



**STATE OF UTAH**  
**DEPARTMENT OF COMMERCE | DIVISION OF SECURITIES**  
**SECURITIES COMMISSION | RM 403**  
**PENDING MEETING MINUTES | March 8, 2023 | 9:00 AM - 10:30 AM**

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**SECURITIES COMMISSION**

Lyle White  
Lyndon Ricks  
Mark Zimbelman  
Dawn Dachenhausen

Chair  
Commissioner  
Commissioner (virtually)  
Commissioner

**DIVISION OF SECURITIES**

Jason Sterzer  
Bryan Cowley  
Ken Barton  
Dave Hermansen  
Ashlee Buchholz  
Aaron Burgoyne  
Tarrah McMillan  
Cidne Orchard  
Chip Lyons

Director, Division of Securities  
Manager of Licensing and Registration  
Manager of Compliance  
Manager of Enforcement  
Administrative Assistant  
Investigative Accountant  
Administrative Office Specialist  
Enforcement Investigator  
Securities Analyst

**ASSISTANT ATTORNEY GENERALS**

Jen Korb  
Stephen Gilles  
Mark Holliday

Counsel for Division  
Counsel for Division  
Counsel for Division



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**WELCOME AND CALL TO ORDER**

9:03 AM

Chairman White commenced the Securities Commission meeting.

**CONSIDERATION AND APPROVAL OF PROPOSED ORDER(S)**

**In the matter of Nexo Capital Inc. SD-23-0012**

**Stipulation and Consent Order Presented by Mark Holliday**

The settlement originated from a North American Securities Administrators Association (NASAA) investigation into Nexo Capital's (Nexo) offer and sale of unregistered securities in the form of its Earned Interest Product (EIP). During the investigation, it was discovered that EIP investors could passively earn interest on digital assets by loaning those assets to Nexo. Nexo maintained total discretion over the revenue-generating activities utilized to earn returns for investors. The company offered and promoted the EIP and other products to investors in the U.S. via its website and social media channels suggesting in some instances that investors could obtain returns as high as 36%.

Nexo is alleged to have failed to comply with state registration requirements and, as a result, investors were sold unregistered securities in violation of state law and additionally were deprived of critical information and disclosures necessary to understand the potential risks of the EIP. The NASAA settlement with Nexo divided the settlement between the 50 states amounting to a fine of \$424,528.30 payable to each state.

✓ Commissioner Ricks made a motion to approve and Commissioner Dachenhausen seconded the motion. The Commission unanimously approved the Stipulation and Consent Order.

**In the matter of American Fund Investments, SD-21-0019, SD-21-0020**

**Stipulation and Consent Order Presented by Stephen Gillies**

In 2019, the Respondents offered and sold two investment opportunities to one Utah investor and collected approximately \$92,700. The Respondents used the investment funds in a manner that was inconsistent with statements made to investors, including personal expenses. The Order required Respondents to cease and desist from violating the Utah Uniform Securities Act, be barred from future securities licensure, and pay a \$69,000 fine. The fine amount to be offset by any amount of restitution paid to the investor.

✓ Commissioner Ricks made a motion to approve and Commissioner Zimbelman seconded the motion. The Commission unanimously approved the Stipulation and Consent Order.



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**MEETING ADJOURNED**  
10:30 AM

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*The next scheduled Securities Commission meeting is April 13/14, 2023*

**APPROVED:** \_\_\_\_\_  
**CHAIRMAN WHITE** **DATE**