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Wisconsin Dept. of Financial Institutions

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

In the matter of,

JAMES B. CHASE,

Respondent.

WAIVER AND CONSENT
TO ORDER

DFI Case No. S-236087 (EX)

The undersigned Respondent, JAMES B. CHASE, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, revocation of certain exemptions, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin for two years from the date issued.

The undersigned Respondent understands the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

James B. Chase

JAMES B. CHASE

State of WI)
County of Milwaukee)
Subscribed before me this
3RD day of AUGUST, 2018.

Monica Wetzel

Notary Public

My commission is permanent/expires 9/9/2019

NOTARY PUBLIC
MONICA WETZEL
STATE OF WISCONSIN

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

In the Matter of,

JAMES B. CHASE,

Respondent.

CONSENT ORDER TO
CEASE & DESIST

DFI S-236087 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondent

1. James B. Chase ("Chase") (CRD#368743) is an adult male resident of Wisconsin, with a last known address of 10612 Cedarburg Road, Mequon, Wisconsin 53092.

Conduct

2. Chase has not been registered with the Division in any capacity since December 8, 1997.

3. Smart Structures, Inc. ("Smart Structures") was a corporation incorporated in the State of Delaware on or about March 31, 2003.

4. On or about August 20, 2012, Smart Structures retained Chase as a consultant for its corporate financing activities under a contract for a term of one year.

5. From at least September 2012 through November 2012, Chase offered at least four Wisconsin investors shares of common stock and warrants issued by Smart Structures.

6. At no time prior to the four Wisconsin investors' decisions to invest in Smart Structures did Chase inform them that he had been the subject of several regulatory actions involving his role in the securities industry.

B. Conclusions of Law

Legal Authority and Jurisdiction

7. The Administrator has the legal authority and jurisdiction over the conduct described above, pursuant to Ch. 551 and the rules and orders promulgated thereunder.

8. Pursuant to Wis. Stat. § 551.102(28), the common stock and warrants issued by Smart Structures, Inc. are securities.

9. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person to, in connection with the offer, sale, or purchase of a security in Wisconsin, to make an untrue statement of 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.

Violations

10. Through the conduct described above, Chase violated Wis. Stat. § 551.501(2) when he omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED summarily that CHASE, his agents, servants, officers, employees, successors, affiliates, and every entity or person directly or indirectly controlled or organized by or on behalf of CHASE, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and 551.604(2).

(b) IT IS FURTHER ORDERED summarily that all exemptions from registrations set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by CHASE, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of CHASE, are hereby revoked, pursuant to Wis. Stat. §§ 551.604(1)(b) and 551.604(2).

(c) IT IS FURTHER ORDERED summarily that CHASE, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of CHASE, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by CHASE, pursuant to Wis. Stat. §§ 551.604(1)(a) and 551.604(2).

(d) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. 551.604(2) and shall remain in effect for two years.

B. Service of Order

(e) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06.

(f) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail.

C. Notifications

(g) PLEASE TAKE NOTICE that this Order consented to by Respondent prohibits Respondent from transacting securities business in the State of Wisconsin per the terms of the orders issued pursuant to Wis. Stat. § 551.604(2), is effective upon the date issued.

(h) PLEASE TAKE FURTHER NOTICE that this Order is effective on the date it is issued. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin this 7th day of August, 2018.

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
4th Floor, North Tower
Madison WI, 53705