

Division of Securities
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Utah Department of Commerce
Division of Securities

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

CARL A. MAYBIN

KASHIN, INC.

Respondents.

STIPULATION AND CONSENT ORDER

Docket No. SD-21-0010

Docket No. SD-21-0011

The Utah Division of Securities (“Division”), by and through its Senior Enforcement Manager, Elizabeth Blaylock, and Respondents Carl Maybin (“Maybin”) and Kashin, Inc, (“Kashin”), together (“Respondents”) hereby stipulate and agree as follows:

1. Respondents have been the subject of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. §§ 61-1-1 (securities fraud), 61-1-3 (licensing), and 61-1-7 (registration).
2. On or about May 19, 2021, the Division initiated an administrative action against Respondents by filing an Order to Show Cause.
3. Respondents hereby agree to settle this matter with the Division by way of this Stipulation and Consent Order (the “Order”). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to the Order to Show Cause.

4. Respondents admit that the Division has jurisdiction over them and over the subject matter of this action.
5. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.
6. Respondents have read this Order, understand its contents, and voluntarily agree to the entry of the Order as set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
7. Respondents are aware that they may obtain counsel to represent them in this matter but have elected not to obtain counsel.

FINDINGS OF FACT

THE RESPONDENTS

8. Kashin, also known as Kash USA, Inc, is a corporation registered in the state of Nevada on April 9, 2009. In Kashin's February 27, 2016 Form 8-K filing with the U.S. Securities and Exchange Commission, Maybin signed the Form 8-K as the Chief Executive Officer ("CEO") and Director of Kashin. Kashin has never been licensed with the Division, and has never recorded a securities registration, exemption from registration, or notice filing with the Division.
9. Maybin resided in Honolulu, Hawaii during all times relevant to the allegations asserted herein and has never been licensed in the securities industry. Maybin holds himself out to be the CEO and Director of Kashin.

10. The Division's investigation of this matter revealed that in or about September 2017, while directing business to the state of Utah, Respondents offered and sold an investment opportunity to one Utah investor and raised approximately \$20,000 in connection therewith.
11. The investment opportunity offered and sold by Respondents is an investment contract, promissory note, or equity investment which are defined as securities under §61-1-13 of the Act.
12. In connection with the offer and/or sale of securities, Respondents, directly or indirectly, made material omissions and/or misrepresentations of material facts regarding Respondents' intended use of investor N.M.'s funds.
13. Maybin utilized investor N.M.'s funds in a manner inconsistent with the representations Maybin made to investor N.M. For example, investor money was used to fund Maybin's personal expenses such as: food and dining, entertainment, personal retail shopping expenses, and substantial cash withdrawals.
14. In connection with the offer and/or sale of securities of Kashin, Maybin acted as an unlicensed agent and used investor N.M.'s funds for personal use.
15. Kashin paid and employed Maybin as an agent to offer and sell securities on behalf of Kashin to investor N.M., when Maybin was not licensed in the securities industry to do so.
16. Respondents offered and/or sold securities that were not registered with the Division, did not qualify for an exemption from registration, and were not federal covered securities for which any notice filing was made.
17. To date, investor N.M. has been paid back only \$8,500 of his \$20,000 initial principal investment in Kashin.



THE SOLICITATION AND KASHIN INVESTMENT

18. In or about September 2017, Utah investor N.M. was introduced to Maybin through a mutual friend.
19. Maybin told investor N.M. that Maybin was looking for investors in a payment processing platform that would allow the “unbanked”¹ to purchase marijuana and cannabis-related products.
20. Maybin solicited investor N.M. by telephone.
21. Investor N.M. had no role in Kashin other than providing investment funds.
22. During the solicitation, Maybin made numerous statements to investor N.M. regarding the Kashin investment opportunity, including, but not limited to, the following:²
 - a. That Maybin had developed a proprietary technology that would serve as the basis for generating profit;
 - b. That upon request, investor N.M. would be able to withdraw his investment from Kashin;
 - c. That investor N.M.’s funds would be used on business expenses related to developing Kashin’s merchant payment platform;
 - d. That in exchange for investor N.M.’s investment, investor N.M. would receive 60,000 convertible shares in Kashin, and a 15% annual return paid monthly; and
 - e. That Maybin was the CEO of Kashin.
23. Based upon Maybin’s statements, investor N.M. invested approximately \$20,000.
24. The funds were sent via wire as per Maybin’s instructions and were deposited into

¹ Unbanked is a term used to describe individuals who do not own a bank account at a financial institution.

² The Division’s requests for interviews with Maybin were disregarded. Maybin chose not to participate in the Division’s investigation.

Kashin's business account located at the Bank of Hawaii-Honolulu.

