

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87658 / December 4, 2019

Admin. Proc. File No. 3-19309

In the Matter of

AMERICAN RARE EARTHS AND MATERIALS, CORP.,
PURESAFE WATER SYSTEMS, INC., AND
SPENDSMART NETWORKS, INC.,

Respondents.

ORDER TO SHOW CAUSE

The Securities and Exchange Commission (“Commission”) issued an Order Instituting Proceedings (“OIP”) on August 5, 2019, pursuant to Section 12(j) of the Securities Exchange Act of 1934, against respondents American Rare Earths and Materials, Corp. and SpendSmart Networks, Inc. (collectively, “Respondents”)¹

On September 30, 2019, the Division of Enforcement filed a motion for an order entering a default against respondents and revoking the registration of their securities. The motion included a Declaration of Vinyard Cooke, which stated that, pursuant to Rule 141(a)(2)(ii) of the Commission’s Rules of Practice,² service of the OIP was made on American Rare Earths and Materials, Corp. on August 9, 2019, and service of the OIP was made on SpendSmart Networks, Inc. on August 8, 2019.

As stated in the OIP, Respondents’ answers were required to be filed within ten days of service of the OIP.³ As of the date of this order, Respondents have not filed answers. The prehearing conference and the hearing are thus continued indefinitely.

¹ *Am. Rare Earths and Materials, Corp.*, Exchange Act Release No. 86568, 2019 WL 3578315 (Aug. 5, 2019). Respondent PureSafe Water Systems, Inc. settled the proceeding with the Commission. *Am. Rare Earths and Materials, Corp.*, Exchange Act Release No. 87477, 2019 WL 5803819 (Nov. 6, 2019).

² 17 C.F.R. § 201.141(a)(2)(ii).

³ Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), .160(b), .220(b).

Accordingly, Respondents are ORDERED to SHOW CAUSE by December 18, 2019, why the registrations of their securities should not be revoked by default due to their failures to file an answer and to otherwise defend this proceeding. 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.

If Respondents fail to respond to this order to show cause, they may be deemed in default, the proceeding may be determined against them, and their securities may be revoked.⁴ Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final order resolving the matter.

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

Vanessa A. Countryman
Secretary

⁴ Rules of Practice 155, 180, 17 C.F.R. § 201.155, .180; *see Am. Rare Earths and Materials, Corp.*, 2019 WL 3578315, at *3 (“If Respondents fail to file the directed Answers, . . . [they] may be deemed in default and the proceedings may be determined against them . . .”).