## UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 91795 / May 7, 2021

ADMINISTRATIVE PROCEEDING File No. 3-20283

In the Matter of

Corbyn W. Jones, Esq.,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE

PROCEEDINGS PURSUANT TO RULE

102(e) OF THE COMMISSION'S RULES OF PRACTICE, MAKING FINDINGS, AND

IMPOSING REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Corbyn W. Jones, Esq. ("Respondent" or "Jones") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.<sup>1</sup>

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings

<sup>&</sup>lt;sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, ... suspend from appearing or practicing before it any attorney ... who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party ... to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph 2 of Section III below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

## III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

- 1. Jones, age 44, is a resident of Kansas City, Missouri. He was a co-founder of Strayne Holdings, LLC ("Strayne") and 1107 Property Management, LLC ("1107 Property Management"), and is the Chief Executive Officer ("CEO") for both entities. Jones is a licensed attorney in Missouri. He is a board member of a privately held Illinois-based life insurance company, Royalty Capital Corporation. Jones has never been associated with an entity registered with the Commission.
- 2. On April 22, 2021, the Commission filed a complaint against Jones in <u>SEC v. Corbyn W. Jones, Esq..</u> (Civil Action No. 4:21-cv-267-FJG), in the United States District Court for the Western District of Missouri. On April 23, 2021, the court entered an order permanently enjoining Jones by consent, from future violations of Sections 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.
- 3. The Commission's complaint alleged, among other things, that Jones raised funds from investors in Strayne and 1107 Property Management, two private companies that Jones and a partner formed to apply for necessary licensure and subsequently operate in the medicinal marijuana industry. Beginning in February 2019, Strayne and 1107 Property Management conducted an offering of membership interests in each entity (the "Offering"). Strayne, 1107 Property Management, and Jones made written representations about the use of funds which included various operational expenses, including a \$225,000 CEO salary expense for the period of March 15, 2019 through January 1, 2020. Jones also made similar oral representations about the use of funds to prospective investors in the Offering. Strayne and 1107 Property Management were denied their requisite state issued licenses and did not generate any operational profits during the relevant period. Throughout such time, Strayne and 1107 Property Management were funded almost exclusively by investor funds raised in the Offering, totaling approximately \$650,500. Of the total amount of investor funds raised, Jones used \$82,733 more than the allowable amount disclosed to investors for CEO salary and other operational expenses. Jones used this money to cover his personal expenses, transfer investor funds to his personal checking account, and make cash withdrawals.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Jones's Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

Jones is suspended from appearing or practicing before the Commission as an attorney. By the Commission.

Vanessa A. Countryman Secretary