

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION**

**IN THE MATTER OF:**

**Keith VonKahle  
Respondent**

)  
)  
) **ORDER TO CEASE AND DESIST**  
)  
)  
) **COM2020 000004**  
)  
)

**NOTICE OF ORDER**

This Order commences an adjudicative proceeding under the provisions of RSA 421-B:6-613.

**LEGAL AUTHORITY AND JURISDICTION**

Pursuant to RSA 421-B:6-604(a), the Secretary of State has the authority to issue and cause to be served an order requiring any person appearing to him to be engaged or about to be engaged in any act or practice constituting a violation of RSA 421-B or any rule or order thereunder, to cease and desist from violations of RSA 421-B.

Pursuant to RSA 421-B:5-508, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:6-603 or RSA 421-B:604, or who violates RSA 421-B:5-505 knowing that the statement was false or misleading in any material respect, shall be guilty of a class B felony.

Pursuant to RSA 421-B:6-604(d), the Secretary of State has the authority to impose administrative penalties of up to \$2,500 for a single violation.

Pursuant to RSA 421-B:6-604(e) the Secretary of State may order rescission, restitution or disgorgement for violations of this chapter.

Pursuant to RSA 421-B:6-604(g), the Secretary of State may charge the actual cost of an investigation or proceeding for a violation of this chapter or an order issued under this chapter.

### **NOTICE OF RIGHT TO REQUEST A HEARING**

The above named respondent has the right to request a hearing on this order to cease and desist, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be signed by the respondent, or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301.

Under the provisions of RSA 421-B: 6-604(b), within 15 days after receipt of a request in a record from the respondent, the matter will be scheduled for a hearing. If a Respondent subject to the order does not request a hearing and none is ordered by the secretary of state within 30 days after the date of service of the order, the order becomes final as to that Respondent. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to the respondent subject to the order, may modify or vacate the order or extend it until final determination. If the respondent to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, such respondent shall be

deemed in default, and the proceeding may be determined against him or her upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

### **STATEMENT OF ALLEGATIONS**

The allegations contained in the Staff Petition for Relief dated November 1, 2021 (a copy of which is attached hereto) are incorporated by reference hereto.

### **ORDER**

**WHEREAS**, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

**WHEREAS**, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested, therefore:

It is hereby **ORDERED**, that:

1. Respondent is hereby ordered to immediately cease and desist from further violations of N.H. RSA 421-B:6-604(a), and from omitting material information in connection with offering securities in the State of New Hampshire.
2. Respondent shall pay restitution in the amount of \$245,583 to Investor #1; \$111,600, to Investor #4, less the value of the bitcoin at the time it was received back from the Respondent; and \$22,500 to Investor #5.
3. Respondent shall pay an administrative fine of \$22,500.
4. Respondent shall pay the Bureau's costs of investigation.
5. Respondent is permanently barred from any securities licensure in New Hampshire.

6. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered and administrative penalties and other relief described herein being imposed upon the defaulting respondent.

SIGNED,  
**WILLIAM M. GARDNER**  
**SECRETARY OF STATE**  
BY HIS DESIGNEE:

Dated: 11-1-21

  
**BARRY J. GLENNON, DIRECTOR,**  
**BUREAU OF SECURITIES REGULATION**

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
25 CAPITOL STREET  
CONCORD, NH 03301

**STAFF PETITION FOR RELIEF**  
**IN THE MATTER OF:**

Keith VonKahle

C-2020000004

- I. The State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as “the Bureau”), hereby petitions the Director, and makes the following statement of facts:

**STATEMENT OF FACTS**

1. Keith VonKahle (hereinafter referenced as “KVK”) is thirty-five years old and resides in Alton Bay, New Hampshire. KVK is a part owner of KI Technology Solutions, LLC. According to the Certificate of Formation filed with the State of New Hampshire, Department of State, Corporation Division, KI Technology Solutions LLC was originally formed on January 16, 2018 with the primary purpose of providing “Professional, Scientific, and Technical Services” as well as “Other Computer Related Services.”
2. Investor #1 is a seventy-three year old retiree residing in Hampton, New Hampshire. Investor #1 met KVK through their mutual friend, Investor #2.
3. Investor #2 is fifty-five years old and resides in Haverhill, Massachusetts. Investor #2 and KVK worked together for a time at a company in Rollinsford, New Hampshire.
4. Investor #3 is fifty-two years old and resides in Rollinsford, New Hampshire. Investor #3 also worked with KVK and Investor #2.

