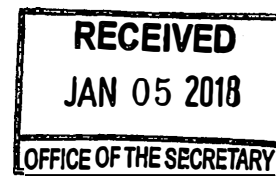UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-18106

In the Matter of

China Du Kang Co., Ltd.,

Respondent.

DIVISION OF ENFORCEMENT'S STATEMENT IN SUPPORT OF
RATIFICATION OF RECORD, RULINGS, AND ORDERS IN THIS PROCEEDING

On November 30, 2017, the Commission issued an order ratifying the prior appointment

of its Administrative Law Judges to preside over pending administrative proceedings. *See In re:*

Pending Administrative Proceedings, Securities Act Release No. 10440 (Nov. 30, 2017). As

applied to this proceeding, the order directs the Administrative Law Judges to determine, based

on a *de novo* reconsideration of the full administrative record, whether to ratify or revise in any

respect all prior actions taken by any administrative law judge during the course of this

proceeding. *Id.* at 1-2.

It is well established that subsequent ratification of an earlier decision rendered by an

unconstitutionally appointed officer remedies any alleged harm or prejudice caused by the

violation. *See Doolin Sec. Sav. Bank, F.S.B. v. Office of Thrift Supervision*, 139 F.3d 203, 213-

14 (D.C. Cir. 1998); *FEC v. Legi-Tech, Inc.*, 75 F.3d 704, 707-09 (D.C. Cir. 1996). And that

principle applies whether or not the ratifying authority is the same person who made the initial

decision, so long as "the ratifier has the authority to take the action to be ratified," and, "with full

knowledge of the decision to be ratified," makes a "detached and considered affirmation of th[at]

earlier decision." *Advanced Disposal Services East, Inc. v. NLRB*, 820 F.3d 592, 602-03 (3d Cir. 2016).

Accordingly, to implement this remedy, the Administrative Law Judge in each affected proceeding should conduct a *de novo* review of the administrative record, engage in an independent evaluation of the merits through the exercise of detached and considered judgment, and then determine whether prior actions should be ratified and thereby affirmed. This process ensures "that the ratifier does not blindly affirm the earlier decision without due consideration." *Advanced Disposal Services East*, 820 F.3d at 602-03.

The Division submits that the previous decisions and orders issued by Judge Patil in this proceeding, including the initial decision issued on September 21, 2017, were well-founded and respectfully requests that they be ratified. To that end, the Division attaches a proposed draft order to this letter.

Dated: January 3, 2017

Respectfully submitted,

James Carlson   202-551-3711
David S. Frye   202-551-4728
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-6010

COUNSEL FOR
DIVISION OF ENFORCEMENT

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-18106

In the Matter of

China Du Kang Co., Ltd.,

    Respondent.

      After a de novo review and reexamination of the record in these proceedings, I have reached the independent decision to ratify and affirm all prior actions made by an administrative law judge in these proceedings, including the initial decision issued on September 21, 2017 Initial Decision Rel. No. 1181. This decision to ratify and affirm is based on my detached and considered judgment after an independent evaluation of the merits.

                                       Jason S. Patil
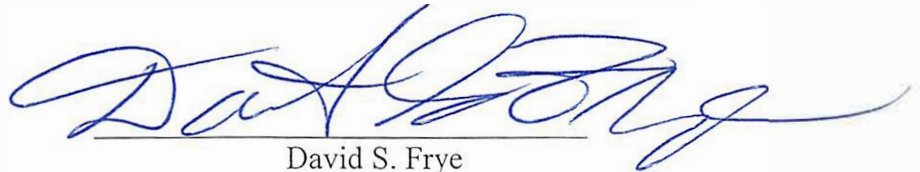   Administrative Law Judge

I, the undersigned, certify that on January 4, 2017, I caused to be served, or commenced the process leading to service of, the Division of Enforcement's Statement in Support of Ratification of Record, Rulings, and Orders in this proceeding, and the accompanying proposed Order on the people and entities listed below in the manner indicated:

By hand and by email to alj@sec.gov:

The Honorable Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

By First Class Mail:

China Du Kang Co., Ltd.
c/o Silver Shield Services, Inc.
Registered Agent
4590 Deodar Street
Silver Springs, NV 89429

_____
David S. Frye