

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
CONCORD, NH 03301**

IN THE MATTER OF:

DRIFT NEW ENGLAND INC.

Respondent

INV-2023-000028

CONSENT ORDER

For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Drift New England Inc. (hereinafter “DNE”), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter the “Bureau”), has determined to accept. Accordingly, without admitting or denying the allegations or findings contained herein, DNE does hereby consent to the entry of this Consent Order and the following undertakings and sanctions:

I. STATEMENTS OF FACTS

1. DNE is a New Hampshire corporation registered with the New Hampshire Department of State Corporation Division on June 17, 2022, and has the Business ID: 904405. DNE has a mailing address of PO Box 307, Contoocook, NH 03229, and its principal place of business is 177 NH Route 10, Lempster, NH 03605.
2. DNE’s business model is to become the primary location for drifting in New England, and its plans include, without limitation, creating a driving school, hosting drift competitions, and utilizing its approximately sixty-acre plot of land in Lempster, NH in various other ways.
3. DNE needed to raise capital in order to fund the first phase of its business plans and reached out to several individuals, most of whom were part of the drift community. DNE began offering stock to prospective investors in or around August 2022.
4. Between August 2022 and October 2023, DNE raised about \$500,000 through the sale of Class B stock. Forty-five (45) individuals purchased Class B stock through thirty-nine (39) transactions.

5. DNE did not register an offering with any regulatory body prior to or during this time period.
6. In or around July 2023, DNE posted on Facebook and Instagram that it was seeking investment by new shareholders and was offering a benefits package that would increase with larger investments.
7. Shortly thereafter, the Bureau received a complaint about DNE regarding its post on social media and opened an investigation into the matter.
8. Starting in April 2024, at the request of the Bureau, DNE sent an offer of rescission to all of its previous investors, none of whom agreed to take the offer.
9. Because DNE has fully cooperated with the Bureau, the Bureau reaches this Consent Agreement with DNE to resolve the investigation.

II. STATEMENTS OF LAW

The staff of the Bureau make the following statements of law under the New Hampshire Uniform Securities Act (the "Act"), N.H. Rev. Stat. Ann. § 421-B, and regulations thereunder:

10. All preceding paragraphs of this Consent Order are restated and incorporated herein.
11. DNE is a "person" within the meaning of RSA 421-B:102(39).
12. The Class B stock sold by DNE are securities as defined by RSA 421-B:1-102(53)(A) and RSA 421-B:1-102(29)(A).
13. Pursuant to RSA 421-B:3-301(a), it is unlawful for any person to offer or sell any security in this state unless it is registered under the Act, the security or transaction is exempt, or it is a federal covered security. DNE's offer and sale of Class B stock is subject to this provision.
14. Pursuant to RSA 421-B:6-604(a), if the secretary of state determines that a person has engaged, is engaging, or is about to engage, in an act, practice, or course of business constituting a violation of this chapter, he shall have the power to issue and cause to be served an order directing the person to cease and desist from engaging in the act, practice, or course of business. DNE is subject to this provision.
15. Pursuant to 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 each violation. DNE is subject to this provision, and the Bureau asserts that each sale of Class B stock to an investor described above constitutes a single violation.

16. Pursuant to RSA 421-B:6-604(g), in any investigation to determine whether any person has violated any rule or order under this title, the secretary of state shall be entitled to recover the costs of the investigation. DNE is subject to this provision.

III. UNDERTAKINGS

In view of the foregoing, DNE agrees to the following undertakings and sanctions:

17. DNE agrees that it voluntarily consented to the entry of this Consent Order and represents and avers that no employee or representative of the Bureau has made any promise, representation, or threat to induce their execution.
18. DNE agrees to waive its right to an administrative hearing and any appeal thereof under the Act.
19. DNE agrees that this Consent Order is entered into for the purpose of resolving only the matter as described herein. This Consent Order shall have no collateral estoppel, res judicata or evidentiary effect in any other lawsuit, proceeding, or action not described herein. Likewise, this Consent Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by DNE which the Bureau has no knowledge at the time of the date of final entry of this Consent Order.
20. DNE may not take any action or make or permit to be made any public statement including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects DNE's testimonial obligations or right to take legal positions in litigation in which the Bureau is not a party.
21. DNE agrees to permanently cease and desist from further violations of RSA 421-B:3-301(a).
22. By executing this Consent Order, DNE is representing that it offered rescission to all of the original forty-five (45) investors and provided updated offering documents and disclosures to those investors. DNE is also representing that all forty-five (45) investors rejected this rescission offer.
23. Within one (1) year of the execution of this Consent Order, DNE agrees to pay the State of New Hampshire an administrative fine of five thousand dollars (\$5,000), and the cost of the Bureau's investigation in the amount of five thousand dollars (\$5,000). Payments must be made by 1) certified check; 2) payable to the State of New Hampshire; and 3) mailed to the Bureau of Securities Regulation, Department of State, State House, 107 North Main Street, Room 204, Concord, New Hampshire 03301.

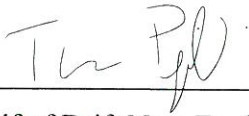
IV. ORDER

Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Consent Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

- 24. Within one (1) year of the execution of this Consent Order, DNE pay an administrative fine of five thousand dollars (\$5,000) and the cost of the Bureau's investigation of five thousand dollars (\$5,000).
- 25. DNE cease and desist from further violations of N.H. RSA § 421-B:3-301(a).
- 26. DNE comply with all above-referenced undertakings.

SO ORDERED.

Executed this 11th day of September, 2024.

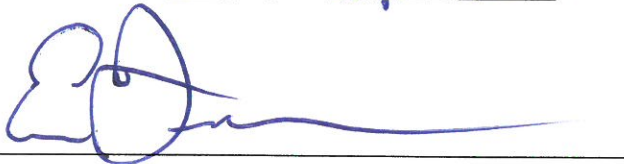


On behalf of Drift New England, Inc.

Please print name below:

Thomas Peplinski

Executed this 16th day of September, 2024.



Eric Forcier, Deputy Secretary