5. Investor #4 is forty-four years old and resides in Haverhill, Massachusetts. Investor #4 was introduced to KVK through their mutual friend, Investor #2.
6. Investor #5 is sixty-one years old and resides in Alton Bay, New Hampshire. At one time, KVK leased property from Investor #5.
7. In the fall of 2017, KVK solicited Investor #1, Investor #2, and Investor #3 to invest with him into a purported bitcoin mining venture whereby KVK would procure the bitcoin mining machines, set them up, and run them for a profit on behalf of Investor #1, Investor #2, and Investor #3. KVK presented himself as an experienced and knowledgeable bitcoin miner and represented that he could procure and operate bitcoin mining machines<sup>1</sup> for a profit on behalf of Investor #1, Investor #2, and Investor #3.
8. Also in the fall of 2017, KVK solicited Investor #4 to invest with him into the purported bitcoin mining venture. KVK did not inform Investor #1 that other investors might also invest. KVK again presented himself as an experienced and knowledgeable bitcoin miner and represented that he could procure and operate bitcoin mining machines for a profit on behalf of Investor #4.
9. Investor #1 and Investor #4 had no knowledge or experience mining bitcoin and relied entirely on KVK to procure and operate the bitcoin mining machines, and make a profit on their behalf. The investors were not expected to do anything more than provide the funding for the purchase of the bitcoin machines.
10. Between November 27, 2017 and December 15, 2017, Investor #1 invested approximately two hundred forty-five thousand five hundred eighty-three dollars (\$245,583) with KVK for bitcoin mining. For approximately one hundred ninety-seven thousand eighty-three dollars (\$197,083) of Investor #1's funds, KVK instructed Investor #1 to transfer them to Investor #2 and then KVK had Investor #2 deposit those funds into Investor #2's bank account. At KVK's instruction, Investor #2 would then transfer Investor #1's funds to Investor #2's

---

<sup>1</sup> A bitcoin mining machine is a highly specialized piece of computer equipment that is made solely for the purpose of mining bitcoins.

account with Coinbase, Inc., an account that KVK helped Investor #2 set up. Investor #2 provided KVK with access to his Coinbase, Inc. account and KVK would then purchase bitcoin with the funds in the Coinbase, Inc. account and transfer the bitcoin away from Investor #2's Coinbase, Inc. account for the purported purpose of purchasing bitcoin mining machines. According to Investor #2, KVK claimed that they had to use Investor #2's Coinbase, Inc. account for these transactions because Investor #2 was a resident of Massachusetts and such activity was purportedly not permitted for New Hampshire residents. It is unknown to the Bureau as to why the funds needed to be exchanged for bitcoin before purchasing the bitcoin mining machines.

11. As discussed above, KVK instructed most of Investor #1's funds to go through Investor #2's bank and cryptocurrency accounts. However, forty-eight thousand five hundred dollars (\$48,500) of the approximately two hundred forty-five thousand five hundred eighty-three dollars (\$245,583) invested by Investor #1 was sent directly to KVK. KVK instructed Investor #1 to write one check for forty-eight thousand five hundred dollars (\$48,500) directly payable to him. This check was deposited by KVK on December 18, 2017 into his personal checking account at Northeast Credit Union. Prior to the deposit of Investor #1's funds, KVK's checking account balance was one thousand one hundred thirty one dollars and twenty-five cents (\$1,131.25), making Investor #2's funds easy to trace. The next day, on December 19, 2017, KVK used part of Investor #1's funds to make a three thousand five hundred dollar (\$3,500) payment on KVK's personal credit card or loan from Northeast Credit Union. The following day, on December 20, 2017, KVK used some of Investor #1's funds to write a check for three thousand dollars (\$3,000) made payable to his business partner at KI Technology Solutions, LLC and the memo line states that the check is for "IT Work." On December 26, 2017, KVK used some of Investor #1's funds to make a payment of five thousand three hundred sixty-two dollars (\$5,362) to a Capital One credit card. On December 27, 2017 KVK wrote a check made payable to Investor #2 totaling thirty-six thousand four hundred dollars (\$36,400) and those funds appear to have been ultimately deposited into Investor #2's Coinbase, Inc. account. Given these bank records and information, it appears that KVK used Investor #1's funds for personal expenses or expenses

related to another unrelated business, which was never disclosed to Investor #1.

