

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

IN THE MATTER OF:)	
)	
TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE,)	
<i>Petitioner</i>)	DOCKET NO. 12.06-213905J
<i>v.</i>)	
JASON NEWMAN d/b/a/ SOMERSET CREST, INC.,)	
<i>Respondent</i>)	

FINAL ORDER

Respondent, Jason Newman, commenced this appeal of the Initial Order, which was entered in this matter on February 7, 2022, by Administrative Law Judge Phillip Hillard, on February 22, 2022. In the Initial Order, Judge Hillard found that the contracts Respondent offered and sold were subject to the Tennessee securities law; Respondent failed to register the contracts as securities; Respondent and his company failed to register as a dealer-broker or agency with Tennessee Securities Division; and Respondent used the sale of the contracts as a tool for Respondent's monetary gain, which constituted a device, scheme, or artifice to defraud in violation of Tenn. Code Ann. § 48-1-121(a)(1)-(3). As Respondent was unregistered, the Initial Order imposed the maximum civil penalty of fifty thousand dollars (\$50,000.00) as the only available means to deter similar conduct to ensure that the citizens are not defrauded in the future, consistent with the purposes fairly intended by the policies and provisions of Tennessee Securities Act of 1980. Additionally, Judge Hillard authorized assessment of costs of the investigation, prosecution, and hearing not to exceed five thousand dollars (\$5,000.00).

On or about January 8, 2024, the Commissioner entered a Scheduling Order setting a deadline of May 21, 2024, by which the Respondent shall submit his brief for appeal. Service was attempted by delivering the Scheduling Order via electronic mail to jasonnewmansr@gmail.com, which was the email address used to transmit the appeal of the Initial Order, and by Certified Mail, Return Receipt to 3327 Marlee Way, Unit 57, Rocklin, CA 95677, which was the address where the Initial Order was mailed. The Scheduling Order was returned as Unclaimed and Unable to Forward, and Respondent did not reply from email to confirm receipt of the Scheduling Order. As such, service was attempted again setting the new date of June 7, 2024, by which Respondent shall submit a brief. The Amended Scheduling Order was sent by Certified Mail to 27872 Crown Court Circle, Valencia, CA 95677, an address identified as a possible alternative address, and to jasonnewmansr@gmail.com, and to jaynew72@gmail.com, a second email included in the technical record. The Amended Scheduling Order sent by Certified Mail was returned as Unclaimed and Unable to Forward, and Respondent did not reply from email to confirm receipt of the Scheduling Order.

Respondent did not file a brief by June 7, 2024, and on June 24, 2024, Petitioner filed the Motion to Dismiss Respondent's Appeal requesting that the appeal be dismissed, a Final Order adopting the Initial Order be entered, and costs of the appeal be assessed against Respondent.

The Scheduling Order stated that “[t]he Respondent’s failure to submit its brief by June 7, 2024, **shall** result in the dismissal of its appeal and the entry of a final order adopting the Initial Order.” (emphasis added). As Respondent declined to file a brief, the Commissioner hereby **DISMISSES** this appeal and enters this Final Order adopting the Initial Order. To the extent that there are issues that arise or remain regarding the assessment of costs by Petitioner, including if actual and reasonable costs that Petitioner has incurred on appeal may be filed as part of

Petitioner's assessment of costs pursuant to the Initial Order, those issues are remanded to Administrative Law Judge Hillard for disposition.

WHEREFORE, it is hereby **ORDERED AND ADJUDGED** the Initial Order issued on February 7, 2022, by Administrative Law Judge Hillard is **AFFIRMED** and expressly incorporated herein by reference. This Final Order is made pursuant to Tenn. Code Ann. § 4-5-313 and marks the disposition of this matter.


NOTICE OF RECONSIDERATION AND APPEAL PROCEDURES

Within fifteen (15) days after the Final Order is entered, a party may file a Petition for Reconsideration of the Final Order with the Commissioner of Commerce and Insurance, in which the Petition shall state the specific reasons why the Final Order was in error. If no action is taken by the Commissioner of Commerce and Insurance within twenty (20) days of filing of the Petition for Reconsideration, the Petition is deemed denied. Tenn. Code Ann. § 4-5-317.

A party who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in Davison County Chancery Court within sixty (60) days after the entry date of the Final Order, or if a Petition for Reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the Petition for Reconsideration. The filing of a Petition for Reconsideration does not itself act to extend the sixty (60) day period, if the petition is not granted. A reviewing court also may order a stay of the Final Order upon appropriate terms. Tenn Code Ann. §§ 4-5-322 and 4-5-317.

IT IS SO ORDERED.

This 22nd day of July 2024.


Carter Lawrence (Jul 22, 2024 13:59 CDT)

Carter Lawrence, Commissioner

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been sent via Certified Mail, Return Receipt requested to the Respondent, James Newman, at 3327 Marlee Way, Unit 57, Rocklin, CA 95677, 27872 Crown Court Circle, Valencia CA 95677, via email to jasonnewmansr@gmail.com, jaynew72@gmail.com, and via hand delivery Legal Division – Securities of the Department of Commerce and Insurance this 23rd day of July, 2024.



Leigh Ferguson (Jul 17, 2024 11:11 CDT)

Leigh Ferguson