

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10629 / April 17, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19146**

**In the Matter of**

**the Registration Statement of**

**Starkot Corp.**  
**2-57 A, Hanuman, Irukupakem,**  
**Muppalla Mandal, Guntur,**  
**Andhra Pradesh 522403 India,**

**Respondent.**

**ORDER FIXING TIME AND PLACE**  
**OF PUBLIC HEARING AND**  
**INSTITUTING PROCEEDINGS**  
**PURSUANT TO SECTION 8(d) OF THE**  
**SECURITIES ACT OF 1933**

**I.**

The Commission's public official files disclose that:

On June 15, 2017, Starkot Corp. ("Starkot" or "Respondent") filed a Form S-1 registration statement seeking to register the offer and sale of 3,000,000 common shares in a \$60,000 public offering. Respondent filed amendments to its registration statement on July 25, 2017, August 10, 2017, and September 13, 2017 (together, the "Registration Statement"). Respondent's Registration Statement has not been declared effective by the Division of Corporation Finance.

**II.**

After an investigation and examination, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent is a Nevada corporation headquartered in Guntur, India.

2. Respondent purportedly engages in the production and sale of decorative pillows. The company has nominal revenue and has never sold shares to the public.

B. FAILURE TO COOPERATE WITH SECTION 8(e) EXAMINATION

3. On October 10, 2017, Commission staff issued a document subpoena to Respondent. The subpoena was properly served on company counsel, who resides in the United States, on that date.

4. Respondent made document productions on November 7, 2017 and November 16, 2017, pursuant to the October 10, 2017 subpoena.

5. On February 2, 2018, staff contacted company counsel to arrange for staff to take the testimony of Respondent's Chief Executive Officer ("CEO"). Counsel did not respond to staff's inquiry for several weeks, even after staff made multiple attempts to contact him via email and telephone.

6. On April 20, 2018, company counsel emailed staff and indicated that he had been attempting to contact Respondent to determine whether the scope of his representation extended to representation during investigative testimony, or whether he had been retained solely for purposes of responding to staff's October 10, 2017 document subpoena. Counsel indicated that he had not yet received a response from Respondent.

7. On June 7, 2018, staff emailed company counsel again and asked whether he would accept service of a subpoena for testimony on behalf of Respondent. Counsel indicated that he still had no answer from Respondent but suggested that staff send the subpoena via Respondent's U.S. registered agent for service. Counsel further indicated that if staff were to send him a courtesy copy of that subpoena, he would forward it to Respondent.

8. On June 28, 2018, staff properly served a testimony subpoena to Respondent's U.S. registered agent for service and sent a courtesy copy to company counsel.

9. On July 10, 2018, company counsel emailed staff and stated that he no longer represented Respondent. That same day, Respondent's CEO emailed staff and indicated that he would not be able to appear for testimony. Staff then attempted to call Respondent directly using the U.S. telephone number provided in Respondent's Registration Statement, but Respondent did not answer. Staff therefore sent an email to the email address provided in Respondent's Registration Statement requesting a time to speak with Respondent's CEO. Staff received no response to that email.

10. Staff once again emailed Respondent on August 7, 2018, but has received no response to date.

11. On November 5, 2018, staff sent an email to Respondent's email address, attaching a copy of a notice informing the company of staff's preliminary determination to

recommend an enforcement action against Respondent. A copy of the notice was also sent via UPS to the company's U.S. registered agent for service.

12. Staff did not receive a response from Respondent.

13. As a result of the conduct described in paragraphs three through twelve above, Respondent failed to cooperate with the staff's examination.

C. ATTEMPTS TO OBSTRUCT SECTION 8(e) EXAMINATION

14. Starkot attempted to obstruct staff's Section 8(e) examination by producing tampered bank records.

15. As part of its document production to staff, Starkot produced statements from its JPMorgan Chase Bank, N.A. ("Chase") bank account. Staff also subpoenaed Chase for the same bank records.

16. Upon comparing Starkot's production with that of Chase, staff identified numerous discrepancies in the description of certain financial transactions.

17. For example, Chase bank records show that Starkot received a wire of \$2,085.00 on March 13, 2017. The memo field in the Chase bank records indicates that this deposit came from an exporting company based out of the United Arab Emirates. In contrast, the bank statements produced by Starkot list a customer based out of India as the source of the March 13, 2017 transaction.

18. Similarly, bank records produced by Starkot attribute a May 17, 2017 \$4,000.00 incoming wire to the same Indian customer, whereas Chase's production shows that this deposit came from a Ukrainian trading and transportation company.

D. MATERIAL MISSTATEMENTS AND OMISSIONS

19. The Registration Statement states that Starkot "depend[s] entirely" on its CEO "for all of [its] operations" and that the CEO is Starkot's sole officer and director. In fact, Nevada Secretary of State records list an additional individual as Starkot's secretary. That individual also opened and initially funded Starkot's business bank account and is the only authorized signor on that account.

20. The Registration Statement indicates that, as of June 30, 2017, Starkot's CEO had made loans to the company totaling \$7,089.00, including one \$5,000.00 loan made on April 3, 2017. Contrary to this representation, bank records from Starkot's Chase bank account show that the \$5,000.00 deposit on April 3, 2017 was made by an exporting company based out of the United Arab Emirates, which has no apparent connection to the CEO.

21. The Registration Statement states that Starkot had earned \$6,085.00 in total revenue as of June 30, 2017, which it attributed to sales of decorative pillows to a customer based in India. This statement is false: Starkot's bank records do not show any deposits from the Indian customer.

### III.

The Commission, having considered the aforesaid, deems it appropriate and in the public interest that public proceedings pursuant to Section 8(d) of the Securities Act be instituted with respect to the Registration Statement to determine whether the allegations of the Division of Enforcement are true; to afford the Respondent with an opportunity to establish any defenses to these allegations; and to determine whether a stop order should issue suspending the effectiveness of the Registration Statement referred to herein.

Accordingly, IT IS ORDERED that public proceedings be and hereby are instituted under Section 8(d) of the Securities Act, such hearing to be commenced at 9:30 a.m. on May 6, 2019 in Hearing Room 2 at the Commission's offices at 100 F Street N.E., Washington, DC 20549, and to continue thereafter at such time and place as the hearing officer may determine.

IT IS FURTHER ORDERED that these proceedings shall be presided over by an Administrative Law Judge to be designated by further order, who is authorized to perform all the duties of an Administrative Law Judge as set forth in the Commission's Rules of Practice or as otherwise provided by law.

IT IS FURTHER ORDERED that the Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, pursuant to Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220. If the Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against the Respondent upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§201.155(a), 201.220(f), 201.221(f) and 201.310. This Order shall be served forthwith upon the Respondent in accordance with Rule 141 of the Commission's Rules of Practice, 17 C.F.R. §201.141.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice.

Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman  
Acting Secretary