12. Investor #1 never received his promised returns from the bitcoin mining venture or any of his money back. KVK claimed to Investor #1 that Investor #1's money, which KVK sent via bitcoin to supposed bitcoin mining machine suppliers, was lost as part of a scam. Upon information and belief, those suppliers never delivered the promised bitcoin mining machines.
13. On October 7, 2020, the Bureau questioned KVK, under oath and pursuant to N.H. RSA 421-B:6-602, regarding Investor #1's investments with him. KVK refused to answer all the questions presented and asserted his right against self-incrimination under the State and Federal Constitutions. These questions included whether KVK lied to Investor #1, stole from Investor #1, or used any of Investor #1's money for unrelated personal expenses.
14. In November 2017, Investor #2 invested ten thousand three hundred dollars (\$10,300) via check and cash with KVK for bitcoin mining and never received his promised returns from the bitcoin mining venture or any of his money back. KVK also told Investor #2 that the funds were lost when supposed bitcoin mining machine suppliers failed to deliver the mining machines.
15. On or about November 21, 2017, Investor #3 invested approximately nine thousand six hundred dollars (\$9,600) via check to KVK in furtherance of the bitcoin mining venture. On or about November 27, 2017, Investor #3 invested another one thousand two hundred dollars (\$1,200) via check to KVK after KVK indicated that more money was needed than originally expected. Records indicate that Investor #3's funds were deposited into KVK's personal bank account with Northeast Credit Union and commingled with other funds, making Investor #3's funds difficult to trace.
16. Investor #3 ultimately received ten thousand nine hundred and fourteen dollars (\$10,914) back after requesting his money back from KVK. As discussed more thoroughly below, the money used to pay back Investor #3 came from funds directly traceable as funds received by KVK from Investor #4. KVK never disclosed to Investor #4 that some of his funds would be used to pay back a prior investor looking to get their money back.



17. According to documents and communications obtained by the Bureau, on December 23, 2017, KVK purportedly sent a payment of 1.38 bitcoin (valued at the time at \$20,243.96) to the first bitcoin mining machine supplier. Before finding the second bitcoin mining machine supplier, KVK told Investors #1 and Investor #2 that they “had been stiffed by” the first mining machine provider because they would not send the product without full payment well in advance of shipping. KVK did not so inform Investor #4.
18. On December 24, 2017, KVK purportedly secured the second bitcoin machine supplier and sent the first down payment of 2.57 bitcoin (valued at the time at \$36,500). On December 26, 2017, according to communications obtained by the Bureau, KVK told Investor #1 and Investor #2 that he reported the first bitcoin machine supplier as a scam to the Public Domain Registry, but KVK did not inform Investor #4 that he had been purportedly scammed from a bitcoin mining supplier.
19. On December 28, 2017, Investor #4 invested one hundred three thousand dollars (\$103,000) with KVK for the purported bitcoin mining venture. On December 29, 2017, Investor #4 invested another eight thousand six hundred dollars (\$8,600) with KVK for the same purpose. KVK instructed Investor #4 to make the checks payable to KI Technology Solutions, LLC. KVK waited until January 17, 2018 to deposit the first check into KI Technology Solutions, LLC’s Citizens’ Bank account and waited until February 6, 2018 to deposit the second check into the same account. Prior to depositing Investor #4’s first check, the balance of the newly created bank account was only eighty dollars (\$80), making Investor #4’s funds easy to trace.
20. On January 25, 2018, KVK transferred ninety thousand dollars (\$90,000) of Investor #4’s funds via wire transfer to an account with Coinbase, Inc., but the ninety thousand dollars (\$90,000) was quickly wire transferred back from Coinbase, Inc. to the KI Technology Solutions, LLC’s Citizens’ Bank account only three days later on January 29, 2018. Approximately one hour after receipt on the ninety thousand dollars (\$90,000) back from Coinbase, Inc. into the Citizens’ Bank account, KVK transferred eighty-eight thousand five hundred dollars (\$88,500) of Investor #4’s funds back to Coinbase, Inc.. It did not stop there, and again the same funds were soon transferred back to Citizens’ Bank two days later on

January 30, 2018. It is unknown why KVK made these transfers back and forth to the Coinbase, Inc. with no net effect, but Investor #4's funds ultimately appear to have ended up back in KI Technology Solutions, Inc.'s Citizens' Bank account.

