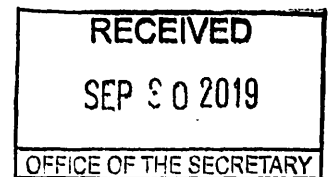


**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**



**ADMINISTRATIVE PROCEEDING**

**File No. 3-19309**

**In the Matter of**

**American Rare Earths and Materials,  
Corp., *et al.*,**

**Respondents.**

**DIVISION OF ENFORCEMENT'S MOTION FOR  
DEFAULT AND BRIEF IN SUPPORT**

The Division of Enforcement ("Division"), by counsel, pursuant to Commission Rules of Practice Rules 154(a) and 155(a)(2) ("Rule"), respectfully moves the Securities and Exchange Commission ("Commission") for an order entering a default against American Rare Earths and Materials, Corp. ("American Rare Earths"), PureSafe Water Systems, Inc. ("PureSafe"), and SpendSmart Networks, Inc. ("SpendSmart") (collectively, "Respondents") in this proceeding and ordering that the registration of each class of their securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 ("Exchange Act") be revoked.

**Argument**

On August 5, 2019, the Commission issued an Order Instituting Proceedings ("OIP") against the Respondents, which have securities registered with the Commission under Section 12(g) of the Exchange Act. The OIP alleges that the Respondents are delinquent in filing their mandated periodic reports. Because each of the Respondents failed to answer or otherwise

respond to the OIP, the Division seeks entry of an order finding American Rare Earths, PureSafe, and SpendSmart to be in default in this proceeding.<sup>1</sup>

The Declaration of Vinyard Cooke to Assist Secretary with Record of Service establishes that each of the Respondents were served with the OIP by actual or attempted Express Mail delivery in accordance with Rule 141(a)(2)(ii). *See* Exhibit A. In addition to the OIP, the Respondents were also served with a letter offering the Division's investigative file for inspection and copying pursuant to Rule 230. However, none of the Respondents have filed an answer or made any other response to the OIP in this proceeding.

The Respondents at issue are delinquent in their filings with the Commission and have been delinquent for periods ranging from two to over seven years. In addition, the Respondents' failure to answer supports revocation of the registration of each class of the Respondents' securities. Accordingly, the Division moves for an order, pursuant to Rule 155(a)(2), finding these Respondents to be in default in this proceeding and ordering that the registration of each class of their securities registered pursuant to Exchange Act Section 12 be revoked.

### **Conclusion**

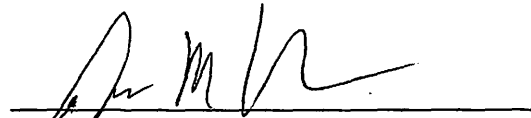
For the reasons set forth above, the Division respectfully requests that the Commission: 1) grant the Division's Motion; 2) enter an order of default against American Rare Earths and Materials, Corp., PureSafe Water Systems, Inc., and SpendSmart Networks, Inc.; and 3) also order the revocation of each class of their securities registered pursuant to Section 12 of the Exchange Act.

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<sup>1</sup> PureSafe initially agreed to settle the matter, but failed to provide an executed consent agreement, in spite of several follow-up requests by the Staff.

Dated: September 30, 2019

Respectfully submitted,



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James Carlson (202) 551-3711  
carlsonj@sec.gov

Vinyard V Cooke (202) 551-4768  
cookev@sec.gov

Securities and Exchange Commission  
100 F Street, N.E., Room 5041  
Washington, D.C. 20549-5041  
COUNSEL FOR  
DIVISION OF ENFORCEMENT

CERTIFICATE OF SERVICE


I hereby certify that true copies of the Division of Enforcement's Motion for Default and Brief in Support were served on the following on this 30<sup>th</sup> day of September, 2019, in the manner indicated below:

By Hand:  
Office of the Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-2557

By Certified Mail:  
PureSafe Water Systems, Inc.  
850 Third Ave., Suite 16C  
New York, NY 10022

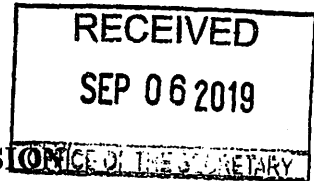
SpendSmart Networks, Inc.  
805 Aerovista Place, Suite 205  
San Luis Obispo, CA 93401

By Priority Mail Express International:  
American Rare Earths and Materials, Corp.  
200 Queens Quay E., Unit 1  
Toronto, Ontario M5A 4K9  
Canada

  
\_\_\_\_\_  
James Carlson

# EXHIBIT A

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-19309

**In the Matter of**  
  
**American Rare Earths and Materials,  
Corp., et al.,**  
  
**Respondents.**

**DECLARATION OF VINYARD COOKE  
TO ASSIST SECRETARY WITH RECORD OF SERVICE**

VINYARD V COOKE, pursuant to 28 U.S.C. § 1746, declares:

1. I am a Senior Counsel with the Division of Enforcement (“Division”) of the Securities and Exchange Commission, and co-counsel for the Division in the captioned administrative proceeding. I am submitting this Declaration to assist the Secretary in maintaining a record of service on the respondents in the captioned proceedings pursuant to Securities and Exchange Commission (“Commission”) Rule of Practice 141(a)(3).

