

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87429 / October 31, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19593

In the Matter of

LEI (LILY) LEI,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Lei (Lily) Lei (“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, Respondent admits the Commission’s jurisdiction over her and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.3 below, and consents to the entry of this Order Instituting Proceedings against Lei (Lily) Lei (“Order”), as set forth below.

III.

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

1. Lei was the former Vice President of Business Development of Luca International Group LLC. Lei's role at Luca International was to solicit investors for which she received approximately \$144,000 in salary and \$464,190 in commissions from Luca. She has never been registered or associated with a registered broker-dealer. Lei, 38 years old, is a resident of Azusa, California.

2. On October 25, 2019, a final judgment was entered by consent against Lei, permanently enjoining her from future violations of Sections 5(a), 5(c), and 17(a)(2) and (3) of the Securities Act of 1933 ("Securities Act") and Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Lei (Lily) Lei, et al., Civil Action Number 3:15-cv-03101 CRB, in the United States District Court for the Northern District of California. The final judgment also enjoined Lei from participating in the issuance, offer, or sale of any security of any entity controlled by, or under joint control with, the president of Luca International; and (2) soliciting any person or entity to purchase or sell any security.

3. The Court granted summary judgment against Lei on September 6, 2018 finding that she had violated Sections 5(a) and 5(c) of the Securities Act and Section 15(a) of the Exchange Act.

4. The Commission's complaint alleged that, in connection with the sale of interests in a series of investment funds, Lei falsely stated to investors that their money would be invested in oil and gas drilling operations, that they could expect annual returns of 20-30%, and that their investments were risk free. Lei guaranteed 12-15% returns to some investors. The complaint also alleged that Lei sold unregistered securities without being associated with a registered broker-dealer.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Lei be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Lei be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for

purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

By the Commission.

Vanessa A. Countryman
Secretary