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November 5, 2015

Via Overnight Delivery

Mr. Brent J. Fields
Office of the Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-1090

Re: In the Matter of Joseph J. Fox
Administrative Proceeding File No. 3-16795

Dear Mr. Fields:

Please find enclosed the Division of Enforcement's Motion for Summary Disposition and Brief in Support. Feel free to call me if you have any questions.

Sincerely,

Jedediah B. Forkner

Jedediah B. Forkner

Enclosures

cc: Mr. Joseph J. Fox

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16795

In the Matter of

Joseph J. Fox,

Respondent.

DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION AND BRIEF IN SUPPORT

Anne C. McKinley
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COUNSEL FOR
DIVISION OF ENFORCEMENT

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Rules of Practice

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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In the Matter of

Joseph J. Fox,

Respondent.

DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

The Division of Enforcement ("Division"), pursuant to Rule 250 of the Securities and Exchange Commission's Rules of Practice, 17 C.F.R. § 201.250, and in accordance with this Court's Order Postponing Hearing and Directing Parties to Confer on Briefing Schedule and Order on Procedural Schedule, hereby moves for summary disposition against Respondent Joseph J. Fox.

The Division respectfully submits that summary disposition is appropriate and that the Court should enter an order pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 barring Respondent Joseph J. Fox from association with any broker, dealer, investment adviser, municipal securities advisor, transfer agent, or nationally recognized statistical rating organization and from participating in any offering of a penny stock with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Securities and Exchange Commission.

In support of this Motion, the Division offers the accompanying Memorandum of Law.

Dated: November 5, 2015

Respectfully submitted,

Jedediah B. Forkner
Counsel for Division of Enforcement
Securities and Exchange Commission
175 West Jackson Boulevard, Suite 900
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Telephone: 312.886.0883
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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16795

In the Matter of

Joseph J. Fox,

Respondent.

DIVISION OF ENFORCEMENT'S MEMORANDUM OF LAW IN SUPPORT OF ITS MOTION FOR SUMMARY DISPOSITION

Pursuant to Rule 250 of the Securities and Exchange Commission's Rules of Practice, the Division of Enforcement ("the Division") respectfully submits this Memorandum of Law in Support of its Motion for Summary Disposition against Respondent Joseph J. Fox ("Fox" or "Respondent").

I. PRELIMINARY STATEMENT

On September 8, 2015, the Securities and Exchange Commission ("Commission") entered an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, Making Findings, Imposing Remedial Sanctions and a Cease-and-Desist Order and Notice of Hearing ("OIP"). The OIP gave effect to the Division's and Fox's agreement to resolve these proceedings pursuant to a bifurcated process under which Fox consented (i) to an order imposing a cease-and-desist order prohibiting him from committing or causing any violations and any future violations of Section 5(a) and 5(c) of the Securities Act of 1933

("Securities Act") and requiring him to pay disgorgement of $125,210, prejudgment interest of $5,426 and a civil penalty of $75,000; and (ii) to additional proceedings to determine what, if any, additional remedial sanctions pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 ("Exchange Act") are in the public interest.

Just days after these proceedings commenced, Fox and his company issued a press release and sent an e-mail message to investors stating that they had "been vindicated" and that their settlements with the Commission involved only "inadvertent technical rules violations." In the e-mail message, Fox went on to describe how he and the company plan to raise additional funds through a crowdfunding campaign. Fox's actions demonstrate that he does not appreciate the importance of the securities registration provisions and that an order barring him from participating in the securities industry is in the public interest.

The Division now moves for summary disposition and an order barring Fox from association with any broker, dealer, investment adviser, municipal securities advisor, transfer agent, or nationally recognized statistical rating organization and from participating in any offering of a penny stock with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. In connection with these proceedings, Fox has agreed that (i) he will be precluded from arguing that he did not violate the federal securities laws as described in the OIP; (ii) he may not challenge the validity of the OIP; (iii) the findings of the OIP shall be accepted as and deemed true by the hearing officer; and (iv) the hearing officer may determine the issues raised in the additional proceedings on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence or in-person testimony at a public hearing.