2. Among other means, Rule 141(a)(2)(ii) permits service on a corporation or entity by delivering a copy of an Order Instituting Administrative Proceedings (“OIP”) to an agent authorized by appointment or law to receive such service or, in the case of an issuer with a class of securities registered with the Commission, by sending the OIP via U.S. Postal Service certified, registered, or Express Mail and obtaining a confirmation of attempted delivery on the most recent address shown on the entity’s most recent filing with the Commission. Further, the OIP in this matter authorizes service of the OIP “by

any means permitted by the Commission's Rules of Practice." Therefore, the Division asked the Commission's Secretary to first attempt service on the Respondents via U.S. Priority Mail Express.

3. The Office of the Secretary provided me with the U.S. Priority Mail Express tracking numbers for the copies of the Order Instituting Proceedings ("OIP")<sup>1</sup> that were mailed by the Secretary to the respondents in these proceedings. I input each of the tracking numbers into the U.S. Postal Service's ("USPS's") package tracking system on its Internet website located at [www.usps.com](http://www.usps.com), and printed out the tracking confirmations in order to obtain confirmation of the delivery or attempted delivery of the OIP on each respondent. A true copy of the tracking confirmations for all of the respondents for whom express mail service was attempted is attached as Exhibit 1, hereto.

4. The Secretary mailed the OIP to respondent American Rare Earths and Materials, Corp., CIK 797662 ("AREM"), via Priority Mail Express, Tracking No. EZ 195532115 US, to the address shown on its most recent EDGAR filing at 200 Queens Quay E., Unit 1, Toronto, ON M5A 4K9, Canada. This address is taken from AREM's last filing with the Commission, which was a Form NT 10-K filed with the Commission on September 28, 2012. The USPS tracking system confirms that delivery was attempted on August 9, 2019, but was returned with addressee unknown. *See* Exhibit 1 at 2.

5. In order to determine if mail service is an acceptable means of service in Canada, I determined that both Canada and the United States are signatories to the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters ("The Hague Convention"), 20 U.S.T. 361, T.I.A.S. 6638, 658

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<sup>1</sup>Each service package included the OIP, a letter from the Commission's Secretary, and a letter from the Division offering discovery pursuant to Rule of Practice 230.

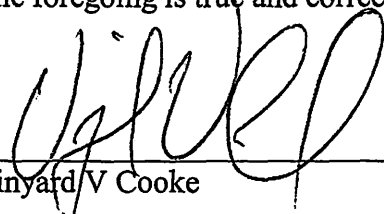
U.N.T.A. 163 (1964). Article 10(a) of the Hague Convention provides that, unless the country of destination objects, parties may send judicial documents directly to persons abroad through postal channels. Canada does not object to such service. *Randolph v. Hendry*, 50 F. Supp.2d 572, 578 (S.D.W.Va. 1999).

6. The Secretary mailed the OIP to respondent PureSafe Water Systems, Inc., CIK 764839 (“PSWS”), via Priority Mail Express, Tracking No. EF 200198913 US, to the address shown on its most recent EDGAR filing at 850 Third Avenue, Suite 16C, New York, NY 10022. This address is taken from PSWS’s last filing with the Commission, which was a Form 8-K filed with the Commission on November 9, 2016. The USPS tracking system confirms that the package was delivered on August 7, 2019. *See Exhibit 1 at 4.*

7. The Secretary mailed the OIP to respondent SpendSmart Networks, Inc., CIK 1062273 (“SSPC”), via Priority Mail Express, Tracking No. EF 200198927 US, to the address shown on its most recent EDGAR filing at 805 Aerovista Place, Suite 205, San Luis Obispo, CA 93401. This address is taken from SSPC’s last filing with the Commission, which was a Form 8-K filed with the Commission on December 19, 2018. The USPS tracking system confirms that the package was delivered on August 8, 2019. *See Exhibit 1 at 6.*

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 6, 2019.