21. On January 30, 2018 KVK withdrew eighty nine thousand dollars (\$89,000) in cash from the KI Technology Solutions LLC's bank account, leaving a balance of three hundred fifty-three dollars and eighty-seven cents (\$353.87). KVK never disclosed to Investor #4 that there was a need to withdraw his funds to cash in furtherance of the investment and the Bureau has no record of what KVK did with the ninety thousand dollars (\$90,000) in cash.
22. Prior to the cash withdrawal on January 30, 2018, on January 26, 2018, KVK used ten thousand nine hundred and fourteen dollars (\$10,914) of Investor #4's funds to write a check to and pay back Investor #3, who had been requesting his money back from KVK. The funds used to pay back Investor #3 are directly traceable as funds received from Investor #4. KVK never disclosed to Investor #4 that some of his funds would be used to pay back a prior investor.
23. Soon after KVK withdrew ninety thousand dollars (\$90,000) of Investor #4's funds in cash and used over ten thousand dollars (\$10,000) of Investor #4's funds to pay back Investor #3, on or about February 14, 2018, KVK emailed a contract to Investor #4 titled "Bitcoin Mining Services Agreement" which contained sections titled "Services," "Maintenance," and "Liability." This contract was not provided to Investor #4 prior to or at the time of his investment, came as a surprise to Investor #4, and appears to have been an attempt by KVK to conceal his fraudulent activities. Investor #4 never signed this contract. Notably, in the "Liability" section, KVK attempted to get Investor #4 to agree that KI Technology Solutions LLC and KVK "will be in no way liable for the volatility of the Cryptocurrency market and will not be liable for any loss in investment due to difficulty increases [sic] on the Cryptocurrency market, machine failures, ASIC chip failures, fire, theft, flooding, and any acts of god"
24. According to Investor #4, KVK did not disclose to Investor #4 prior to his investment that he had lost other investor funds attempting to procure the bitcoin mining machines, despite

documentary evidence obtained by the Bureau indicating that KVK informed Investor #1 and Investor #2 that the first bitcoin mining machine supplier had been a scam. Instead, KVK continued to present himself to Investor #4 as an experienced and knowledgeable bitcoin miner. At the time of his investment, Investor #4 only understood that the first shipment of bitcoin mining machines was delayed for some reason, which was told to him by KVK. Initially, Investor #4 was not told by KVK that he was scammed as he was telling other investors. Investor #4 indicated to the Bureau that he would not have invested with KVK had he been told of the significant funds that KVK purportedly recently lost to a scam. Additionally, KVK failed to disclose to Investor #4, prior to Investor #4's investment, that KVK had misappropriated some of Investor #1's funds to pay personal expenses and expenses related to an unrelated business.

25. According to text messages between KVK and Investor #4 dated February 23, 2018, KVK informed Investor #4 that "all of [Investor #4's] machines [were] up." Further, according to text messages dated February 27, 2018, KVK informed Investor #4 that all his miners were "doing well." However, despite those text messages, according to Investor #4, at some point KVK admitted to purportedly being "ripped off" in the attempted purchase of bitcoin mining machines.
26. At some point, KVK set up a Coinbase, Inc. account for Investor #4 which both KVK and Investor #4 had access. In the spring of 2018, KVK paid back a small portion of Investor #4's initial investment by transferring very small amounts of bitcoin over time to Investor #4's Coinbase, Inc. account, eventually totaling .32836968 BTC, which was worth approximately two to three thousand dollars at the time (\$2,000-\$3,000). The cryptocurrency market is extremely volatile and this value could change at any time.
27. In early 2018, KVK solicited Investor #5 to invest into his bitcoin mining venture. Investor #5 had no knowledge or experience mining bitcoin and relied entirely on KVK to procure and operate the bitcoin mining machines, and make a profit on his behalf. Investor #5 was not expected to do anything more than provide the funding for the purchase of the bitcoin machines.

28. On February 22, 2018, Investor #5 wrote a check made payable to KI Technology Solutions, LLC for thirty thousand dollars (\$30,000) in furtherance of the bitcoin mining investment. On February 26, 2018 KVK deposited the check into KI Technology Solutions, LLC's Citizens' Bank checking account. The most recent available balance on the Citizens' Bank statements prior to the deposit of Investor #5's funds shows a balance of approximately one thousand one hundred thirty five dollars (\$1,135) on February 23, 2018. Investor #5's funds appear to have been used for approximately twenty-five thousand dollars (\$25,000) of unknown purchases through Paypal and a check for four thousand dollars (\$4,000) made payable to an electrician. It is unknown whether the Paypal purchases were personal in nature or in furtherance of any bitcoin mining venture.
29. Investor #5 understood his funds were to be used to procure a certain number of bitcoin mining units that KVK would set up and operate on his behalf, turning a profit for Investor #5. According to Investor #5, KVK told him that the equipment he had purchased with Investor #5's funds was damaged by a lightning strike and that KVK had put in an insurance claim to recover the funds. According to Investor #5, KVK later claimed that his funds were lost to a scam but that he had purportedly generated seven thousand five hundred dollars (\$7,500) in bitcoin mining profits on behalf of Investor #5. KVK agreed to turn over those purported mining profits to Investor #5 and did so through three installments of two thousand five hundred dollars (\$2,500), eventually leaving Investor #5 out twenty-two thousand five hundred dollars (\$22,500) of his original investment.
30. Investor #5 indicated to the Bureau that he would not have invested with KVK had KVK informed him of the losses he had incurred in the purported scam trying to purchase bitcoin mining machines in December 2017. KVK failed to disclose to Investor #5, prior to Investor #5's investment, that KVK had misappropriated some of Investor #1's funds to pay personal expenses and expenses related to an unrelated business. KVK also failed to disclose to Investor #5 that KVK had lost prior investor funds to a purported scam while trying to procure bitcoin mining machines. Additionally, KVK failed to disclose to Investor #5 that KVK had recently used prior investor funds from Investor #4 to pay off another investor looking for their money back from the bitcoin mining venture.

31. On September 23, 2021, the Bureau questioned KVK under oath regarding Investor #4 and Investor #5's investments with him and KVK refused to answer all the questions presented and asserted his right against self-incrimination under the State and Federal Constitutions. These questions included whether KVK used Investor #4's funds to pay off Investor #3 who wanted his money back, and whether he defrauded or stole from Investor #4 and Investor #5.

### **STATEMENTS OF LAW**

II. The Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, N.H. RSA 421-B:

1. KVK is a "person" within the meaning of N.H. RSA 421-B:1-102(39).
  
2. Pursuant to N.H. RSA 421-B:1-102(53)(A) a "security" is defined to include an "investment contract." Pursuant to N.H. RSA 421-B:1-102(29)(A), an "investment contract" means either "(i) An investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of the promoter or some third party; or (ii) an investment by which an offeree furnishes initial value to an offeror, and a portion of this value is subject to the risks of the enterprise, and the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a material valuable benefit of some kind over and above the initial value will accrue to the offeree as a result of the operation of the enterprise, and the offeree does not receive the right to exercise practical and actual control over the management of the enterprise." The investments made by Investor #1, Investor #2, Investor #3, Investor #4, and Investor #5 are "investment contracts" as the facts demonstrate that Investor #1, Investor #2, Investor #3, Investor #4, and Investor #5 invested money in a common enterprise with KVK in the form of a bitcoin mining venture whereby they were not expected to do anything material in furtherance of the investment aside from providing the funds in exchange for a profit derived primarily from KVK's efforts.

Investor #1, Investor #2, Investor #3, Investor #4, and Investor #5 had little to no knowledge of bitcoin mining and relied entirely on KVK to procure the bitcoin mining machines, set up those machines, service those machines, and turn a profit for the investors.

3. KVK's transactions with Investor #1, Investor #2, Investor #3, Investor #4, and Investor #5 constitute the sale of securities as defined by N.H. RSA 421-B:1-102(49).
4. Pursuant to N.H. RSA 421-B:5-501, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud or to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
  - a. KVK is in violation of this provision for defrauding Investor #1 of two hundred forty-five thousand five hundred eighty-three dollars (\$245,583) by failing to disclose to Investor #1 that KVK would divert some of Investor #1's funds to pay personal expenses and business expenses for an unrelated business. KVK also failed to disclose to Investor #1 that KVK was simultaneously soliciting additional investors for the bitcoin mining venture beyond Investor #1, Investor #2, and Investor #3. Investor #1 considered this omission material to his decision to invest with KVK as Investor #1 would have wanted to know who was investing alongside him and how additional investors might impact KVK's ability and resources to focus on Investor #1's investment and expected return.
  - b. KVK is in violation of this provision for defrauding Investor #4 of one hundred eleven thousand six hundred dollars (\$111,600) by failing to disclose to Investor #4 that KVK had very recently lost tens of thousands of other investors' funds to a purported scam while trying to procure bitcoin mining machines, failing to disclose that KVK had misappropriated some of Investor #1's funds for personal use, failing to disclose that KVK would quickly convert ninety thousand dollars (\$90,000) of Investor #4's funds to cash, and failing to disclose that KVK would use over ten thousand dollars of Investor #4's funds to pay back Investor #3.