The parties' settlement agreement established a set of undisputed facts as detailed in the OIP and resolved all issues except for the remedial sanctions to be imposed under Section 15(b)(6) of the Exchange Act. Given the limited scope of these proceedings, summary disposition is appropriate and a hearing is not necessary.

II. STATEMENT OF UNDISPUTED FACTS

Fox is the Chief Executive Officer of Ditto Holdings, Inc. and served as the Chief Executive Officer of Ditto Trade, Inc., a registered broker-dealer, from its inception until December 2014. (OIP ¶ 1.) He was a registered representative with Ditto Trade from 2010 to December 2014. (Id.) During that time he held the following FINRA licenses: Series 7, Series 24, Series 28 and Series 63. (Id.) As Chief Executive Officer and a member of the Board of Directors of Ditto Holdings, Fox played an integral role in Ditto Holdings' efforts to raise capital. (Id. at ¶ 3.) Among other things, Fox was involved in determining when Ditto Holdings would offer to sell securities, what types of securities it would offer to sell, the terms of the securities offerings, and the manner in which the securities offerings would be communicated to potential investors. (Id.)

From April 2009 to September 2013, Ditto Holdings raised approximately $10 million from more than two hundred investors located throughout the United States through a series of common and preferred stock offerings. (Id. at ¶ 4.) At least fifty-four non-accredited investors purchased securities from Ditto Holdings during that period. (Id.) No registration statement was filed in connection with any of Ditto Holdings' securities offerings. (Id. at ¶ 10.)

Ditto Holdings did not maintain a complete and accurate set of financial records from its inception through at least September 2013, and it did not regularly prepare financial

statements during that time period. (Id. at ¶ 5.) It never had an audit performed on any of its financial statements. (Id.) Ditto Holdings did not provide offering documents to everyone who was offered the opportunity to purchase its securities, and the offering documents that were distributed did not include financial statements or certain other required financial information about Ditto Holdings. (Id. at ¶ 6.)

Beginning in August 2012, Ditto Holdings entered into a series of agreements with Marc S. Mandel ("Mandel"), under which Mandel agreed to provide a number of services to Ditto Holdings. (Id. at ¶ 7.) Mandel also hosted a radio program, on which Ditto Trade advertised, and distributed an investing newsletter. (Id.) Mandel introduced his newsletter subscribers to Ditto Holding's securities offerings. (Id.) From September 2012 to September 2013, Ditto Holdings paid Mandel at least $265,000 and granted him warrants to purchase more than 800,000 shares of Ditto Holdings' common stock at a favorable exercise price. (Id.) Mandel sent numerous e-mails to his roughly 350 newsletter subscribers about Ditto Holdings and hosted a series of online webinars and in-person meetings for investors with Fox. (Id. at ¶ 8.) From late 2012 to September 2013, more than seventy of Mandel's subscribers purchased securities from Ditto Holdings at a total cost of approximately $3.7 million. (Id. at ¶ 9.)

At the time that Ditto Holdings was formed in 2009, it issued shares of common stock to its founders, including Fox. (Id. at ¶ 11.) Beginning in February 2013, Fox discussed with Mandel whether any of Mandel's newsletter subscribers were interested in purchasing any of Fox's shares of Ditto Holdings stock. (Id. at ¶ 12.) Fox provided Mandel with a stock purchase agreement, which included instructions for how to wire investment

funds to Fox, and told Mandel that the stock purchase agreement was the only document interested purchasers would need to complete. (Id.)

In March 2013, Mandel began sending e-mails to some of his roughly 350 newsletter subscribers praising Ditto Holdings and telling them about the opportunity to buy shares of Ditto Holdings stock. (Id. at ¶ 13.) When individuals indicated an interest in buying shares of Ditto Holdings stock, Mandel provided them with a copy of the stock purchase agreement and told them to contact Fox if they needed more information. (Id.) From April 2013 to July 2013, approximately 28 of Mandel's subscribers purchased approximately 1.21 million shares of stock from Fox at a total cost of approximately $1.25 million. (Id. at ¶ 14.) During the same period, Fox paid Mandel at least $124,000 in three installments. (Id. at ¶ 15.) The payments Fox made to Mandel corresponded to roughly 10% of the amount of Fox's sales. (Id.)

