STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: URBAN AIRSHIP, INC., Respondent.	Case No. S-17-0144 FINAL ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), acting in accordance with Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995 (the "Oregon Securities Law"), and Oregon Administrative Rules ("OAR") chapter 441, has investigated the business activities of Urban Airship, Inc. ("Urban Airship").

Urban Airship has cooperated with the Director's investigation and wishes to resolve this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed herein, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent Urban Airship is a company incorporated under the laws of Delaware and has a principal place of business at 1417 NW Everett Street, Suite 300, Portland, Oregon 97209.

2. On or about December 19, 2011, Urban Airship obtained an order of securities registration to issue stock options to its employees pursuant to its 2009 Stock Incentive

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Plan (the "Plan") under former OAR 441-065-0270.[1]

3. The December 19, 2011 order was renewed annually until it expired on December 19, 2015, at which time it was not renewed (see file number 2011-2017).

4. Between approximately June 29, 2016 and December 9, 2016, Urban Airship issued stock options to its employees pursuant to the Plan without an order of securities registration. Specifically, on or about July 11, 2016, Urban Airship granted stock options to 20 of its employees who were Oregon residents; on or about October 26, 2016, Urban Airship granted stock options to 60 of its employees who were Oregon residents; and on or about December 9, 2016, Urban Airship granted stock options to three (3) of its employees who were Oregon residents. In addition, on or about June 29, 2016, Urban Airship repriced previously-granted stock options held by its employees, including 78 of its employees who were Oregon residents.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

5. The stock options Urban Airship issued to its employees pursuant to the Plan are "securities" as defined under ORS 59.015(19)(a).

6. Urban Airship's issuance of stock options to its employees constitutes the "sale" of securities under ORS 59.015(17)(a).

7. Under ORS 59.055(1), it is unlawful for any person to offer or sell any security in this state, unless the security is registered and the offer or sale is not in violation of any rule or order of the Director.

8. By selling securities that were not registered, Urban Airship violated ORS 59.055(1).

9. The Director has reason to believe that Urban Airship has engaged in a

[1] At all relevant times, OAR 441-065-0270 was in effect. That rule has since been replaced by OAR 441-035-0300, which became effective February 1, 2017.

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violation of the Oregon Securities Law.

10. Under ORS 59.245(4), if the Director has reason to believe that any person has engaged, is engaging or is about to engage in any violation of the Oregon Securities Law, the Director may issue an order, subject to ORS 59.295, directed to the person to cease and desist from the violation or threatened violation.

11. Under ORS 59.995(1), any person who violates or who procures, aids or abets in the violation of ORS 59.005 to 59.451, 59.710 to 59.830, 59.991 and 59.995 shall be subject to a penalty of not more than $20,000 for every violation, which shall be paid to the General Fund of the State Treasury.

ORDERS

The Director issues the following ORDERS:

Final Order to Cease and Desist

12. Pursuant to the authority under ORS 59.245(4), the Director hereby ORDERS Urban Airship to CEASE AND DESIST from:

A. Offering and selling unregistered securities in the State of Oregon, in violation of ORS 59.055; and

B. Violating any provision of the Oregon Securities Law.

Final Order Assessing Civil Penalty

13. Pursuant to the authority under ORS 59.995, the Director hereby assesses a CIVIL PENALTY against Urban Airship in the amount of $4,650.00 for violating ORS 59.055.

14. The CIVIL PENALTY assessed herein is due and payable at the time this Order is returned to the Director.

15. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, entry of this Order in no way limits or prevents further remedies, sanctions, or actions which may be available to the Director under Oregon law to enforce this Order,

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for violations of this Order, for conduct or actions of Respondent that are not covered by this Order, or against any party not covered by this Order.

SO ORDERED this 19th day of December, 2017.

JEAN STRAIGHT, Acting Director
Department of Consumer and Business Services

/s/ David C. Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Suk Kim, state that I am General Counsel to Urban Airship, Inc. ("Urban Airship"), 1417 NW Everett Street, Suite 300, Portland, Oregon 97209; that I am authorized to act on behalf of Urban Airship; that I have read the foregoing Order; that I know and fully understand the contents hereof; that I have been advised of Urban Airship's right to a hearing in this matter; that Urban Airship has had the opportunity to be represented by counsel in this matter, and has in fact been represented by Fenwick & West LLP in this matter; that Urban Airship voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Urban Airship executes this Order as a settlement of the matters referred to in the foregoing Order; that Urban Airship understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by Urban Airship; and that Urban Airship will fully comply with the terms and conditions stated herein.

Urban Airship understands that this Order is a public document.

/s/ Suk Kim
Signature
Suk Kim
Printed name
General Counsel And Corporate Secretary
Office held

State of Oregon
County of Multnomah

There appeared before me this 1st day of December, 2017, Suk Kim, and stated that he/she was and is an officer of Urban Airship, and that he/she is authorized and empowered to sign this Order on behalf of Urban Airship, and to bind Urban Airship to the terms hereof.

/s/ Akasha Cowdin
Notary Public - State of Oregon

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