c. KVK is in violation of this provision for defrauding Investor #5 of twenty-two thousand five hundred dollars (\$22,500) by failing to disclose to Investor #5 that KVK had recently lost tens of thousands of other investors' funds to a purported scam while trying to procure bitcoin mining machines, failing to disclose that KVK had misappropriated some of Investor #1's funds for personal use, and failing to disclose that KVK had recently used new investor funds to pay back a prior investor.

5. Pursuant to N.H. RSA 421-B:6-604(a), whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or order issued under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. KVK is subject to this provision and should be ordered to cease and desist from further violations of N.H. RSA 421-B due to the violations described herein.
6. Pursuant to N.H. RSA 421-B:6-604(d), in a final order, the secretary of state may impose a civil penalty up to a maximum of \$2,500 for a single violation. In addition, every such person who is subject to such civil penalty, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation, or denial of any registration or license, or be barred from registration or licensure, including the forfeiture of any application fee. KVK is subject to this provision and should be fined twenty-two thousand five hundred dollars (\$22,500.00) for two material omissions to Investor #1, four material omissions to Investor #4, and three material omissions to Investor #5, as described above. Additionally, KVK should be barred permanently from future securities licensure for the conduct described herein.
7. Pursuant to N.H. RSA 421-B:6-604(e), after notice and hearing, the secretary of state may enter an order of rescission, restitution, or disgorgement directed to a person who has violated certain provisions of N.H. RSA 421-B. KVK is subject to this provision and should be ordered to pay restitution totaling two hundred forty-five thousand five hundred eighty-three

dollars (\$245,583) to Investor #1, one hundred eleven thousand six hundred dollars (\$111,600) to Investor #4 (less the value of the bitcoin at the time it was received back from KVK, as discussed above), and twenty-two thousand five hundred dollars (\$22,500) to Investor #5.

8. Pursuant to N.H. RSA 421-B:6-604(g), in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the secretary of state's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the secretary of state, the secretary of state shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter. KVK is subject to this provision and should be ordered to pay costs as determined by the hearing officer.

### **RELIEF REQUESTED**

III. The Bureau makes the following requests for relief in the above-referenced matter as permitted under N.H. RSA 421-B:

1. Find as fact the statements contained in Section I, the Statement of Facts.
2. Make conclusions of law relative to the statements contained in Section II, the Statements of Law.
3. Pursuant to N.H. RSA 421-B:6-604(a), order KVK to immediately cease and desist from further violations of N.H. RSA 421-B and cease and desist from omitting material information in connection with offering securities in New Hampshire.
4. Pursuant to N.H. RSA 421-B:6-604(d), bar KVK permanently from any securities licensure in New Hampshire.
5. Pursuant to N.H. RSA 421-B:6-604(d), fine KVK twenty-two thousand five hundred dollars



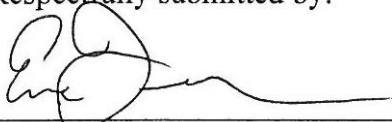
(\$22,500) for the nine violations of N.H. RSA 421-B: 5-501 discussed above.

9. Pursuant to N.H. RSA 421-B:6-604(e), order KVK to pay restitution totaling two hundred forty-five thousand five hundred eighty-three dollars (\$245,583) to Investor #1, one hundred eleven thousand six hundred dollars (\$111,600) to Investor #4 (less the value of the bitcoin at the time it was received back from KVK), and twenty-two thousand five hundred dollars (\$22,500) to Investor #5.
6. Pursuant to N.H. RSA 6-604(g) (formerly N.H. RSA 421-B:22, IV), order KVK to pay the Bureau's costs of investigation and enforcement.

**RIGHT TO AMEND**

The Bureau staff reserves the right to amend this Staff Petition for Relief and request the Director of the Bureau take additional administrative action. Nothing herein shall preclude the Staff from bringing additional enforcement action under this N.H. RSA 421-B or the regulations thereunder.

Respectfully submitted by:



Eric A. Forcier, Deputy Secretary

11/1/21

Date