Neither Fox nor anyone acting on his behalf took any steps to determine whether any of the individuals who purchased Fox's shares of Ditto Holdings stock were sophisticated investors. (Id. at ¶ 16.) In fact, at least two of the purchasers had previously identified themselves to Ditto Holdings as non-accredited investors. (Id.) The investors did not have access to financial statements or other required information about Ditto Holdings in connection with Fox's sales of Ditto Holdings common stock. (Id. at ¶ 17.) No registration statement was filed in connection with any of Ditto Holdings' securities. (Id. at ¶ 18.)

Three days after the OIP was entered, Fox and Ditto Holdings issued a press release stating that their settlements with the Commission involved "inadvertent rules issues." (See Declaration of Investor Lawrence J. Wert attached as Ex. 1 and Attachment B.) The

following week, Fox sent an e-mail message to Ditto Holdings' investors including a link to the press release and stating that he and the company had "been vindicated" and that "the SEC backed into what we consider inadvertent technical rules violations."[1] (See Attachment A to Ex. 1.) In the e-mail message, Fox went on to describe how he planned to help Ditto Holdings "raise $1,500,000 - $3,000,000 through a very aggressive crowdfunding effort" by "the end of November." (Id.)

III. ARGUMENT

A. Standard for Summary Disposition

Rule 250(a) of the Commission's Rules of Practice permits a party, with leave of the hearing officer, to move for summary disposition on any or all of the OIP's allegations. On September 22, 2015, the Court granted the Division leave to file a motion for summary disposition against Fox.

A motion for summary disposition should be granted when there is "no genuine issue with regard to any material fact and the party making the motion is entitled to a summary disposition as a matter of law." Rule of Practice 250(a). To defeat such a motion, the opposing party must demonstrate with specificity a genuine issue for a hearing and "may not rest upon the mere allegations or denials of its pleadings." See In the Matter of Currency Trading Int'l, Inc., Rel. No. 263, 2004 WL 2297418, at *2 (Oct. 12, 2004).

B. The Parties' Settlement Agreement Leaves No Material Facts in Dispute

The Commission's OIP and the parties' settlement agreement established a set of undisputed facts as detailed in the OIP. The findings of the OIP shall be accepted as and

[1] The Division redacted the e-mail to remove references to a whistleblower.

deemed true by this Court for the purposes of these proceedings. Therefore, there are no material facts in dispute, and summary disposition is appropriate.

C. A Collateral Bar with the Right to Apply for Reentry after Five Years is Appropriate Against Fox

Section 15(b)(6) of the Exchange Act authorizes the Commission to suspend or bar a person from association with a broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, or from participating in an offering of penny stock, if such remedy is in the public interest and the person has willfully violated a provision of the Securities Act. The OIP establishes that Fox willfully violated the securities registration provisions of Section 5(a) and 5(c) of the Securities Act, therefore the only issue to be decided is what additional sanctions are in the public interest.

Contrary to Fox's press release and e-mail message to investors, this matter does not involve only "technical rules violations," but rather it involves blatant and repeated violations of the key provisions of the federal securities laws that govern investor access to information upon which to make their investment decisions. "The registration provisions are a keystone of the entire system of securities regulation, and set forth basic requirements for the protection of investors." Sirianni v. SEC, 677 F.2d 1284, 1289 (9th Cir. 1982). The Commission has found in both litigated and settled cases that associational and penny stock bars are in the public interest when individuals violate the securities registration provisions. See, e.g., In the Matter of Robert Patrick Stephens, Securities Act Rel. No. 9461, 2013 WL 5427958 (Sept. 30, 2013) (settled action imposing collateral and penny stock bars based on his violations of Section 5); In the Matter of Joseph A. Padilla, Exchange Act Rel. No. 66683, 2012 WL 1066120 (March 29, 2012) (settled action imposing collateral bar against registered individual

with a right to apply for reentry after three years based on his violations of Section 5); In the Matter of Gary J. Yocum, Exchange Act Rel. No. 66682, 2012 WL 1066119 (March 29, 2012) (settled action imposing collateral bar against registered individual with a right to apply for reentry after three years based on his violations of Section 5); In the Matter of Gregory L. Oldham, Exchange Act Rel. No. 64491 (May 13, 2011) (settled action barring registered individual from associating with a broker, dealer or investment adviser with a right to apply for reentry after eighteen months based on his violation of Section 5); In the Matter of Charles F. Kirby and Gene C. Geiger, Securities Act Rel. No. 8174, 2003 WL 71681, at *10-11 (January 9, 2003) (litigated action barring two registered individuals from associating with a broker or dealer and from participating in penny stock offerings with a right to apply for reentry after five years based on their violations of Section 5).

