

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 11, 2023

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2023-00019

BRIAN CEKADA,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Brian Cekada ("Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Based on its investigation, the Division alleges that from September 2021 to May 2022, the Defendant transacted business in Virginia by offering and selling a security in the Cayman Crypto Fund (the "Fund"), without being registered with the Division as an agent of the issuer, in violation of § 13.1-504 A (i) of the Act.

If any provisions of the Act are violated, the Commission is authorized by § 13.1-518 A of the Act to require payment of the costs of investigation; by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 A of the Act to impose a civil penalty; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegation made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from this allegation, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

(1) The Defendant will immediately close the Fund to any further investments, and the Defendant will provide the Division with a signed affidavit attesting the same.

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalty;

(3) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and

(4) The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and has recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be, and is hereby, accepted.

Accordingly, IT IS ORDERED THAT:

(1) The settlement is accepted.

(2) The Defendant shall fully comply with the terms of the settlement stated herein.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms of the settlement.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent by the Clerk of the Commission to:

Brian Cekada, 1651 Three Springs Road, McGaheysville, Virginia 22840; and a copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.

STATE OF VIRGINIA

STATE CORPORATION COMMISSION

BERNARD ...

ADMISSION AND CONSENT

... (Defendant) admits to the jurisdiction of the State Corporation Commission (Commission) as to the party and subject matter hereof. The Defendant, while not desiring to delay the allegation made herein by the Division of Securities and related authorities, consents to the form, substance and entry of the foregoing Settlement Order.

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Bernard ...

...