THE INVESTMENT AGREEMENT

25. In exchange for his investment in Kashin, Maybin gave investor N.M. a document entitled "Convertible Note Offering Memorandum, Kashin Inc.: A Private Offering of a Maximum of 60,000 Units."
26. The document was dated September 26, 2017, and signed by Maybin and investor N.M.
27. The investment agreement included the amount invested, the expected annual interest rate, and a monthly payment schedule to pay interest.
28. The investment agreement detailed that Kashin would offer investor N.M. a "convertible note with a coupon of 15% (annual interest) convertible into a maximum of 60,000.00 shares [...] (\$20,000) convertible at a purchase price of \$0.30."
29. The investment agreement further mentioned that the conversion was available for one year, that interest would be paid monthly, and described Kashin in the following manner:

"Kashin is a cloud-based global digital payments technology designed to support the 85% of the world without smartphones and the 50% of the world classified as Unbanked or Under-banked. Through Kashin's extensive payments platform, retailers can provide the mobile-first services their under-banked customers require, all in a branded, white-label environment."

FRAUDULENT CONDUCT: USE OF INVESTOR FUNDS

30. An analysis of Kashin's business bank account at Bank of Hawaii-Honolulu revealed that Maybin used investor N.M.'s funds in a manner inconsistent with what Maybin represented at the time of solicitation.
31. Maybin told investor N.M. that his investment would be used for business expenses



related to developing Kashin's digital payment platform. However, Maybin instead used investor N.M.'s investment primarily to fund Maybin's personal lifestyle and for purposes not disclosed to or authorized by investor N.M.

32. Maybin misused investor N.M.'s funds in a number of ways, including, but not limited to, the following:
- a. Approximately \$17,854 in cash withdrawals without providing an explanation or legitimate business use for the withdrawal of funds;
 - b. Approximately \$1,320 on general personal spending for Visa credit card payments, Amazon, Banana Republic, Regal Cinemas, McKinley Car Wash, Aloha Stadium, Safeway Grocers, and other retail merchants;
 - c. Approximately \$355 on dining and fast-food payments at Wendy's, Burger King, Los Chaparros, New Eagle Café, Down to Earth, McDonald's, Taco Bell, Pizza Hut, Manoa Chocolate, Zippy's Kailua, Jack-in-the-Box, Da Cove Kapolei, and Honolulu Burger; and
 - d. Approximately \$470 on miscellaneous expenses such as bank insufficient funds service fees, bank wire transfer service fees, ATM service fees, Costco Gas and other miscellaneous expenses.

33. Investor N.M. asked Maybin on several occasions to return his investment funds.

However, to date, Maybin still has not returned investor N.M.'s funds.

34. Maybin solicited investor N.M. to invest in Kashin; but ultimately Maybin used investor N.M.'s funds for personal use.

MISSTATEMENTS AND OMISSIONS

35. In connection with the offer and/or sale of securities, Respondents made material



misstatements to investor N.M. including, but not limited to, the following:

- a. That investor N.M.'s funds would be used exclusively for business expenses related to developing Kashin's digital payment platform, when in fact, this claim was false;
- b. That investor N.M. would receive monthly interest payments from his investment in Kashin, when in fact, there was no reasonable basis to make this claim; and
- c. That upon request, investor N.M. could withdraw his investment funds from Kashin, when in fact, this claim was false.

36. In connection with the offer and/or sale of securities, Respondents omitted material information to investor N.M. including, but not limited to, the following:

- a. Maybin would use investor N.M.'s money to pay Maybin's personal expenses;
- b. Respondents were not licensed to sell securities; and
- c. Some or all of the information typically provided in an offering circular or prospectus relevant to the investment opportunity, such as:
 - i. Business and operating history;
 - ii. Financial statements;
 - iii. Information regarding principles involved in the company;
 - iv. Conflicts of interest;
 - v. Risk factors;
 - vi. Suitability factors for investment; and
 - vii. Whether the securities offered were registered in the state of Utah.

37. To date, investor N.M. has been paid back \$8,500 of his investment by Maybin and is still owed at least \$11,500 in principal alone from his investment in Kashin.

CONCLUSIONS OF LAW

Securities Fraud under § 61-1-1(2) of the Act

Respondents Kashin & Maybin

38. As described herein, in connection with the offer and/or sale of securities, Respondents directly or indirectly misrepresented material facts and/or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 61-1-1(2) of the Act.

Securities Fraud under § 61-1-1(3) of the Act

Respondents Kashin & Maybin

39. As described herein, in connection with the offer and/or sale of securities, Respondents directly or indirectly engaged in an act, practice, or course of business which operated as a fraud or deceit on investor N.M., in violation of Section 61-1-1(3) of the Act, when Maybin misused investor N.M.'s funds.

Unlicensed Activity under § 61-1-3(2)(a) of the Act

Respondent Kashin

40. It is unlawful for an issuer to employ or engage an agent, unless the agent is licensed in the securities industry in the state of Utah.
41. As described herein, Maybin was not licensed in the securities industry in any capacity when he offered and sold securities on behalf of Kashin to investor N.M., and used investor N.M.'s funds for personal use, in violation of Section 61-1-3(2)(a) of the Act.

Unlicensed Activity under § 61-1-3(1) of the Act

Respondent Maybin

42. It is unlawful for a person to transact business in this state as an agent unless the person is

licensed under this chapter.

