

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No.4598/ February 13, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17749

In the Matter of

JASON B. SMITH

ORDER STAYING PROCEEDING

On December 27, 2016, the Securities and Exchange Commission issued an order instituting proceedings (OIP) under Section 15(b) of the Securities Exchange Act of 1934, alleging that Jason B. Smith pled guilty to one count of conspiring to commit wire fraud and mail fraud in violation of 18 U.S.C. §§ 1349, 1341, and 1343 in *United States v. Smith*, No. 2:14-CR-76 (E.D. Tenn.). The OIP alleges further that Smith was sentenced to serve twenty-seven months in prison followed by three years of supervised release and later ordered to make restitution of \$14,902,205, jointly and severally with other defendants. OIP at 2.

The OIP was delivered to the Federal Correctional Institution, Ashland, Kentucky, on January 3, 2017, addressed for Smith, but he was transferred from that facility around that time. On January 26, 2017, the Division of Enforcement communicated with a correctional official responsible for Smith to arrange a telephonic prehearing conference on February 9, 2017. Smith has not filed an answer due twenty days after service of the OIP. OIP at 3; 17 C.F.R § 201.220.

Smith did not participate in the February 9 prehearing conference. I stated that I would issue an order providing for the Division to file a motion for summary disposition if Smith did not respond to an order to show cause. It appears that I was wrong since a motion for summary disposition is appropriate after a respondent files an answer and Smith has not done so. 17 C.F.R. § 201.250(b). A motion for default would be appropriate. 17 C.F.R. § 201.155(a).

Following the prehearing conference, on February 9, I received a joint motion to stay the proceeding pursuant to Rule 161(c)(2) based on Smith's representations to the Division that he will sign an offer of settlement.

I GRANT the joint motion and STAY the proceeding, including all due dates. The parties should notify me promptly if they do not comply with the time limits in the rule or if the Commission should reject the offer of settlement. 17 C.F.R. § 201.161(c)(2).

Brenda P. Murray
Chief Administrative Law Judge