  
\_\_\_\_\_  
Vinyard V Cooke



# EXHIBIT 1

**Track Another Package +**

**Tracking Number:** EZ195532115US

Remove X

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

**In-Transit**

August 28, 2019  
In Transit to Next Facility

Get Updates 

Feedback

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**Text & Email Updates**



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**Tracking History**



August 28, 2019  
In Transit to Next Facility  
Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

August 27, 2019, 1:34 pm  
Departed USPS Regional Facility  
CHICAGO IL INTERNATIONAL DISTRIBUTION CENTER

August 15, 2019, 3:43 pm  
Arrived at USPS Regional Facility  
CHICAGO IL INTERNATIONAL DISTRIBUTION CENTER

Origin Post is Preparing Shipment

August 13, 2019, 4:01 am  
Arrived at Facility  
CANADA

August 9, 2019, 1:11 pm  
Attempted Delivery Abroad  
CANADA

August 9, 2019, 4:34 am  
Arrival at Post Office  
CANADA

August 8, 2019, 4:38 pm  
Arrived at Facility  
CANADA

August 8, 2019, 11:48 am  
Processed through Facility  
TORONTO-A, CANADA

August 8, 2019, 11:47 am  
Customs Clearance Processing Complete  
CANADA

August 8, 2019, 11:41 am  
Processed Through Facility  
CANADA

Feedback

August 8, 2019, 1:41 am  
Customs Clearance  
CANADA

August 7, 2019, 5:48 pm  
Processed Through Regional Facility  
JAMAICA NY INTERNATIONAL DISTRIBUTION CENTER

August 7, 2019, 5:47 pm  
Arrived at Regional Facility  
JAMAICA NY INTERNATIONAL DISTRIBUTION CENTER

August 6, 2019, 10:36 pm  
Departed USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

August 6, 2019, 9:01 pm  
Arrived at USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

Feedback

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Product Information



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See Less ^

**Can't find what you're looking for?**

Go to our FAQs section to find answers to your tracking questions.

**FAQs (<https://www.usps.com/faqs/uspstracking-faqs.htm>)**

Track Another Package +


Tracking Number: EF200198913US

Remove X

Your item was delivered at 8:59 am on August 7, 2019 in NEW YORK, NY 10022. The item was signed for by P P S W SYST.

 **Delivered**

August 7, 2019 at 8:59 am  
Delivered  
NEW YORK, NY 10022


Get Updates 

Feedback

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Text & Email Updates 

---

Proof of Delivery 

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Tracking History 

August 7, 2019, 8:59 am  
Delivered  
NEW YORK, NY 10022

Your item was delivered at 8:59 am on August 7, 2019 in NEW YORK, NY 10022. The item was signed for by P P S W SYST.

August 7, 2019, 8:26 am  
Arrived at Post Office  
NEW YORK, NY 10022

August 6, 2019, 10:36 pm  
Departed USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

August 6, 2019, 9:01 pm  
Arrived at USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

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Product Information



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See Less ^

Feedback

## Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

**FAQs (<https://www.usps.com/faqs/uspstracking-faqs.htm>)**

Track Another Package +


Tracking Number: EF200198927US

Remove X

Your item was delivered in or at the mailbox at 1:56 pm on August 8, 2019 in SAN LUIS OBISPO, CA 93401.

 **Delivered**

August 8, 2019 at 1:56 pm  
Delivered, In/At Mailbox  
SAN LUIS OBISPO, CA 93401


Get Updates 

Feedback


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Text & Email Updates 

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Proof of Delivery 

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Tracking History 

August 8, 2019, 1:56 pm  
Delivered, In/At Mailbox  
SAN LUIS OBISPO, CA 93401

Your item was delivered in or at the mailbox at 1:56 pm on August 8, 2019 in SAN LUIS OBISPO, CA 93401.

August 8, 2019, 2:17 am  
Arrived at Post Office  
SAN LUIS OBISPO, CA 93401

August 7, 2019  
In Transit to Next Facility

August 7, 2019, 10:17 am  
Arrived at USPS Regional Facility  
SANTA BARBARA CA DISTRIBUTION CENTER

August 7, 2019, 6:55 am  
Arrived at USPS Regional Facility  
VAN NUYS CA DISTRIBUTION CENTER

August 6, 2019, 10:36 pm  
Departed USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

August 6, 2019, 9:01 pm  
Arrived at USPS Regional Facility  
LINTHICUM HEIGHTS MD DISTRIBUTION CENTER

Feedback

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Product Information



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See Less ^

**Can't find what you're looking for?**

Go to our FAQs section to find answers to your tracking questions.