

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10253 / November 14, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 79299 / November 14, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17675

In the Matter of

CASEY CUMMINGS,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF
THE SECURITIES ACT OF 1933
AND SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-
DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Casey Cummings (“Cummings” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

A. RESPONDENT

Cummings, 28 years old, resides in Lake Forest, California. Casey participated in an offering of a penny stock.

B. SUMMARY

1. On July 14, 2011, the former CEO (the "Former CEO") of a company ("Issuer A") took over Issuer A's predecessor company, which was in the HVAC / plumbing industry. At the time, the only officer of the predecessor company was Shareholder A. Shareholder A entered into a stock purchase agreement on behalf of the predecessor company with the Former CEO and turned over the business to him. The Former CEO subsequently changed the company's name and business model several times, ultimately settling on the name Issuer A.

2. While Shareholder A was winding down the predecessor company's business affairs, he received convertible notes in lieu of a \$150,000 annual salary that was due to him. As the company's sole officer, he issued and signed notes to himself for the years 2008 through 2010, and each note represented \$150,000 in salary due to Shareholder A, for a total of \$450,000. These notes were convertible into shares of stock at a conversion rate of \$0.0001, allowing the note holder to convert every dollar of debt to 10,000 shares. Accordingly, these three notes entitled Shareholder A to 4.5 billion Issuer A shares. Based on this conversion rate, Shareholder A was a beneficial owner of Issuer A stock during the relevant time period.

3. On March 8, 2013, at the Former CEO's suggestion, Shareholder A assigned a \$50,000 portion of his 2009 convertible note to Respondent in exchange for \$3,340.

4. From March 2013 through March 8, 2014, Respondent converted the note assignment into millions of free-trading Issuer A shares that he sold into the market. No registration statement was filed as to any of the shares that Respondent converted and subsequently sold into the public market, and no exemption from registration was applicable to the transactions.

5. Through the sale of Issuer A stock, Respondent reaped illegal stock sale proceeds of \$102,296.

6. As a result of the conduct described above, Respondent willfully violated Sections 5(a) and 5(c) of the Securities Act, which prohibit any person from using the mails or any means or instrumentality of interstate commerce to sell a security when a registration statement is not in effect for that security, or to offer to sell or offer to buy through the use or medium of any

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

prospectus or otherwise any security when a registration statement has not been filed as to such security.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest, to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Section 15(b) of the Exchange Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 5(a) and (c) of the Securities Act.

B. Respondent be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

C. Respondent shall, within 14 days of the entry of this Order, pay disgorgement of \$102,296, prejudgment interest of \$9,056.68, and a civil money penalty in the amount of \$100,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600, and if timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary