



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

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

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

APPROVED: 
CHAIRMAN WHITE


DATE