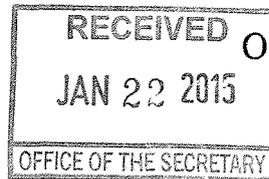


U.S. SECURITIES AND EXCHANGE COMMISSION

Received

JAN 09 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16312



Office of Administrative
Law Judges

In the Matter of

SCOTT M. STEPHAN,

Respondent.

ANSWER TO ORDER
INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST
PROCEEDING, ETC.

Respondent, by and through his attorney, ANDREW J. PACE, ESQ., answers the allegations in the above captioned Order as follows:

In accordance with Section IV of said Order, Respondent agrees that he will be precluded from arguing that he did not violate the federal securities laws described in the Order and, solely for the purposes of such additional proceedings, the allegations of the Order shall be accepted as and deemed true by the hearing officer.

FIRST: Respondent admits the allegations contained in paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38.

SECOND: Respondent denies the allegations contained in paragraphs NONE

THIRD: Respondent does not have, and is unable to obtain, sufficient information to admit or deny the allegations contained in paragraphs NONE.

Respondent looks forward to additional proceedings to determine what, if any,

disgorgement and civil penalties are appropriate.

Dated: Orchard Park, New York
December 29, 2014

Yours, etc.

A handwritten signature in black ink, appearing to read "Andrew J. Pace", written over a horizontal line.

Andrew J. Pace, Esq.
PACE & PACE LAW, LLC
Attorney for Respondent
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(716) 662-9808 ext. 109
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To: Hon. Jason S. Patil, ALJ
U.S. Securities & Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, DC 20549

Tony M. Frouge, Esq.

Michael Birnbaum, Esq.



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Andrew J. Pace

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Karen A. Bishop
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James L. Essenson, of counsel
Sarasota, Florida

December 29, 2014

Received
Jan 06, 2015
Office Administrative
Law Judge

Hon. Jason S. Patil, ALJ
U.S. Securities & Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, DC 20549

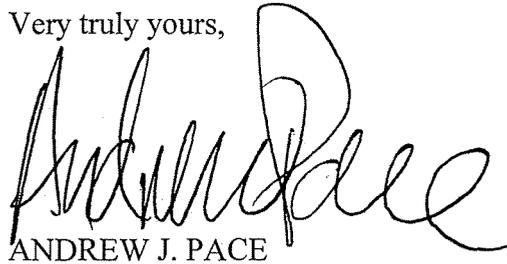
**RE: Matter of Scott Stephan
File No. 3-16312**

Dear Judge Patil:

Enclosed please find an original and three copies of Respondent's Answer in accordance with Rule 220 and 152 of the Commission's Rules of Practice.

If you have any questions or require further information, please do not hesitate to contact me.

Very truly yours,



ANDREW J. PACE

Cc: Tony M. Frouge, Esq. *with enclosures*
Michael Birnbaum, Esq. *with enclosures*

Scott Stephan