroleum Holdings Company Limited (“Longwei”) from June 2010 until his resignation in June 2013. Between 1993 and 2010, Toups was a registered representative associated with broker-dealers registered with the Commission.

B. CIVIL INJUNCTION

2. On December 22, 2017, a judgment (the “Interlocutory Judgment”) was entered by consent against Toups, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, in the civil action entitled *Securities and Exchange Commission v. Michael P. Toups, et al.*, Civil Action Number 8:16-cv-01798-JDW-AEP, in the United States District Court for the Middle District of Florida—Tampa Division (“District Court Litigation”). On August 12, 2019, the court in the District Court Litigation entered its Order and Final Judgment as to Defendant Michael P. Toups (“Final Judgment”) wherein the court ordered that: (1) the injunctive relief imposed in the December 22, 2017 Judgment remains in full effect; (2) pursuant to Section 20(e) of the Securities Act and Section 21(d)(2) of the Exchange Act, Toups be prohibited for a period of twenty-five (25) years from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act; (3) Toups pay \$265,000 in disgorgement and \$15,387.04 in prejudgment interest; and (4) Toups pay a civil penalty in the amount of \$265,000 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

3. The Commission’s complaint in the District Court Litigation alleged that Toups, in his capacity as Longwei’s CFO, participated in multiple fraudulent schemes. First, Toups drafted public filings and press releases that falsely touted Longwei’s fuel storage depot capacity and continued to do so after the falsity of those statements were brought to his attention. Second, Toups participated in a fraudulent scheme to induce Longwei shareholders to exercise warrants to purchase Longwei stock when it was desperate for cash. By creating a false sense of urgency that the company was going to let the warrants expire, while an extension of the deadline was imminent and already in process, Longwei and Toups induced investors to exercise their warrants. Finally, Toups along with others at Longwei concocted a plan to have Toups purchase Longwei stock—secretly using funds provided by the company—to give the impression that a high-ranking insider was investing his own money in the company.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Toups from violating the Federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission's Rules of Practice. In view of these findings, the Commission deems it appropriate and in the public interest that Toups be temporarily suspended from appearing or practicing before the Commission.

IT IS HEREBY ORDERED that Toups be, and hereby is, temporarily suspended from appearing or practicing before the Commission. This Order shall be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Toups may within thirty days after service of this Order file a petition with the Commission to lift the temporary suspension. If the Commission within thirty days after service of the Order receives no petition, the suspension shall become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission shall, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

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

By the Commission.

Vanessa A. Countryman
Secretary