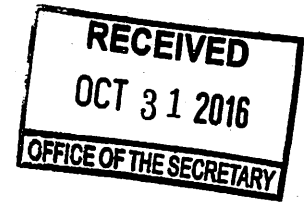


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of)

DELANEY EQUITY GROUP,)
LLC, DAVID C. DELANEY,)
AND IAN C. KASS)

Respondents.)

ADMINISTRATIVE PROCEEDING
File No. 3-17398

**RESPONDENTS DELANEY EQUITY GROUP LLC AND DAVID C. DELANEY'S
LIMITED RESPONSE TO U.S. ATTORNEY'S APPLICATION TO INTERVENE
AND UNOPPOSED MOTION TO STAY PROCEEDING**

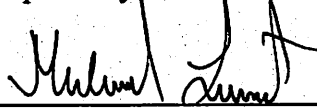
On October 24, 2016, Wifredo A. Ferrer, United States Attorney for the Southern District of Florida (the "U.S. Attorney"), through an Assistant United States Attorney, filed an Application to Intervene, Unopposed Motion to Stay This Proceeding, and Incorporated Memorandum of Law in Support (the "Motion"). As set forth in the Motion, Respondents Delaney Equity Group LLC ("DEG") and David C. Delaney ("Delaney") (collectively, "Respondents") do not oppose the U.S. Attorney's request to stay this proceeding pending the resolution of related criminal proceedings pending in the Southern District of Florida.¹ However, Respondents submit this limited response to address some assertions raised in the Motion.

While attempting to summarize the Commission's allegations, the Motion contends that Delaney participated in the alleged fraud conduct by the Perpetrators. *See e.g.*, Motion, ¶2(a)

¹ The Motion appears to suggest that Respondents were only willing to agree to a six month stay while the SEC and Mr. Kass agreed to an indefinite stay pending resolution of the criminal investigation and cases. *See* Motion, p. 11. However, the six month time frame was suggested by counsel for the United States Attorney. At no point did counsel for Respondents suggest a time frame or even condition the agreement to a stay on a specific length of time.

(“Delaney and Kass each worked for Respondent Delaney Equity Group (“DEG”) during relevant time periods in which they participated in the alleged fraud.”); ¶2(c) (“Respondents Delaney and Kass engaged in actions to facilitate the fraudulent trading of shares of the Companies controlled by the Control Persons and their agents... includ[ing]... executing fraudulent over-the-counter trades on behalf of the Control Persons.”). However, there are no allegations in the OIP that DEG or Delaney participated in the alleged fraud. Indeed, Mr. Kass is the only Respondent charged with violating the anti-fraud provisions. With respect to trading, a review of the OIP shows that Mr. Kass alone was accused of engaging in such conduct. *See* OIP at ¶40. There are no allegations that Delaney was either involved with or “facilitate[d]” these alleged transactions.² Simply put, the only allegations in this case relate to whether DEG violated Rule 15(c)2-11 of the Exchange Act and whether Delaney purportedly aided and abetted DEG’s violations and there is no suggestion of any fraud by these parties.

Respectfully submitted,



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² Indeed, Mr. Kass was not even associated with DEG at the time of the alleged trades described in Paragraph 40 of the OIP.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 25th day of October, 2016, a true and correct copy of the foregoing was served on the following parties and other persons entitled to notice as follows:

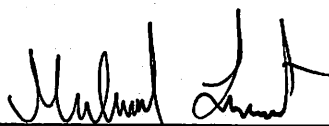
Securities and Exchange
Commission
Office of the Secretary
100 F Street, N.E.
Washington, D.C. 20549-9303
(By facsimile and original and
three copies by U.S. Mail)

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