To determine whether a sanction is in the public interest, the Commission considers "the factors identified in *Steadman v. SEC*: the egregiousness of the respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, the respondent's recognition of the wrongful nature of his conduct, and the likelihood that the respondent's occupation will present opportunities for future violations." In the Matter of Gary M. Kornman, Exchange Act Rel. No. 59403, 2009 WL 367635, at *6 (Feb. 13, 2009). The inquiry is a flexible one and no one factor is dispositive. In the Matter of Ronald S. Bloomfield, Robert Gorgia and John Earl Martin, Sr., Securities Act Rel. No. 9553, 2014 WL 768828, at *18 (February 27, 2014).

The *Steadman* factors weigh in favor of entering associational and penny stock bars against Fox. Fox's violations of the securities registration requirements were egregious. In leading Ditto Holdings' securities offerings, not only did Fox fail to ensure that non-accredited

investors received the financial information that they were entitled to, but he also failed to ensure that Ditto Holdings had complete and accurate financial information to begin with. In connection with his personal sales, Fox did not take any steps to ensure that the investors who purchased his personal shares of Ditto Holdings were sophisticated or provide them with access to financial statements or other required information about Ditto Holdings. Instead, it appears that he simply sold as much stock as he could by using a newsletter service to locate potential buyers. Fox's violations were not isolated, but rather were frequent and continued over the course of nearly four years. He assisted Ditto Holdings in selling roughly $10 million of unregistered securities to more than two-hundred investors, including more than fifty non-accredited investors. He also illegally sold roughly $1.25 million of unregistered securities for his own benefit. Fox has spent a significant portion of his career in the securities industry and as the Chief Executive Offer of Ditto Holdings, Fox's employment will provide ample opportunities for future violations as Ditto Holdings owns a broker-dealer firm. Additionally, according to Attachments A and B to Ex. 1, Fox and Ditto Holdings are actively seeking to raise additional capital from investors right now. Fox further demonstrated in the September 2015 press release and e-mail message to investors that he does not recognize the wrongful nature of his conduct and that he does not appreciate the importance of complying with the federal securities laws.

The collateral and penny stock bars would serve a remedial purpose by preventing Fox from again placing investors at risk through the unlawful distribution of unregistered securities and serve as a deterrent to other registered representatives who might engage in similar conduct. See, e.g., Kirby, Securities Act Rel. No. 8174, 2003 WL 71681, at *11 ("By requiring respondents' removal from the securities industry for a substantial period of time, we hope to

impress upon respondents the importance of the regulatory requirements they violated and, thereby, help to ensure their compliance in the event they subsequently are permitted to return to the industry."); Bloomfield, Securities Act Rel. No. 9553, 2014 WL 768828, at *18 (citing McCarthy v. SEC, 406 F.3d 179, 190 (2d Cir. 2005)) (barring two registered individuals from associating with a broker or dealer and from participating in penny stock offerings based on their violations of Section 5 and aiding and abetting other violations and noting that the deterrent value is a relevant factor in deciding sanctions).

IV. CONCLUSION

For these reasons, the Division hereby respectfully requests that the Court issue an order barring Fox from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and from participating in any offering of penny stock with the right to apply for reentry after five years.

Dated: November 5, 2015

Respectfully submitted,

Jedediah B. Forkner
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EXHIBIT 1

TO

DIVISION OF ENFORCEMENT'S
MEMORANDUM OF LAW IN SUPPORT
OF ITS MOTION FOR SUMMARY DISPOSITION

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16795

In the Matter of

Joseph J. Fox,

Respondent.

