

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 94598 / April 4, 2022

Admin. Proc. File No. 3-19719

In the Matter of

YANIV AVNON, RAN ARMON, and  
G SIX TRADING Y.R LTD

ORDER TO SHOW CAUSE

On February 28, 2020, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Yaniv Avnon pursuant to Section 15(b) of the Securities Exchange Act of 1934.<sup>1</sup> On September 21, 2020, the Division of Enforcement filed a Certificate of Service, which establishes that service of the OIP was made on Avnon on June 2, 2020, pursuant to Commission Rule of Practice 141(a)(2)(iv)(B).<sup>2</sup>

As stated in the OIP, Avnon’s answer was required to be filed within 20 days of service of the OIP.<sup>3</sup> As of the date of this order, Avnon has not filed an answer. The prehearing conference and the hearing are thus continued indefinitely.

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<sup>1</sup> *Yaniv Avnon*, Exchange Act Release No. 88305, 2020 WL 977941 (Feb. 28, 2020). The OIP also instituted proceedings against Ran Armon, who previously settled with the Commission, and against G Six Trading Y.R Ltd., as to which the Commission dismissed the proceedings. *Yaniv Avnon*, Exchange Act Release No. 94147, 2022 WL 343451 (Feb. 3, 2022) (dismissing proceedings as to G Six Trading Y.R Ltd.); *Yaniv Avnon*, Exchange Act Release No. 93932, 2022 WL 73842 (Jan. 7, 2022) (accepting offer of settlement as to Ran Armon).

<sup>2</sup> Rule of Practice 141(a)(2)(iv)(B), 17 C.F.R. § 201.141(a)(2)(iv)(B) (authorizing service of an OIP by “any internationally agreed means of service that is reasonably calculated to give notice, such as those authorized by the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents”); *see also* <https://www.hcch.net/en/states/authorities/details3/?aid=418> (reflecting designation of the Israeli Office of the Legal Advisor, Administration of Courts, as the country’s central authority under the Hague Service Convention).

<sup>3</sup> *Avnon*, 2020 WL 977941, at \*2; Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), 160(b), .220(b).

Accordingly, Avnon is ORDERED to SHOW CAUSE by April 18, 2022, why he should not be deemed to be in default and why this proceeding should not be determined against him due to his failure to file an answer and to otherwise defend this proceeding. Avnon's submission shall address the reasons for his failure to timely file an answer, and include a proposed answer to be accepted in the event that the Commission does not enter a default against him.

When a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding a public hearing.<sup>4</sup> The OIP informed Avnon that a failure to file an answer could result in deeming him in default and determining the proceedings against him.<sup>5</sup>

If Avnon files a response to this order to show cause, the Division may file a reply within 14 days after its service. If Avnon does not file a response, the Division shall file a motion for entry of an order of default and the imposition of remedial sanctions by May 16, 2022. The motion for sanctions should address each statutory element of the relevant provisions of Exchange Act Section 15(b).<sup>6</sup> The motion should discuss relevant authority relating to the legal basis for, and the appropriateness of, the requested sanctions and include evidentiary support sufficient to make an individualized assessment of whether those sanctions are in the public interest.<sup>7</sup> The parties may file opposition and reply briefs within the deadlines provided by the Rules of Practice.<sup>8</sup> The failure to timely oppose a dispositive motion is itself a basis for a finding of default;<sup>9</sup> it may result in the determination of particular claims, or the proceeding as a whole,

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<sup>4</sup> Rules of Practice 155, 180, 17 C.F.R. §§ 201.155, .180.

<sup>5</sup> *Avnon*, 2020 WL 977941, at \*2.

<sup>6</sup> *See, e.g., Shawn K. Dicken*, Exchange Act Release No. 89526, 2020 WL 4678066, at \*2 (Aug. 12, 2020) (requesting additional information from the Division “regarding the factual predicate for Dicken’s convictions” and “why these facts establish” the need for remedial sanctions); *see also Shawn K. Dicken*, Exchange Act Release No. 90215, 2020 WL 6117716, at \*1 (Oct. 16, 2020) (clarifying the additional information needed from the Division).

<sup>7</sup> *See generally Rapoport v. SEC*, 682 F.3d 98, 108 (D.C. Cir. 2012) (requiring “meaningful explanation for imposing sanctions”); *McCarthy v. SEC*, 406 F.3d 179, 190 (2d Cir. 2005) (stating that “each case must be considered on its own facts”); *Gary L. McDuff*, Exchange Act Release No. 74803, 2015 WL 1873119, at \*1, \*3 (Apr. 23, 2015); *Ross Mandell*, Exchange Act Release No. 71668, 2014 WL 907416, at \*2 (Mar. 7, 2014), *vacated in part on other grounds*, Exchange Act Release No. 77935, 2016 WL 3030883 (May 26, 2016); *Don Warner Reinhard*, Exchange Act Release No. 61506, 2010 WL 421305, at \*3-4 (Feb. 4, 2010), *appeal after remand*, Exchange Act Release No. 63720, 2011 WL 121451, at \*5-8 (Jan. 14, 2011).

<sup>8</sup> *See* Rules of Practice 154, 160, 17 C.F.R. §§ 201.154, .160.

<sup>9</sup> *See* Rules of Practice 155(a)(2), 180(c), 17 C.F.R. §§ 201.155(a)(2), .180(c); *see, e.g., Behnam Halali*, Exchange Act Release No. 79722, 2017 WL 24498, at \*3 n.12 (Jan. 3, 2017).

adversely to the non-moving party and may be deemed a forfeiture of arguments that could have been raised at that time.<sup>10</sup>

The parties' attention is directed to the most recent amendments to the Commission's Rules of Practice, which took effect on April 12, 2021, and which include new e-filing requirements.<sup>11</sup>

Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final opinion and order resolving the matter.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

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<sup>10</sup> See, e.g., *McBarron Capital LLC*, Exchange Act Release No. 81789, 2017 WL 4350655, at \*3-5 (Sep. 29, 2017); *Bennett Grp. Fin. Servs., LLC*, Exchange Act Release No. 80347, 2017 WL 1176053, at \*2-3 (Mar. 30, 2017), *abrogated in part on other grounds by Lucia v. SEC*, 138 S. Ct. 2044 (2018); *Apollo Publ'n Corp.*, Securities Act Release No. 8678, 2006 WL 985307, at \*1 n.6 (Apr. 13, 2006).

<sup>11</sup> *Amendments to the Commission's Rules of Practice*, Exchange Act Release No. 90442, 2020 WL 7013370 (Nov. 17, 2020), 85 Fed. Reg. 86,464, 86,474 (Dec. 30, 2020), <https://www.sec.gov/rules/final/2020/34-90442a.pdf>; *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>. The amendments impose other obligations such as a new redaction and omission of sensitive personal information requirement. *Amendments to the Commission's Rules of Practice*, 85 Fed. Reg. at 86,465-81.