43. As described herein, Respondent Maybin was not licensed in the securities industry in any capacity when he offered and sold securities on behalf of Kashin to investor N.M., and used investor N.M.'s funds for personal use, in violation of Section 61-1-3(1) of the Act.

Sale of Unregistered Securities under § 61-1-7 of the Act

Respondents Kashin & Maybin

44. It is unlawful for any person to offer or sell any security in this state unless it is registered, an exempted security or transaction, or is a federal- covered security for which notice filing has been made.
45. As described herein, the Kashin investment offered and sold by Maybin was not registered with the Division, did not qualify for an exemption from registration, and was not a federal- covered security for which any notice filing was made, in violation of Section 61-1-7 of the Act.

REMEDIAL ACTIONS / SANCTIONS

46. Respondents admit the Division's Findings of Fact and Conclusions of Law, and consent to the below sanctions being imposed by the Division.
47. Respondents agree to cease and desist from violating the Utah Uniform Securities Act (Utah Code Ann. §§ 61-1-1 through 61-1-32) and to comply with the requirements of the Act in all future business in Utah.
48. Respondents agree to be barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds



in the state of Utah; and from being licensed in any capacity in the securities industry in Utah.

49. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, the Division imposes a total fine amount of \$20,000 against Respondents to be paid jointly and severally. Respondents will pay the fine amount by making consecutive equal monthly payments to the Division over the succeeding twenty-four (24) month period following entry of this Order. The fine may be offset, dollar for dollar, for restitution of up to \$11,500 paid to the investor within the twenty-four month period. Respondents shall provide proof of such payments to the Division by submitting copies of canceled checks or bank wire information.

FINAL RESOLUTION

50. Respondents and the Division acknowledge that this Order, upon approval by the Commission, shall be the final compromise and settlement of this matter. Respondents acknowledge that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondents expressly waive any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.
51. If Respondents materially violate any term of this Order, after notice and an opportunity to be heard before an administrative judge solely as to the issue of a material violation, Respondents consent to entry of an order in which the total fine amount is increased by 20% and becomes immediately due and payable, less any payments already made. Notice of the violation will be provided to Respondents at their last known addresses, and to counsel for Respondents if they have obtained counsel. If Respondents fail to request a



hearing, or fail to cure any missed fine payment, within ten (10) days following the notice, there will be no hearing and the order granting relief will be entered.

52. In addition, the Division may institute judicial proceedings against Respondents in any court of competent jurisdiction and take any other action authorized by the Act or under any other applicable law to collect monies owed by Respondents or to otherwise enforce the terms of this Order. Respondents further agree to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.
53. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third parties against them have no effect on, and do not bar this administrative action by the Division against them.
54. This Order constitutes the entire agreement between the parties herein and supersedes and cancels all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way. Upon entry of the Order, any further scheduled hearings involving Respondents are canceled. The Order may be docketed in a court of competent jurisdiction.

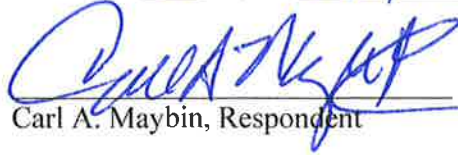


Dated this 7th day of July 2023.



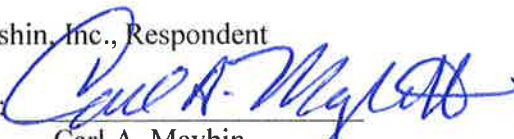
Elizabeth Blaylock
Senior Enforcement Manager
Utah Division of Securities

Dated this 15th day of MAY 2023.


Carl A. Maybin, Respondent

Dated this 15th day of MAY 2023.

Kashin, Inc., Respondent

By: 
Carl A. Maybin

Its: CEO and Director

Approved:



Jennifer Korb

Assistant Attorney General
Utah Attorney General's Office
Counsel for the Division

ORDER

IT IS HEREBY ORDERED THAT:

1. Respondents admit the Division's Findings and Conclusions, which are hereby entered.
2. Respondents shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in the state of Utah.
3. Respondents shall be barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds in the state of Utah; and from being licensed in any capacity in the securities industry in Utah.
4. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, Respondents shall pay a fine of \$20,000 to the Division pursuant to the terms set forth in paragraph 49.

BY THE UTAH SECURITIES COMMISSION:

DATED this 10th day of August 2023.


Lyndon L. Ricks


Lyle White


Mark Zimbelman


Dawn Dachenhausen

CERTIFICATE OF SERVICE

I certify that on the 11th day of August 2023, I sent a true and correct copy of the foregoing **Stipulation and Consent Order** to the following as indicated:

Carl A. Maybin, individually and on behalf
of Kashin, Inc, Respondents
300 Kuulei Rd.
Suite A
Kailua, HI 96734
carl@iptriple.com
Via U.S. Mail and email

Carl A. Maybin
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Via U.S. Mail and email

Nathan Gallegos, Administrative Law Judge
Department of Commerce
ngallegos@utah.gov
Via email

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Via email

Elizabeth Blaylock
Senior Enforcement Manager
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Via email



Administrative Assistant