

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2014 OCT -8 AM 11:25

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
LICENSING, COMPLIANCE AND
EXAMINATIONS

PA DEPARTMENT OF
BANKING AND SECURITIES

Docket No. : 140042 (SEC-OSC)

v.

INTUBATION PLUS, INC.
NATALIE A. MCCRAY a/k/a
NATALIE A. LARSON
JAMES W. WISHART
A. JOHN LEONTAKIANAKOS
ANTHONY CUBB

NOTICE TO ANSWER AND REQUEST A HEARING

You, Intubation Plus, Inc., Natalie A. McCray a/k/a Natalie A. Larson, James W. Wishart, A. John Leontakianakos, and Anthony Cubb have the right to challenge the attached Order to Show Cause ("Order") by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission ("Commission") may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in the Order, set forth the facts you rely upon and state concisely the law you rely upon. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

The Answer and any other documents must be filed with the Docket Clerk:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a copy to his or her counsel indicated below:

Stefanie Zikos Hamilton
Assistant Counsel
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2014 OCT -8 AM 11:25

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
LICENSING, COMPLIANCE AND
EXAMINATIONS

PA DEPARTMENT OF
BANKING AND SECURITIES

Docket No. : 14 0042 (SEC-OSC)

v.

INTUBATION PLUS, INC.
NATALIE A. MCCRAY a/k/a
NATALIE A. LARSON
JAMES W. WISHART
A. JOHN LEONTAKIANAKOS
ANTHONY CUBB

ORDER TO SHOW CAUSE

You, Intubation Plus, Inc., Natalie A. McCray a/k/a Natalie A. Larson, James W. Wishart, A. John Leontakianakos, and Anthony Cubb are notified that the Department of Banking and Securities ("Department") through the Bureau of Securities Licensing, Compliance and Examinations ("Bureau") hereby **ORDERS YOU TO SHOW CAUSE** why the Banking and Securities Commission ("Commission") should not impose the sanctions and remedies described below. Specifically, this proceeding is instituted pursuant to 1 Pa. Code § 35.14 to determine:

- (1) whether the allegations set forth below are true; and
- (2) if these allegations are true, whether there has been a violation of the Pennsylvania Securities Act of 1972 ("1972 Act") or of the regulations promulgated thereunder;
and
- (3) if so, whether the sanctions and remedies proposed by the Bureau should be imposed by the Commission.

The Bureau alleges the following facts and violations of law for the purpose of tentatively framing the issues for consideration by the Commission. The Commission may consider this matter directly, or may designate a hearing officer to issue a recommended decision prior to the Commission issuing a final order.

**STATEMENT OF THE PARTICULARS AND MATTERS
CONCERNING WHICH THE BUREAU IS INQUIRING**

PARTIES

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.
3. The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.
4. Respondent Intubation Plus, Inc. ("Respondent Intubation") was, at all times material herein, a Pennsylvania corporation with an address at 1524 Enterprise Road, Corry, Pennsylvania 16407.
5. Respondent Natalie A. McCray a/k/a Natalie A. Larson ("Respondent Larson") was, at all times material herein, and individual with an address at 1524 Enterprise Road, Corry, Pennsylvania 16407. At all times material herein, Respondent Larson was the co-founder, chairman, chief technology officer, secretary, and treasurer of Respondent Intubation.
6. Respondent James W. Wishart ("Respondent Wishart") was, at all times material herein, an individual with an address at 23235 Lake Drive, Lexington Park, Maryland 20653. At all times material herein, Respondent Wishart was the president, chief executive officer, and director of Respondent Intubation.

7. Respondent A. John Leontakianakos (“Respondent Leontakianakos”) was, at all times material herein, and individual with an address at 28 McLane Drive, Dix Hills, New York 11746. At all times material herein, Respondent Leontakianakos was the chief financial officer, executive vice-president of finance, and director of Respondent Intubation.
8. Anthony Cubb (“Respondent Cubb”) was, at all times material herein, an individual with an address at 19714 Texas Laurel Trail, Apartment 6058, Humble, Texas 77325. At all times material herein, Respondent Cubb was the co-founder, director, and technical advisor of Respondent Intubation.

FACTUAL ALLEGATIONS

9. Respondent Intubation’s offering materials (Materials) state that Respondent Intubation is a “development stage medical device company that has developed a powerful new proprietary and patented medical device called the RespiScope™.”
10. From in or about February 2002 through April 2002, Respondent Intubation offered and sold units (Units) in Respondent Intubation to at least 214 investors (Investors) for an aggregate amount of at least \$789,800, and at least 4 of the Investors were Pennsylvania residents who purchased Units for an aggregate amount of at least \$7,000.
11. One of the Investors filed a complaint concerning Respondent Intubation with the Department on March 4, 2014.
12. According to the Materials, each Unit represents “100,000 shares of 7% Coupon Series “A” Convertible Preferred Shares” of stock in Respondent Intubation, and the cost of a Unit is \$100,000.

