BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of	CONSENT ORDER
LAKE RESOURCES GROUP INC	DFI Case No. S-221606 (EX)
Respondent	

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1. The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (the "Division") issued a summary order on June 21, 2018 (the "Summary Order"). The Administrator received a timely petition for hearing from Lake Resources Group Inc ("Respondent") contesting the Summary Order. The Administrator appointed hearing examiner Mark S. Schlei to convene a prehearing conference with the parties for purposes of scheduling a hearing to review the matters alleged in the Summary Order.

2. The Division and Respondent acting by and through counsel, for the purpose of full and final settlement of the matters alleged in the Summary Order, have agreed to rescind the Summary Order to be replaced with entry of this Consent Order without a hearing of any issue of law or fact therein, pursuant to Wis. Stat. § 227.44(5).

3. The Administrator has the authority to seek the relief contained herein pursuant to Wis. Stat. ch. 551 and the rules and forms adopted under this chapter (the "Wisconsin Uniform Securities Law"), and entry of this Consent Order is necessary and appropriate in the public interest and for the protection of investors.

4. Respondent acknowledges the Administrator's jurisdiction over the subject matter of this case and the parties hereto, and venue in the State of Wisconsin. Respondent consents to entry of this consent order as stipulated, agreed to, and presented, without any adjudication of fact or law and without further pleading or notice of appearance. However, Respondent's consent to entry of this consent order shall not be construed as any admission of violation, and Respondent denies it has violated any laws of the State of Wisconsin, including the Uniform Securities Law.

5. NOW, THEREFORE, IT IS HEREBY ADJUDGED AND ORDERED as follows:

FINDINGS OF FACT

6. The Administrator determines that Division's staff presented sufficient evidence to adopt its findings of fact as the Administrator's own findings of fact and conclusions of law.

7. Lake Resources Group Inc (LRG Inc) was incorporated in Wisconsin on or about May 4, 2007, and with a current principal office address 8020 Excelsior Drive, Suite 200, Madison, Wisconsin, 53717. LRG Inc was never registered in any capacity with the Division. At all times material, James Benjamin Hobbins, DOB February 29, 1960, an adult male who previously resided at 1007 Eric Lane, Waunakee, Wisconsin 53597, last known address PO Box 7011, La Quinta, California 92248-7011, controlled the majority shares, was the President, the CEO, and a board member of LRG Inc.

8. At all times material, Investors JS and VS were a married couple and residents of Duncanville, Texas. Investors JS and VS were accredited investors.

9. LRG Inc was involved in the sports fishing business through patenting and marketing fishing lure platform brands under such names as "IronClad", "ChamberLock", "DuraBraid", and "MILMS" (Micro-insert Lure Media Systems).

10. On or about May 8, 2009, LRG Inc emailed to Investors JS and VS a "Confidential Investment Letter" dated August 24, 2007 (the "Offering"). The Offering stated that LRG Inc was offering to "accredited investors" the opportunity to purchase up to 250,000 shares at $1.50 per share. The Offering stated that it would terminate on October 31, 2007 unless extended by the Company with or without notice.

11. On or about May 15, 2009, Investors JS and VS signed and returned to LRG Inc a subscription agreement to purchase 27,000 shares of LRG Inc at a total subscription amount of $40,500, along with a check for $21,000 (the "subscription agreement"). On or about June 13, 2009, Investors JS and VS mailed to LRG Inc another check for $19,500.

12. The subscription agreements were never registered as a security with the Division.

13. The offer, sale or purchase of the subscription agreement occurred between May and June, 2009.

14. The offer, sale or purchase of the subscription agreement occurred in the State of Wisconsin.

15. On or about May 20, 2008, LRG Inc terminated John B. Mathews, the Vice President for Public Relations, a board member since June 20, 2007, and 3 percent shareholder of LRG Inc. Mathews was listed as a member of management in the Offering documents. LRG Inc omitted to state the above material fact to Investors JS and VS in writing in connection with the offer, sale or purchase of the subscription agreement.

16. On or about September 1, 2008, LRG Inc's banking institution, River Valley Bank had frozen their line of credit. LRG Inc omitted to state the above material fact to Investors JS and VS in writing in connection with the offer, sale or purchase of the subscription agreement.

CONCLUSIONS OF LAW

17. Wis. Stat. § 551.501 states: "It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to do any of the following:

(1) To employ a device, scheme, or artifice to defraud.

(2) To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person."

18. Based on the above findings of fact, the Administrator concludes that between May and June 2009, in the State of Wisconsin, the above named Respondent did violate Wis. Stat. §§ 551.501(2) (2007-08).

19. The subscription agreement was a "security" as that term is defined under Wis. Stat. 551.102(28).

20. There was an "offer to sell" or "sale" of the subscription agreement as those terms are defined under Wis. Stat. § 551.102(26).

21. In connection with the offer, sale or purchase of the subscription agreement, Respondent omitted to state the above facts which were material and necessary in order to make

the statements made, in light of the circumstances under which they were made, not misleading to Investors JS and VS, violating Wis. Stat. § 551.501(2).

ORDERS AND NOTICES

22. IT IS ORDERED that the Respondent, their agents and successors shall cease and desist from engaging in the act of making or causing to be made to any person in the State of Wisconsin, any offer or sale of securities until such securities are qualified as covered or registered securities under the Wisconsin Uniform Securities Law, effective as of the original issuance date of the Summary Order, June 21, 2018.

23. IT IS ORDERED that all exemptions from registration set forth in the Wisconsin Uniform Securities Law that may otherwise apply to any sale or offer to sale of securities by the Respondent, their agents and successors are hereby revoked, effective as of the original issuance date of the Summary Order, June 21, 2018.

24. Respondent has been noticed that a willful violation of the above paragraphs 22 or 23 by Respondent or their agents or successors may subject them to administrative and civil enforcement under the Wisconsin Uniform Securities Law, as well as to the criminal penalties, including punishment by a Class H felony, as referenced by Wis. Stat. § 551.508.

25. Respondent has waived and released any claims that they may have against the Administrator, the Division or its employees, agents, or representatives.

26. Respondent has waived all rights to seek a judicial review or otherwise challenge or contest the validity of this Consent Order, and Respondent has waived all rights to challenge or contest the Summary Ordered penalties under the U.S. Bankruptcy Code.

27. The parties shall each bear their own costs and attorney's fees incurred in this action and have waived all possible claims under Wis. Stat. §§ 227.483 and .485.

28. The Division has waived the costs of the investigation and proceeding under Wis. Stat. § 551.604(5).

29. This Consent Order is a final order for purposes of Wis. Stat. §§ 551.412(6) and .604(3), and may be enforced by filing the Consent Order with a court of competent jurisdiction pursuant to Wis. Stat. § 551.604(7).

SO ORDERED.

Issued and executed at Madison, Wisconsin this 5th day of ~~September~~ October, 2018.

MARK S. SCHLEI
Hearing Examiner
Pursuant to appointed authority of the Administrator

STIPULATED AND AGREED TO BY:

The Division

AMESIA NGIALAH XIONG
Attorney for the Division

Respondent

LAKE RESOURCES GROUP INC
By: James Benjamin Hobbins, President

AS TO FORM:

GREGORY T. EVERTS
Attorney for Respondent

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** | Jay Risch, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail and US mail upon Respondent Lake Resources Group, Inc. at its last known address of 8020 Excelsior Dr., Suite 200, Madison, WI 53717:

   i. A copy of the Consent Order, DFI Case No. S-221606 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 5th day of October, 2018.

Leslie M Van Buskirk

(Notary Seal)

Notary Public, State of Wisconsin

My commission is permanent.