DECLARATION OF LAWRENCE J. WERT

LAWRENCE J. WERT, pursuant to 28 U.S.C. § 1746, declares:

1. I am a resident of Riverside, Illinois, and I am employed by Tribune Media Company.

2. I have been a shareholder of Ditto Holdings, Inc. (now known as SoVesTech, Inc.) since 2010. As a shareholder, I receive correspondence about Ditto Holdings, Inc. from Joseph J. Fox ("Fox") from time to time.

3. On September 16, 2015, Fox sent me an e-mail message with the subject "Vindication and Road-map for Shareholder Liquidity." It is my understanding that this message was sent to several, if not all, of Ditto Holdings, Inc.'s shareholders. A copy of this e-mail message is attached to this Declaration as Exhibit A.

4. The e-mail message that I received from Fox on September 16, 2015 contained a link to a press release issued by Ditto Holdings, Inc. on September 11, 2015. I accessed the press release by clicking on the link in the e-mail message. The press release was titled "SoVesTech Vindicated Against Bad-Faith 'Whistleblower' by Settlement of SEC Administrative Proceeding." A copy of this press release is attached to this Declaration as Exhibit B.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 27, 2015.

Lawrence J. Wert

EXHIBIT A

TO

DECLARATION OF LAWRENCE J. WERT

From: Joe Fox [mailto[redacted]
Sent: Wednesday, September 16, 2015 2:58 AM
To: Joe Fox <[redacted]
Subject: Vindication and Road-map for Shareholder Liquidity.

Dear Fellow Shareholder,

I am pleased to provide you with this very important shareholder update. In this update, I am going to cover 1) Vindication through the SEC settlement, 2) our Crowd Funding strategy, 3) a detailed road-map to shareholder liquidity, and 4) our consolidated company audit.

Vindication

I am very pleased to report that our settlement with the SEC is official. SoVesTech and I have been vindicated against all of [redacted]' assertions to the SEC, our shareholders and the financial community. We have put out a press release letting the business world know.

http://www.ireachcontent.com/news-releases/sovestech-vindicated-against-bad-faith-whistleblower-by-settlement-of-sec-administrative-proceeding-526790091.html

After a very thorough investigation of [redacted] disingenuous claims of fraud and dishonesty against me and the Company, the SEC chose to not pursue any of [redacted] claims. This decision came after FINRA had determined, following its own 18 month investigation, that it was not going to pursue any claims against me or the Company and that they were going to defer completely to the SEC. These favorable determinations also come after a four month, exhaustive independent investigation that found no basis for [redacted] bogus claims.

After 18 months of investigation, the SEC backed into what we consider inadvertent technical rules violations that were **NEVER** raised by [redacted] at any time. The settlement agreement order is clear that we are not admitting or denying the findings in the order.

The settlement states that the Company and I did not provide sufficient financial disclosures in certain private offerings that were extended primarily to accredited investors, but which ultimately included some non-accredited investors. Participation by non-accredited investors triggered a heightened disclosure standard.

While this is a far cry from [redacted] knowingly false claims of fraud and dishonesty, we still might have fought for a different outcome under other circumstances - especially since the level of disclosures were consistent with the way we have done it for 20 years with no issues (including taking Web Street public). However, the SEC was not going to finalize the Company's settlement until mine was settled as well. So, I chose to not drag out my negotiations for the betterment of the Company.

The Company and I both agreed that we would no longer accept investments from non-accredited investors without providing all required disclosures. The Company agreed to pay a fine of $50,000 consisting of three payments of $16,666 each over the next 4 ½ months. I personally agreed to pay a fine of $205,000. While that is definitely a lot of money, it is a fraction of the value the Company could have with the SEC issue behind us.

The Company's regulatory battle is over.

Crowdfunding

As you will see by our Road-map to Liquidity below, we have a capital raising strategy that includes an aggressive crowdfunding campaign. (This should not be confused with a "Kickstarter" type of campaign for an independent movie or novel invention. That type of crowdfunding does not involve the purchase or exchange of equity in a company.)

With the passing of the "Jobs Act", companies can for the first time advertise their investment opportunity. This means that we will be able to solicit millions of potential investors who would normally never have the chance to invest in an online stock brokerage firm with innovative "robo-advising" technology.

Understand that unlike traditional private offerings, there is a regulatory process for us to launch a crowdfunding campaign.

Here is what we are contemplating:

Purchase price per share of common would be **$1.00**

Minimum investment would only be **$5,000**

For every $5,000 invested, buyer receives **$1,000** in commission free trades that can be shared with friends and family

Investors can gift portions of their commission credit to a charitable origination in the form of shares

Investments can be made in a Ditto Trade IRA account

Lastly, we would consider listing our shares on the OTCBB (see below)

The website SeedInvest.com has a nice article on the new Crowdfunding rules:

http://www.seedinvest.com/blog/regulation-a-equity-crowdfunding-rules/

Road-map to Shareholder Liquidity

In the past, I have always been a bit reluctant to discuss liquidity options. I never wanted to make a promise of an IPO, or a large buyout (and I am not doing so now). However, after all of what our shareholders have been through, and what has been 5 years for some, I want to make something perfectly clear. We are going to do all we can to give our shareholders liquidity (with the best results) as soon as possible.

I want to walk you through our plan to get each of you liquidity on your investment. Remember, there is absolutely no guarantees.

Capital Raising

Step 1: We anxiously need to regain our footing. We need to raise **$150,000 - $300,000** over the next 1-2 weeks. This will allow us to make some much needed A/P payments and to make a few very important hires.

Step 2: We hope to raise **$1,500,000 - $3,000,000** through a very aggressive crowdfunding effort. After all, social investing is in our DNA. We would hope to have this completed by the end of November. This will allows us to begin moving down all aspects of our comprehensive business plans. (More about our crowdfunding plans below.)

Step 3: We hope to raise **$10,000,000+** from institutional investors by Spring 2016. This will allow us to fully execute on our business plan throughout 2016.

Liquidity

Option 1: With the above capital raising effort, we believe that we can show some exceptional growth. If so, we will take a hard look at taking the Company public (IPO) before the end of 2016.

Option 2: If an IPO is not in the cards, we plan to seriously explore a strategic sale of all, or a meaningful portion of the Company. In a partial sale, all shareholders who were interested would have the opportunity to sell some of their shares to a large institutional investor or strategic partner.

Option 3: Depending on the success of our crowdfunding effort, we are going to consider listing our shares to trade on the OTCBB (Over the Counter Bulletin Board) as early as the first quarter of 2016. While a traditional IPO is always preferable, we believe that our partnerships and social strategy gives us a greater opportunity than most to have price appreciation on the OTCBB. We would also have a real opportunity to matriculate our stock listing to the NASDAQ itself.

I mention these various options not to guarantee one outcome or the other, but rather to let you know that we recognize the importance of affording liquidity to our shareholders, and we are focused on finding the most effective avenue to accomplish that.

Consolidated Company Audit

I am pleased to provide you with the consolidated Company audit for 2012-2014. As you can imagine, even though we have had our brokerage firm audited since 2010, this took an incredible amount of work. I firmly believe that for us (and other tech companies) having audited financials are as important as what is inside them. With the new rules, companies with audited financial statements can raise as much as $50 million through crowdfunding.

Also, we have chosen to not capitalize our software. Meaning the millions spent on developing our technology does not show up as an asset (less annual depreciation). It shows up as an expense. Therefor it increases the Net Operating Loss.

One More Thing

Through the trial and tribulation of these investigations, most of our shareholders never doubted the truth. We appreciate the heartfelt support you have given me and the company.

However, there were a few shareholders that were seemingly impressed by [redacted] blue-chip Wall Street resume and patrician bearing, who unfortunately took his words at face value. This appears to have led several shareholders to not participate in the Rights Offering. For those, I am sure that the SEC resolution will be bitter sweet. Understand that I would change this if I could.

Regards,

Joseph J. Fox

Chief Executive Officer

EXHIBIT B

TO

DECLARATION OF LAWRENCE J. WERT

SoVesTech Vindicated Against Bad-Faith "Whistleblower" by Settlement of SEC Administrative Proceeding

CHICAGO, Illinois, Sept. 11, 2015 /PRNewswire-iReach/ -- SoVesTech, Inc., parent Company of online brokerage firm Ditto Trade, announced today that it (as well as CEO Joseph Fox) has settled an Administrative Proceeding with the SEC that was initiated by a former employee.

