

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4696/ March 20, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17749

In the Matter of

JASON B. SMITH

ORDER TO SHOW CAUSE

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 pleaded 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. Smith has not filed an answer due twenty days after service of the OIP. OIP at 3; 17 C.F.R § 201.220.

A prehearing conference was arranged for February 9 with assistance of a correctional officer responsible for Smith. Smith has not filed an answer and did not participate in the February 9 prehearing conference; however, on February 13, I granted a joint motion to stay the proceeding pursuant to Rule 161(c)(2) based on Smith's representations to the Division that he would sign an offer of settlement. On March 17, 2017, the Division filed a status update representing that Smith has not submitted a signed offer of settlement or responded to the Division's communications regarding settlement, and requesting that Smith be ordered to show cause why he should not be found in default and the proceeding determined against him.

Order

I GRANT the Division's request. Due to Smith's failure to submit a signed offer of settlement, the stay has lapsed. 17 C.F.R. § 161(c)(2)(ii). Smith is ordered to show cause by March 28, 2017, why I should not find him in default and, pursuant to Section 15(b) of the Exchange Act, bar him from the securities industry. 17 C.F.R §§ 201.155(a), .220(f), .221(f). Should Smith not respond to the order to show cause by March 28, I will entertain a motion for default and sanctions, which the Division should file by April 7, 2017.

Brenda P. Murray
Chief Administrative Law Judge