13. From October 2001 until July 2010, Ares Venture Partners, Inc. (“Ares”) was a New York corporation, and at all times material herein, Ares offered and sold Units to investors (Investors) on behalf of Respondent Intubation.
14. At all times material herein, Respondent Leontakianakos was the general partner of Ares.
15. The Units described above are “securities” within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t).
16. Respondent Intubation is the “issuer” of the Units described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. §1-102(l).
17. Respondent Larson acted as an “affiliate” of Respondent Intubation within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused Respondent Intubation to commit the herein stated acts which violated the 1972 Act.
18. Respondent Wishart acted as an “affiliate” of Respondent Intubation within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused Respondent Intubation to commit the herein stated acts which violated the 1972 Act.
19. Respondent Leontakianakos acted as an “affiliate” of both Respondent Intubation and Ares within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused Respondent Intubation and Ares to commit the herein stated acts which violated the 1972 Act.
20. Respondent Cubb acted as an “affiliate” of Respondent Intubation within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused Respondent Intubation to commit the herein stated acts which violated the 1972 Act.
21. The Units were (a) not registered under Section 201 of the 1972 Act, 70 P.S. §1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. §1-202; and (c)

not federally covered securities; and further, the securities transactions relating to the Units were not exempt from registration under Section 203 of the 1972 Act, 70 P.S. §1-203.

22. Ares acted as a “broker-dealer” within the meaning of Section 102(e) of the 1972 Act, 70 P.S. §1-102(e).
23. No broker-dealer registration was filed or in effect under Section 301 of the 1972 Act, 70 P.S. §1-301, for Ares and no exemptions from registration were available.

COUNTS

Violation of Section 201 of the 1972 Act, 70 P.S. §1-201

24. Paragraphs 1 through 23 are incorporated herein by reference as if set forth in their entirety.
25. By engaging in the acts and conduct set forth in paragraphs 9 through 21 of the Factual Allegations, Respondents Intubation, Larson, Wishart, Leontakianakos, and Cubb offered and sold the Units to Pennsylvania residents in willful violation of Section 201 of the 1972 Act, 70 P.S. §1-201.

Violation of Section 301(a) of the 1972 Act, 70 P.S. §1-401(b)

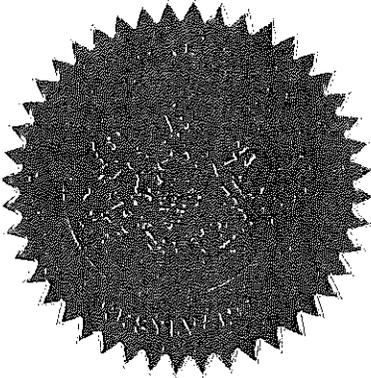
26. Paragraphs 1 through 25 are incorporated herein by reference as if set forth in their entirety.
27. By engaging in the acts and conduct set forth in paragraphs 9 through 23 of the Factual Allegations, Respondent Leontakianakos has engaged in acts and practices in willful violation of Section 301(a) of the 1972 Act, 70 P.S. §1-301(a).

SANCTIONS AND REMEDIES

WHEREAS, the Bureau respectfully requests the penalties and relief pursuant to its authority under the 1972 Act:

1. That an order be issued pursuant to Section 512 of the 1972 Act, 70 P.S. § 1-512, permanently barring Respondent Intubation, Respondent Larson, Respondent Wishart, Respondent Leontakianakos, and Respondent Cubb from:
 - a. Representing an issuer offering or selling securities in this State;
 - b. Acting as a promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities in this State or of a person who controls or is controlled by such issuer;
 - c. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act;
 - d. Being an affiliate of any person registered under Section 301 of the 1972 Act; or
 - e. Relying upon an exemption from registration contained in Section 202, 203 or 302 of the 1972 Act;
2. That Respondent Intubation, Respondent Larson, Respondent Wishart, Respondent Leontakianakos, and Respondent Cubb be ordered to pay the costs of the investigation pursuant to Section 602.1 (b) of the 1972 Act, 70 P.S. § 1-602.1 (b); and
3. That Respondent Intubation, Respondent Larson, Respondent Wishart, Respondent Leontakianakos, and Respondent Cubb be ordered to pay an administrative assessment of up to \$100,000 for each act or omission constituting a willful violation of the 1972 Act, and an additional assessment of up to \$50,000 based upon conduct which involved individuals aged 60 or more, pursuant to Section 602.1(c) of the 1972 Act, 70 P.S. § 1-602.1 (c).

IT IS SO ORDERED.



FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES LICENSING, COMPLIANCE
AND EXAMINATIONS

Glenn Skreppen, Assistant Bureau Director
Bureau of Securities Licensing, Compliance and Examinations

Dated: 10-7-14

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2014 OCT -8 AM 11:25

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
LICENSING, COMPLIANCE AND
ENFORCEMENT

PA DEPARTMENT OF
BANKING AND SECURITIES

Docket No. : 14 0042 (SEC-OSC)

v.

INTUBATION PLUS, INC.
NATALIE A. MCCRAY a/k/a
NATALIE A. LARSON
JAMES W. WISHART
A. JOHN LEONTAKIANAKOS
ANTHONY CUBB

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

Intubation Plus, Inc.
1524 Enterprise Road
Corry, PA 16407

Natalie A. McCray
a/k/a Natalie A. Larson
1524 Enterprise Road
Corry, PA 16407

James W. Wishart
23235 Lake Drive
Lexington Park, MD 20653

A. John Leontakianakos
28 McLane Drive
Dix Hills, NY 11746

Anthony Cubb
19714 Texas Laurel Trail
Apartment 6058
Humble, TX 77325

Dated this 8 day of October, 2014.

Stefanie Zikos Hamilton
Assistant Counsel, Office of Chief Counsel
Attorney ID #81668
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
801 Market Street, Room 6121
Philadelphia, PA 19107
(215)560-2088