Today marks two years to the day that a former employee purposefully presented the SEC with false claims of fraud and dishonest business practices against the Company and its CEO Joseph Fox.

"We are not just pleased with our settlement with the SEC, we feel vindicated," stated Stuart Cohn, General Counsel of SoVesTech, Inc. "We also appreciate the thoroughness and professionalism with which the SEC reviewed the evidence."

"Two years ago, our young Company came under attack by a former employee on the verge of termination," exclaimed Joseph Fox, CEO of SoVesTech, Inc. "This individual tried to use the federal government to damage the Company and to impugn my reputation. The Company's settlement, as well as my own, involved inadvertent rules issues that had nothing to do with any of the former employee's false claims."

The Company, without admitting or denying any allegations, agreed to a settlement in which the SEC states that the Company did not provide sufficient financial disclosure in a private offering that was extended primarily to accredited investors, but which included some non-accredited investors whose participation triggered a heightened disclosure standard. The Company agreed that it would no longer accept investments from non-accredited investors without providing all required disclosures, and it agrees to pay a fine of three payments of $16,666 each.

While the Dodd-Frank law unfortunately does not provide for penalties for making false whistleblower claims, the Company intends to pursue a claim for malicious prosecution against this former employee, in addition to the other claims already before the court.

"We can now get back to the business of building a world class financial technology Company and building shareholder value without the distraction of the Administrative Proceeding," continued Mr. Fox. "We have developed industry changing technology that will continue to blaze the trail for all "robo-advising" companies. This should be evident by our recent announcement that we have surpassed $2 billion in "Ditto'ed" trades. To those 100+ investors and partners who faithfully stood by our Company these past two years, I would like to say thank you for your confidence and unwavering support. This next chapter is for you," concluded Fox.

About SoVesTech, Inc.

SoVesTech is an innovative financial technology company whose services uniquely enable investors to invest socially, leveraging the investment expertise and abilities of others in real time. Its proprietary technology empowers users to share ideas, trades and investing opportunities in equities in the U.S., as well as futures & Forex products, on 46 exchanges globally. SoVesTech is the parent company of Ditto Trade, Inc., a next generation robo-investing firm and the only online broker to allow individuals to participate in the actual trades of others. Since the Company's launch in 2010, customers have Ditto'ed ~1 million trades of

friends, family members, professional traders, Investment Advisors, alert/trading services and newsletters. Ditto Trade is a member of FINRA and SIPC and is a licensed broker-dealer in all 50 states.

About Joseph Fox

Joseph Fox, the CEO and co-founder of SoVesTech, is an Internet pioneer. In 1996, Joseph co-founded Web Street Securities, one of the earliest online brokerage firms. Web Street became a publicly traded company in November 1999 with a peak market value of $500 million. In 2000, Web Street was named first in compliance by Smart Money Magazine and recognized as the Fastest Growing Public Company by Crain's Chicago. Web Street ultimately merged with E*TRADE in May 2001. Under Joseph's leadership, Web Street was an industry leader in technology, compliance and customer service. Individually, Joseph whose brokerage firms have executed millions of trades for customers around the world, has a 20+ year record of compliance without a solitary customer complaint.

Media Contact: Media Relations, SoVesTech, Inc., (312) 263-5400, MediaRelations@SoVestech.com (mailto:MediaRelations@SoVestech.com)

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SOURCE SoVesTech, Inc.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16795

In the Matter of

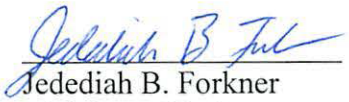
Joseph J. Fox,

Respondent.

CERTIFICATE OF SERVICE

Jedediah B. Forkner, an attorney, certifies that on November 5, 2015, he caused a true and correct copy of the **Division of Enforcement's Motion for Summary Disposition and Brief in Support** to be served on the following Respondent by United Parcel Service Overnight Delivery and e-mail delivery:

Mr. Joseph J. Fox
[redacted]
Long Beach, CA [redacted]
[redacted]

By: 
Jedediah B. Forkner
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Securities and Exchange Commission
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Chicago, Illinois 60604
Telephone: 312.886-0883

Dated: November 5, 2015