

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:)
)
)
VAN PATTEN INDUSTRIES, INC., its managers,)
officers, affiliates, subsidiaries, representatives,) File No. 1400577
successors, and assigns; and,)
INHIBITOR TECHNOLOGY CORP.,)
its managers, officers, affiliates, subsidiaries,)
representatives, successors, and assigns; and,)
JEFFREY SORENSEN, an individual.)

TO THE RESPONDENTS: Van Patten Industries, Inc.
4337 South Perryville
Cherry Valley, IL 61016

Inhibitor Technology Corporation
4337 South Perryville
Cherry Valley, IL 61016

Jeffrey Sorenson
7103 Rye Ridge Trail
Cherry Valley, IL 61016

TO THE ATTORNEY
FOR RESPONDENTS: Jayaram Law Group, Ltd.
Attention: Vivek Jayaram, Esq.
33 N. LaSalle Street, Suite 2900
Chicago, IL 60602

CONSENT ORDER

WHEREAS, Jeffrey Sorenson, personally and on behalf of Van Patten Industries, Inc. and Inhibitor Technology Corporation, on the 15th day of April, 2016 executed a certain Stipulation to Enter into this Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents Jeffrey Sorenson, Van Patten Industries, Inc. and Inhibitor Technology Corporation, have admitted to the jurisdiction of the Secretary of State, Securities Department, and have consented to the entry of this Consent Order.

FACTS COMMON TO ALL COUNTS

Respondents Sorenson, Van Patten, and Inhibitor acknowledge and agree to the following findings of fact:

1. Respondent Van Patten Industries, Inc., ("Van Patten") was an Illinois Corporation which was incorporated on October 9, 1997, was involuntarily dissolved on March 13, 2009, and had a principal place of business and last known address of 4337 South Perryville, Cherry Valley, IL 61016.
2. Respondent Inhibitor Technology Corporation, ("Inhibitor") was a Nevada Corporation which was incorporated on April 30, 2010, was revoked on April 30, 2011, and has a principal place of business and last known address of 4337 South Perryville, Cherry Valley, IL 61016.
3. Respondent Jeffrey Sorenson, ("Sorenson") is the President of both Respondents Van Patten and Inhibitor. Respondent Sorenson has a last known address of 7103 Rye Ridge Trail, Cherry Valley, IL 61016.
4. Since 1997, Respondents Van Patten, Inhibitor, and Sorenson have been engaged in the design, production, and sale of Volatile Corrosion Inhibitor ("VCI") using their "Inhibitor System."

FAILURE TO FILE REPORT WITH THE SECRETARY OF STATE

4. Sometime before 1999, Respondent Sorenson began offering individuals shares of stock in Respondent Van Patten.
5. Investor A, an Illinois resident, invested the sum of \$5,000 in Respondent Van Patten in or around November 16, 2004. On September 30, 2005, Investor A was issued a stock certificate by Respondent Van Patten representing that he owned seven thousand three hundred twenty five (3,725) common shares of Van Patten Industries, Inc.
6. In or around March 9, 2006, Investor A invested another \$5,000 in Respondent Van Patten. Investor A received another stock certificate from Respondent Van Patten on September 25, 2006, representing that he owned another five thousand (5,000) common shares of Van Patten Industries, Inc.
7. The offer or sale of investments in Respondent Van Patten constituted the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
8. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
9. In or around March 10, 2009, Investor A sent Respondent Sorenson a letter requesting that Respondent Sorenson and Respondent Van Patten repurchase his shares.

10. Respondent Sorenson responded to Investor A's letter on March 16, 2009, stating:

At the present time I do not have the cash flow to purchase back shares in the company... Currently we have been working with our bank to open additional lines of credit to continue to expand our markets and cash flow is very tight. I will continue to contact some of our current shareholders that have had some interest in acquiring some more stock, and I will keep you posted on some plans we are working on that could possibly make selling and trading shares in our company more feasible.

11. On July 25, 2010, Respondents Sorenson and Van Patten sent out a letter informing Van Patten Shareholders of a shareholders meeting to be held on August 26, 2010, where a vote would be held to determine whether Van Patten would be re-organized into Inhibitor Technology Corporation.
12. On August 26, 2010, the measure was passed at the shareholder meeting to convert the Van Patten shareholders' stock, on a 1 to 1 basis, into Inhibitor Technology Corporation.
13. Investor A received a letter dated June 1, 2011 from Respondent Sorenson informing Investor A that the measure to convert Van Patten stock into Inhibitor had passed and attached was Investor A's new stock certificate.
14. Investor A received a stock certificate from Respondent Inhibitor representing that he owned twelve thousand three hundred twenty five (12,325) common shares of Inhibitor Technology Corporation.
15. The conversion of Van Patten stock into Inhibitor stock for all investors on a 1 to 1 basis constituted the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
16. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
17. By means of stipulation, Respondents Van Patten, Inhibitor, and Sorenson admit that they were relying on Section 4.G of the Act as an exemption from registration of the security with the Illinois Secretary of State.
18. Section 4.G(4) of the Act states *inter alia* that the Secretary of State shall by rule or regulation require the filing of a report or reports of sales made in reliance upon the exemption provided by this subsection G and prescribe the form of such report and the time within which such report shall be filed. Such report shall set forth the name and address of the issuer and of the controlling person, if the sale was for the direct or indirect benefit of such person, and any other information deemed necessary by the Secretary of State to enforce compliance with this subsection G....The failure to file any such report

