

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2017056005701**

TO: Department of Enforcement
Financial Industry Regulatory Authority (“FINRA”)

RE: Jason Lane, Respondent
CRD No. 4967267

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I submit this Letter of Acceptance, Waiver, and Consent (“AWC”) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Lane entered the securities industry in 2005. From that time until 2017, Lane was registered with FINRA or its predecessor as a general securities representative. From November 2011 to October 2017, Lane associated with Wells Fargo Clearing Services, LLC (CRD No. 19616) (“WFCS”). Lane has not associated with any member of FINRA since October 20, 2017, but under Article V, section 4(a) of FINRA’s by-laws he is subject to FINRA’s jurisdiction until October 18, 2019.

RELEVANT DISCIPLINARY HISTORY

Lane does not have any relevant disciplinary history.

OVERVIEW

Over the course of more than four years, Lane failed to notify WFCS about the full nature of his participation in three outside business activities—in particular, his efforts to solicit investments in those activities, which WFCS explicitly

prohibited. Two of Lane's notices about those outside business activities were also untimely. By virtue of this conduct, Lane violated FINRA Rule 3270 and consequently FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 prohibits registered persons from serving as an officer of, or expecting to receive compensation from, a business activity that is outside the scope of the registered person's relationship with his or her broker-dealer without giving prior written notice to the firm. That notice must accurately describe the full nature of the outside business activity. Violating FINRA Rule 3270 is not consistent with observing high standards of commercial honor, and thus also constitutes a violation of FINRA Rule 2010.

In November 2012, Lane began engaging in an outside business activity, a company that he helped to found, Agriplas LLC. Lane notified WFCS about that outside business activity but described his role for Agriplas as merely "[a]dvis[ing] business management on how to best design and sell crop yield enhancement devices utilizing plasma." WFCS allowed Lane to participate in Agriplas, provided that he did not solicit investments in the company. However, on at least five occasions from June to December 2013, Lane arranged and participated in meetings with potential investors in Agriplas without notifying WFCS.

In December 2013, Lane began engaging in a second outside business activity, a company called Atlas Agriculture Systems, Inc. that he founded and led as its chief executive officer. In January 2014, Lane told WFCS that Atlas was a "reformed" incarnation of Agriplas, but he did not notify WFCS about the full nature of his role for Atlas. In February 2014, Lane attempted to raise capital for Atlas without notifying WFCS. Four months later, Lane notified WFCS about his outside business activity for Atlas, identifying himself as the company's chief executive officer. WFCS allowed Lane to participate in Atlas, provided that he did not solicit investments in the company. However, Lane subsequently tried to raise \$4 million for Atlas, again without notifying WFCS.

In July 2016, Lane began engaging in a third outside business activity, a company called HydroNOx, Inc. that he founded and led as its chief executive officer. Six months after starting HydroNOx, Lane notified WFCS about that outside business activity, identifying himself as the company's chief executive officer. In March 2017, WFCS refused to allow Lane to participate in that outside business activity. However, Lane continued to work for HydroNOx for at least five more months, helping to prepare presentations for potential investors and crafting a proposal for raising capital for the company, all without notifying WFCS.

In mid-2017, WFCS discovered Lane's undisclosed participation in his outside business activity, and the firm terminated its association with him. FINRA

investigated the circumstances of Lane's termination from WFCS, and that investigation led to this disciplinary proceeding.

While Lane notified WFCS that he was engaging in outside business activity for Agriplas, Atlas, and HydroNOx, he did not disclose the full nature of his activity—significantly, that he was attempting to solicit investments, contrary to WFCS's restrictions, although none of Lane's attempts to raise capital for his outside business activities resulted in any securities transactions. As Lane's notices about his outside business activities were or became inaccurate, they were not valid. And, Lane did not timely notify WFCS about his outside business activity for Atlas and HydroNOx. As a result, Lane violated FINRA Rule 3270 and consequently FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

- Suspension from associating in any capacity with any member of FINRA for 3 months
- Fine of \$5,000

I understand that if I am suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the suspension (see FINRA Rules 8310 and 8311).

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the fine.

The sanctions imposed in this AWC shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;

- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (“NAC”) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person’s or body’s participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person’s or body’s participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA’s public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

3-13-19

Date (mm/dd/yyyy)

Jason Lane

Jason Lane

Reviewed by:

Ethan Brecher
Counsel for Respondent
Law Office of Ethan A. Brecher, LLC
600 Third Avenue, 2d Floor
New York, New York 10016
646-571-2440

Accepted by FINRA:

04/10/2019
Date

Signed on behalf of the
Director of ODA, by delegated authority



J. Loyd Gattis III
Senior Counsel
FINRA Department of Enforcement
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