

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

IN THE MATTER OF:

Ttanks Environmental, Ltd., and
Neil L. Kenny

Respondents

)
)
) ORDER TO CEASE & DESIST
)
) I-2012-000007
)
)

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 421-B:26-a.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:23, 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:24, I, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:23 shall be guilty of a class B felony.

Pursuant to RSA 421-B:26, the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of New Hampshire securities law and rules.

NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondents have 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 respondents, or by the duly authorized agent of the above named respondents, 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:23, I, if respondents fail to request a hearing on this order within 30 calendar days of receipt of this order, respondents shall be deemed in default, and this order shall, on the thirty-first day, become permanent.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be held not later than ten days after such request is received by the Bureau, after which hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstances require.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated November 26, 2013 (a copy of which is attached) 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,

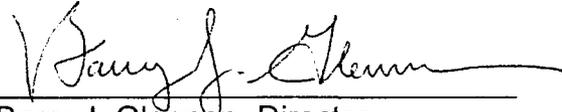
It is hereby **ORDERED**, that:

1. The Respondents shall immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B;
2. Respondent Kenny shall pay an administrative fine in the amount of \$25,000 pursuant to RSA 421-B:26,I.
3. Respondent Kenny shall pay for the cost of the Bureau's Investigation of This matter, in the amount of \$10,000 pursuant to RSA 421-B:22,IV.
4. Respondent Ttanks shall make a written offer to repurchase Ttanks common stock from all purchasers pursuant to RSA 421-B:26, VI.
5. Respondent Kenny shall disgorge himself of all monies misappropriated from Ttanks pursuant to RSA 421-B:21,I-a(e)(3).
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 upon the defaulting Respondents.

SIGNED,

William M. Gardner, Secretary of State
By His Designee:

Dated: 12-4-13

A handwritten signature in cursive script, reading "Barry J. Glennon", written over a horizontal line.

Barry J. Glennon, Director
N.H. Bureau of Securities Regulation

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

STAFF PETITION FOR RELIEF
IN THE MATTER OF:

Ttanks Environmental, Ltd.
Neil L. Kenny

I-2012000007

STATEMENT OF FACTS

- I. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire (the "Bureau") hereby petitions the Director, and makes the following statements of fact:
 1. At one time, Neil L. Kenny ("Mr. Kenny") was a licensed chiropractor. However, in 1985, Mr. Kenny was charged with and pled guilty in the U.S. District Court, Southern District of New York to conspiracy to commit mail fraud and was sentenced to two (2) years of probation and 100 hours of supervised community service. As a result of this conviction, the New Jersey Board of Medical Examiners determined that Mr. Kenny's conviction "unquestionably constitute[d] grounds for the revocation or suspension of [Mr. Kenny's] license" primarily because Mr. Kenny's conviction related to a crime of "moral turpitude."
 2. Further, in 2010, Mr. Kenny pled guilty to theft by misapplication of property for misappropriating his mother's social security checks and was sentenced to 2 years in prison. Mr. Kenny's 2-year sentence was suspended and Mr. Kenny was required to pay \$8,200 in restitution as well as a 17% administrative fine.
 3. Ttanks Environmental, Ltd. ("Ttanks") is a New Hampshire RSA 293-A corporation and was incorporated by Mr. Kenny on April 20, 1998. Ttanks is currently in good standing according to the New Hampshire Department of State, Corporation Division.
 4. According to Ttanks' Certificate of Incorporation filed with the New Hampshire Department of State, Corporation Division, "[t]he capital stock [of Ttanks] will be sold or offered for sale within the meaning of RSA 421-B."

5. Since its incorporation, Ttanks, has issued approximately 697 shares of common stock to a combined 20 investors, six (6) of whom are New Hampshire residents. The offer and sale to all investors was accomplished, primarily, through the efforts of Mr. Kenny.
6. Each share of Ttanks common stock is valued at \$2500. When questioned by the Bureau regarding this valuation Mr. Kenny was unable to clearly articulate how he valued the shares and even stated "I don't know what it's worth."
7. The original complainants in this matter include three (3) investors who were also employees of Ttanks at one time or another. Complainant #1 previously acted as Chief Financial Officer of Ttanks and, for services rendered in this capacity, was compensated with 25 shares of Ttank common stock. Complainant #2 previously acted as Ttanks' Vice President of Operations and, for services rendered in this capacity, was compensated with five (5) shares of Ttanks common stock. Complainant #3 previously acted as Ttanks' Vice President of Sales and, for services rendered in this capacity, was compensated five (5) shares of Ttanks common stock.
8. During its investigation of this matter, the Bureau was able to determine that from January 1, 2007 to April 1, 2012, the Ttanks business checking account exhibited numerous suspect transactions of, in the aggregate, approximately \$90,000. These suspect transactions in the Ttanks account include, but are not limited to, the following:
 - a. Approximately \$45,600 of debit, ATM, and EFT charges that were personal in nature;
 - b. Approximately \$3,600 in on-line gambling charges and hundreds of dollars in cigar purchases;
 - c. Approximately \$17,000 of investor funds, half deposited into the Ttanks account and half into Mr. Kenny's personal account;
 - d. Approximately \$14,400 transferred by check or EFT to Mr. Kenny's personal account;
 - e. Approximately \$2,200 check written from the Ttanks account to Mr. Kenny reportedly to pay for his mother's funeral, though only \$1,200 of the \$2,200 appears to have been used for this purpose; and
 - f. Approximately \$4,300 in personal loans to Mr. Kenny.
9. During the same period as the suspicious account activity outlined above, Mr. Kenny was offering and selling Ttanks common stock to New Hampshire investors as well as non-resident investors. In the process of offering and selling Ttanks common stock to these investors, Mr. Kenny never disclosed that he was depleting Ttanks funds directly for personal reasons or that he was taking personal loans from Ttanks with no specific terms of repayment. The questionable transactions