shall not affect the availability of such exemption, but such failure to file any such report shall constitute a violation of subsection D of Section 12 of this Act, subject to the penalties enumerated in Section 14 of this Act. *See also* Sections 130.440 and 130.442 of the Rules and Regulations under the Illinois Securities Law of 1953.

19. To date, Respondents Van Patten, Inhibitor, and Sorenson have not filed any reports of sales with the Secretary of State of Illinois in accordance with Section 4.G of the Act.
20. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
21. Section 12.D of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
13. By virtue of the foregoing, Respondents Van Patten, Inhibitor, and Sorenson each violated Sections 12.A and 12.D of the Act.

CONCLUSIONS OF LAW

WHEREAS, by means of the Stipulation, Jeffrey Sorenson, personally and on behalf of Respondents Van Patten and Inhibitor, have acknowledged that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. Jeffrey Sorenson, personally and on behalf of Respondents Van Patten and Inhibitor, acknowledge and agree that Respondents Sorenson, Van Patten, and Inhibitor have each violated Sections 12.A and 12.D of the Act;

UNDERTAKINGS

WHEREAS, by means of the Stipulation, Jeffrey Sorenson, personally and on behalf of Respondents Van Patten and Inhibitor, have acknowledged the following undertakings:

By means of Stipulation, Jeffrey Sorenson, personally and on behalf of Respondents Van Patten and Inhibitor, agree to the following undertakings:

1. Prior to offering or selling any securities in or from the State of Illinois, including any and all promissory notes, stocks, treasury stock, bond, debenture, evidence of indebtedness, or certificate of interest; Respondents Sorenson, Van Patten, and Inhibitor

Consent Order

-1400577-

shall obtain a written opinion from a licensed attorney stating that the securities being offered or sold in or from the State of Illinois are in accordance with the Illinois Securities Law of 1953, including but not limited to making adequate disclosures to current and future investors;

2. Respondents Sorenson, Van Patten, and Inhibitor shall be prohibited from the offer or sale of securities in or from the State of Illinois, except in accordance with this Consent Order and the Illinois Securities Law of 1953;
3. Respondents Sorenson, Van Patten, and Inhibitor (collectively) shall pay a fine of \$2000 made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund located at 69 West Washington, Suite 1220, Chicago, IL 60602 and referencing case # 1400577.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. By means of stipulation and prior to offering or selling any securities in or from the State of Illinois, including any and all promissory notes, stocks, treasury stock, bond, debenture, evidence of indebtedness, or certificate of interest; **RESPONDENTS VAN PATTEN INDUSTRIES, INC., INHIBITOR TECHNOLOGY CORPORATION, and JEFFREY SORENSON SHALL** obtain a written opinion from a licensed attorney stating that the securities being offered or sold in or from the State of Illinois are in accordance with the Illinois Securities Law of 1953, including but not limited to making adequate disclosures to current and future investors.
2. By means of stipulation, Respondent **VAN PATTEN INDUSTRIES, INC.** is prohibited from the offer and sale of securities in or from the State of Illinois effective April 18, 2016, except in accordance with this Consent Order and the Illinois Securities Law of 1953.
3. By means of stipulation, Respondent **INHIBITOR TECHNOLOGY CORPORATION** is prohibited from the offer and sale of securities in or from the State of Illinois effective April 18, 2016, except in accordance with this Consent Order and the Illinois Securities Law of 1953.
4. By means of stipulation, Respondent **JEFFREY SORENSON** is prohibited from the offer and sale of securities in or from the State of Illinois effective April 18, 2016, except in accordance with this Consent Order and the Illinois Securities Law of 1953.
5. By means of stipulation, Respondents **SORENSON, VAN PATTEN, and INHIBITOR** (collectively) **SHALL** pay a fine of \$2000 made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund located at 69 West Washington, Suite 1220, Chicago, IL 60602 and referencing case # 1400577.

Consent Order
-1400577-

The Notice of Hearing dated April 18, 2016, as it relates to Respondents Sorenson, Van Patten, and Inhibitor will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Order.

The entry of this Consent Order ends the Secretary of State, Securities Department's formal hearing of this matter.

Date of Mailing: 18th day of April 2016.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123. Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

Attorneys for the Secretary of State:
Frank Loscuito
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-7319