

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 91148 / February 17, 2021

Admin. Proc. File No. 3-19304

In the Matter of  
  
JASON DWAYNE WATSON

ORDER DENYING DIVISION OF ENFORCEMENT'S MOTION TO FIND RESPONDENT  
IN DEFAULT AND IMPOSE REMEDIAL SANCTIONS AND DIRECTING PREHEARING  
CONFERENCE

On August 2, 2019, the Securities and Exchange Commission ("Commission") issued an order instituting administrative proceedings ("OIP") against Jason Dwayne Watson pursuant to Section 15(b) of the Securities Exchange Act of 1934.<sup>1</sup> On September 5, 2019, the Division of Enforcement submitted a Declaration to Assist Secretary with Record of Service, which stated that service of the OIP was made on Watson on August 7, 2019, via certified mail.<sup>2</sup>

After Watson did not file an answer to the OIP, the Division filed a motion on February 3, 2020, seeking entry of a default against him and an order imposing remedial sanctions.<sup>3</sup> In a letter dated February 19, 2020, sent from a federal correctional institution, Watson responded that he had "recently received" a copy of the Division's motion, had "been unavailable and in transport status," and had "not had adequate time to review and respond to" the OIP. Watson also stated that he had "never associated with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization," had "never participated in any offering of a penny stock," and did not intend to so associate or participate in the future. Watson asserted that he should not "be unilaterally barred from these activities." The Division did not file a response to Watson's letter.

In light of Watson's letter, he will not be deemed in default at this time. The Division's motion to hold him in default is denied without prejudice. We will construe Watson's letter as

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<sup>1</sup> *Jason Dwayne Watson*, Exchange Act Release No. 86555, 2019 WL 3537239 (Aug. 2, 2019); *see* 15 U.S.C. § 78o(b).

<sup>2</sup> *See* Rule of Practice 141(a)(2)(i), 17 C.F.R. § 201.141(a)(2)(i) (authorizing service of OIP on an individual by "sending a copy of the order addressed to the individual by U.S. Postal Service certified, registered or Express Mail and obtaining a confirmation of receipt").

<sup>3</sup> *See* Rules of Practice 155(a) and 220(f), 17 C.F.R. §§ 201.155(a), .220(f).

his answer to the OIP. Watson and the Division are directed to conduct a prehearing conference within 28 days of the date of this order.<sup>4</sup> Following the conference, the parties shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at the conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer. If Watson fails to participate in the prehearing conference as directed by this order, he may be deemed in default and the proceeding may be determined against him.<sup>5</sup>

The parties' attention is called to the Commission's March 18, 2020 order regarding the filing and service of papers, which provides that, pending further order of the Commission, parties to the extent possible shall submit all filings electronically at [apfilings@sec.gov](mailto:apfilings@sec.gov).<sup>6</sup>

Accordingly, IT IS ORDERED that the parties hold a prehearing conference and file a statement with the Office of the Secretary following that conference as directed in this order.

By the Commission.

Vanessa A. Countryman  
Secretary

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<sup>4</sup> Rule of Practice 221, 17 C.F.R. § 201.221; *see also Watson*, 2019 WL 3537239, at \*2 (providing that the parties shall conduct a prehearing conference after service of respondent's answer).

<sup>5</sup> Rules of Practice 155(a), 221(f), 17 C.F.R. §§ 201.155(a), .221(f); *see also Watson*, 2019 WL 3537239, at \*2 ("If Respondent fails to . . . appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed true.").

<sup>6</sup> *See Pending Administrative Proceedings*, Exchange Act Release No. 88415, 2020 WL 1322001 (Mar. 18, 2020), <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf>.