outlined above and Mr. Kenny's involvement in these questionable transactions are material and should have been disclosed to investors prior to their investment in Ttanks.

STATEMENTS OF LAW

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

1. Ttanks and Mr. Kenny are both considered "persons" within the meaning of N.H. RSA 421-B:2, XVI.
2. The common stock of Ttanks is a "security" as defined under N.H. RSA 421-B:2, XX.
3. N.H. RSA 421-B:3, I states:

[i]t is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) 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; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Ttanks and Mr. Kenny are subject to this provision yet both failed to disclose material information to investors prior to, during, and even after the offer and sale of Ttanks common stock.

4. N.H. RSA 421-B:21, I-a(e)(3) states "[n]otwithstanding any other provision of law, the secretary of state shall have exclusive authority and jurisdiction . . . [t]o investigate and impose penalties for violations of the securities laws, including but not limited to [r]escission, restitution, or disgorgement." Ttanks and Mr. Kenny are subject to this provision.
5. N.H. RSA 421-B:26, I states:

Any person who knowingly violates any rule or order of the secretary of state may, upon hearing, except where another penalty is expressly provided, be subject to such suspension or revocation of any registration or license, or administrative fine not to exceed \$2,500 for each violation in lieu of or in addition to such suspension or revocation as may be applicable under this title for violation of the provision to which such rule or order relates.

Ttanks and Mr. Kenny are subject to this provision. Further, each offer or sale of Ttanks common stock during which Ttanks and Mr. Kenny failed to disclose material facts including the questionable transactions outlined in Paragraph 8 of the Statement of Facts of this Petition constitutes a separate and distinct violation and each is subject to a separate \$2,500 fine.

6. N.H. RSA 421-B:26, V states:

[a]fter notice and hearing, the secretary of state may enter an order of rescission, restitution, or disgorgement directed to a person who has violated this chapter, or a rule or order under this chapter. Rescission, restitution or disgorgement shall be in addition to any other penalty provided for under this chapter.

Ttanks and Mr. Kenny are subject to this provision.

7. N.H. RSA 421-B:26, VI states:

[t]he secretary of state may order any person who violates RSA 421-B:3, 421-B:4, 421-B:5, 421-B:11, 421-B:19 and 421-B:23, upon hearing, and in addition to any other penalty provided for by law, to make a written offer to the purchaser of the security to repurchase the security for cash, payable on delivery of the security, equal to the consideration paid for the security together with interest at the legal rate, less the amount of any income received by the purchaser on the security, or if the purchaser no longer owns the security, an offer to pay an amount in cash equal to consideration paid for the security together with interest at the legal rate, less the amount the purchaser received on disposition of the security and less the amount of any income received by the purchaser on the security.

Ttanks and Mr. Kenny are subject to this provision.

8. N.H. RSA 421-B:22, IV states:

[i]n 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.

Ttanks and Mr. Kenny are subject to this provision.

RELIEF REQUESTED

III. The staff of the Bureau makes the following requests for relief in the above referenced matter as permitted under the Act:

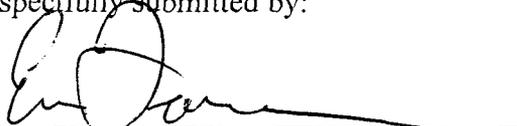
1. Find as fact the allegations contained in Section I of this Petition.
2. Make conclusions of law as stated in Section II of this Petition relative to the allegations contained in Section I of this Petition.

3. Order Tanks and Mr. Kenny to cease and desist from further violations of N.H. RSA 421-B pursuant to N.H. RSA 421-B:23.
4. Order Tanks make a written offer to repurchase Tanks common stock from all purchasers pursuant to N.H. RSA 421-B:26, VI.
5. Order disgorgement of all monies misappropriated by Mr. Kenny from Tanks pursuant to N.H. RSA 421-B:21, I-a(e)(3).
6. Order Mr. Kenny pay the Bureau's costs of investigation in the amount of \$10,000 pursuant to N.H. RSA 421-B:22, IV.
7. Order Mr. Kenny pay an administrative fine in the amount of \$25,000 pursuant to N.H. RSA 421-B:26, I.
8. Take such other actions as necessary for the protection of New Hampshire investors and enforcement of N.H. RSA 421-B.

RIGHT TO AMEND

The Bureau staff reserves the right to amend this Petition for Relief and to request that the Director of Securities 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, Staff Attorney

11/26/13
Date


Adrian S. LaRoche, Staff Attorney

11/26/13
Date