

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-17897

In the Matter of

International Building Concepts Ltd.
(n/k/a Home Builders Int'l, Inc.), *et al.*,

Respondents.

**DIVISION OF ENFORCEMENT'S
MOTION FOR RULING ON THE PLEADINGS AND BRIEF IN SUPPORT**

Kevin P. O'Rourke
Neil J. Welch, Jr.
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010
(202) 551-4731

COUNSEL FOR
DIVISION OF ENFORCEMENT

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MOTION FOR RULING ON THE PLEADINGS

The Division of Enforcement (“Division”), by counsel, pursuant to Commission Rule of Practice 250(a), respectfully moves for a ruling on the pleadings against Victory Park Acquisition Corp. I (“Victory Park”). Victory Park has admitted that it has a class of securities registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (“Exchange Act”), has admitted that it was delinquent in its periodic filings for periods after it made its last periodic filing for the period ended November 30, 2010, almost seven years ago, and has admitted that it failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and/or 13a-13 thereunder. Accordingly, even accepting all of Victory Park’s factual allegations as true and drawing all reasonable inferences in Victory Park’s favor, the Division is entitled to an order revoking each class of securities of Victory Park registered with the Commission pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) as a matter of law.

BRIEF IN SUPPORT

I. Statement of Facts

Victory Park is a void Delaware corporation located in Chicago, Illinois with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). (OIP, ¶ II.A.3; Victory Park’s Answer at pp. 1-2). Victory Park has failed to file its periodic reports for almost seven years, *i.e.*, any of its periodic reports after its Form 10-K for the period ended November 30, 2010, which reported a net loss of \$34,432 for

the prior twelve months, and is delinquent in its periodic filings with the Commission. (OIP, ¶ II.A.3; Victory Park's Answer at pp. 1, 3-5; EDGAR¹).

II. Argument

This administrative proceeding was instituted under Section 12(j) of the Exchange Act. Section 12(j) empowers the Commission to either suspend (for a period not exceeding twelve months) or permanently revoke the registration of a class of securities if the respondent has failed to comply with any provision of the Exchange Act or the rules and regulations thereunder.

A. The Division is Entitled to a Ruling on the Pleadings Against Victory Park for Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Section 13(a) is the cornerstone of the Exchange Act, establishing a system of periodically reporting core information about issuers of securities. The Commission has stated:

Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions. Those requirements are “the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.” Proceedings initiated under Exchange Act

¹ The Division requests that the Court take official notice of Victory Park's filings on EDGAR, which is permissible on a motion for a ruling on the pleadings. See *Adrian D. Beamish, CPA*, Admin. Proceedings Rulings Rel. No. 4504 at 1, 2017 SEC LEXIS 47, at *1-2 (Jan. 6, 2017) (“Such motions must be decided based only on the pleadings, matters subject to judicial notice, matters of public record (such as the contents of the Federal Register), and documents attached to, or incorporated by reference in, the complaint.”) The Division submits that Victory Park's EDGAR filings are matters of public record and can be the subject of official notice by the ALJ under Rule of Practice 323, which is equivalent to judicial notice.

Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

Gateway International Holdings, Inc., Securities Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 at *26 (May 31, 2006) (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)).

As explained in the initial decision in the *St. George Metals, Inc.* administrative proceeding:

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Rule 13a-1 requires issuers to submit annual reports, and Exchange Act Rule 13a-13 requires issuers to submit quarterly reports. No showing of scienter is necessary to establish a violation of Section 13(a) or the rules thereunder.

St. George Metals, Inc., Initial Decision Rel. No. 298, 2005 SEC LEXIS 2465, at *26 (Sept. 29, 2005); accord *Gateway*, 2006 SEC LEXIS 1288 at *18, *22 n.28; *Stansbury Holdings Corp.*, Initial Decision Rel. No. 232, 2003 SEC LEXIS 1639, at *15 (July 14, 2003); and *WSF Corp.*, Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 at *14 (May 8, 2002).

Since Victory Park does not dispute the factual allegations in the OIP, it is established by the pleadings that Victory Park has failed to file its periodic reports for almost seven years, *i.e.*, any of its periodic reports after its Form 10-K for the period ended November 30, 2010.

B. Revocation is the Appropriate Sanction for Victory Park's Serial Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.

Exchange Act Section 12(j) provides that the Commission may revoke or suspend a registration of a class of an issuer's securities where it is "necessary or appropriate for the protection of investors." The Commission's determination of which sanction is appropriate "turns on the effect on the investing public, including both current and prospective investors, of the issuer's violations, on the one hand, and the Section 12(j) sanctions on the other hand." *Gateway*, 2006 SEC LEXIS 1288, at *19-*20. In making this determination, the Commission has said it will consider, among other things: (1) the seriousness of the issuer's violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer's efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer's assurances against future violations. *Id.*; see also *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979) (setting forth the public interest factors that informed the Commission's *Gateway* decision). Although no one factor is controlling, *Stansbury*, 2003 SEC LEXIS 1639, at *14-*15; and *WSF Corp.*, 2002 SEC LEXIS 1242 at *5, *18, the Commission has stated that it views the "recurrent failure to file periodic reports as so serious that only a strongly compelling showing with respect to the other factors we consider would justify a lesser sanction than revocation." *Impax Laboratories, Inc.*, Exchange Act Rel. No. 57864, 2008 SEC LEXIS 1197 at *27 (May 23, 2008). An analysis of the factors above confirms that revocation of Victory Park's securities is appropriate.

1. Victory Park's violations are serious and egregious.

As established by the pleadings in this proceeding, Victory Park's conduct is serious and egregious. Victory Park has not filed any periodic reports since it filed a Form 10-K for the period ended November 30, 2010. Given the central importance of the reporting requirements imposed by Section 13(a) and the rules thereunder, Administrative Law Judges have found violations of these provisions of the same and of less duration to be egregious, and Victory Park's violations support an order of revocation for each class of its securities. *See WSF Corp.*, 2002 SEC LEXIS 1242, at *14 (respondent failed to file periodic reports over two-year period); and *Freedom Golf Corp.*, Initial Decision Release No. 227, 2003 SEC LEXIS 1178, at *5 (May 15, 2003) (respondent's failure to file periodic reports for less than one year was egregious violation).

2. Victory Park's violations of Section 13(a) have been not just recurrent, but continuous.

Victory Park's violations are not unique and singular, but continuous. Victory Park has failed to file any of its periodic reports since the period ended November 30, 2010. According to EDGAR, Victory Park has filed only one of the twenty Forms 12b-25 it was required to file seeking extensions of time to make its periodic reports due after the period ended November 30, 2010. *See Investco, Inc.*, 2003 SEC LEXIS 2792, at *6 (delinquent issuer's actions were found to be egregious and recurrent where there was no evidence that any extension to make the filings was sought). The serial and continuous nature of Victory Park's violations of Exchange Act Section 13(a) further supports the sanction of revocation here.

3. Victory Park's degree of culpability supports revocation.

For many of the same reasons that Victory Park's violations were long-standing and serious, they suggest a high degree of culpability. In *Gateway*, the Commission stated that, in determining the appropriate sanction in connection with an Exchange Act Section 12(j) proceeding, one of the factors it will consider is "the degree of culpability involved." The Commission found that the delinquent issuer in *Gateway* "evidenced a high degree of culpability," because it "knew of its reporting obligations, yet failed to file" twenty periodic reports and only filed two Forms 12b-25. *Gateway*, at 10, 2006 SEC LEXIS 1288, at *21. Similar to the respondent in *Gateway*, according to EDGAR, Victory Park has filed only one of its twenty required Forms 12b-25 seeking extensions of time to make its periodic filings for any of its delinquent reports for almost seven years. Because Victory Park knew of its reporting obligations and nevertheless failed to file its periodic reports, and failed to file the required Forms 12b-25 informing investors of the reasons for its delinquency and the plan to cure its violations, it has shown more than sufficient culpability to support revocation.

4. Victory Park has made no efforts to remedy its past violations nor has it made assurances against future violations.

Victory Park has made no efforts to remedy its past violations by, for example, filing any of its delinquent periodic reports, nor has it made assurances against future violations.

C. Revocation is the Appropriate Remedy for Victory Park.

As discussed above, a full analysis of the *Gateway* factors establishes that revocation is the appropriate remedy for Victory Park's long-standing violations of the

periodic filings requirements. Victory Park's recurrent failures to file its periodic reports have not been outweighed by "a strongly compelling showing with respect to the other factors" which "would justify a lesser sanction than revocation." *Impax Laboratories, Inc.*, 2008 SEC LEXIS 1197 at *27.

Moreover, revocation will not be overly harmful to whatever business operations, finances, or shareholders Victory Park may have. The remedy of revocation will not cause Victory Park to cease being whatever kind of company it was before its securities registration was revoked. Revocation will not only protect current and future investors in Victory Park, who presently lack the necessary information about Victory Park because of the issuer's failure to make Exchange Act filings; it will also deter other similar companies from becoming lax in their reporting obligations.

III. Conclusion

For the reasons set forth above, the Division respectfully requests that the Commission grant the Division's motion for judgment on the pleadings and revoke the registration of each class of Victory Park's securities registered under Exchange Act Section 12.

Dated: May 18, 2017

Respectfully submitted,



Kevin P. O'Rourke (202) 551-4442
Neil J. Welch, Jr. (202) 551-4731
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010

COUNSEL FOR
DIVISION OF ENFORCEMENT

CERTIFICATE OF SERVICE

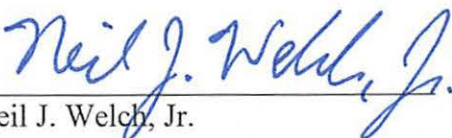
I hereby certify that true copies of the Division of Enforcement's Motion for Ruling on the Pleadings and Brief in Support were served on the following on this 18th day of May, 2017, in the manner indicated below:

By Email:

The Honorable James E. Grimes
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2557

By Email:

Michael J. Diver, Esq.
Katten Muchin Rosenman LLP
525 W. Monroe St.
Chicago, IL 60661-3693
michael.diver@kattenlaw.com
(Counsel for Respondent)


Neil J. Welch, Jr.