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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Symboli Blockchain LLC;
Robert Bevan Brian,

Respondents.

Order No.: S-19-2822-21-CO01

CONSENT ORDER

INTRODUCTION

On February 18, 2021, the Securities Administrator of the Securities Division of the Department of Financial Institutions (Securities Division) issued a Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines, and Charge Costs (Statement of Charges), Order Number S-19-2822-21-SC01, against the Respondents Symboli Blockchain LLC and Robert Bevan Brian. Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and the Respondents Symboli Blockchain LLC and Robert Bevan Brian do hereby enter into this Consent Order in settlement of the matters alleged herein. The Respondents neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

Respondents

1 Asset Management in exchange for 2% of the company's equity. Brian provided the prospective investor
2 with an Investment Summary, which stated that the five cannabis retail locations in Los Angeles, California
3 were expected to generate a cumulative net profit of approximately \$200 million dollars over the next three
4 years. Brian failed to provide limitations on the projected net profit. The investor traveled to Seattle,
5 Washington to discuss this potential investment with Brian, but did not invest.

6 9. Subsequently, in approximately June 2018, Brian explained to the investor that he had decided
7 to instead conduct an ICO to raise the funds to purchase the retail cannabis stores in Los Angeles. Brian
8 represented to the investor that the ICO would commence in July 2018, and Brian solicited the investor to
9 invest in pre-ICO tokens that Brian represented that he personally owned and held in his crypto wallet. Brian
10 represented that he would sell the tokens to the investor at a price of \$0.20 per token, and that after the ICO
11 the tokens could be sold for \$1 per token (a 400% return). Brian further represented that he would help the
12 investor set up a crypto wallet, and would help him sell part of his coins after the ICO date so that the investor
13 could immediately recoup his investment principal.

14 10. The investor decided to invest \$35,000 in the pre-ICO Symboli tokens. The investor entered
15 into a Purchase and Sale Agreement with Brian dated June 21, 2018 (which the investor drafted at Brian's
16 request). The agreement states that Brian is the owner of "coins called Symbolicoin" which will be publicly
17 offered on cryptocurrency exchanges starting on July 18, 2018 at an initial price of \$1 per token. Per the terms
18 of the agreement, the investor agreed to purchase 175,000 tokens from Brian at a price of \$0.20 cents per
19 token. The agreement further states that the investor is entitled to annual dividends distributed from the total
20 net profits of the retail cannabis stores in Los Angeles for the first three years of operation. This agreement
21 was electronically signed by Brian and the investor on June 21, 2018.
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1 11. Brian failed to provide the investor with any disclosure documents regarding the Symboli ICO.
2 Brian failed to disclose to the investor that the tokens had not finished development, and that he did not in fact
3 hold any pre-ICO Symboli tokens. Brian failed to disclose any risks of the investment to the investor,
4 including the risk that the ICO would not occur on the date specified.

5 12. On June 22, 2018, the investor wired \$35,000 to Brian's personal bank account. The investor
6 obtained a home equity line of credit (HELOC) to fund this investment, on which he has been paying interest
7 every month to date. Subsequently, the investor never received any Symboli tokens from Brian and the
8 Symboli ICO did not take place in July 2018 as represented.

9 13. Brian represented to the investor that there was a delay with the Symboli ICO, and he blamed
10 it on the ICO advisor preparing the offering. Brian represented to the investor that he was continuing with the
11 plan for the Symboli ICO. On July 22, 2018, Brian sent the investor an email with an attachment stating that
12 the public offering was now planned for January 2019, at an initial offering price of \$0.24 - \$0.36 cents per
13 token. Brian failed to disclose to the investor that the initial offering price of the token might decrease from
14 the \$1 represented.

15 14. In approximately October 2019, Brian told the investor that the Symboli ICO and purchase of
16 the retail cannabis stores in Los Angeles would not happen. Brian represented to the investor that he would
17 return the investor's principal in either December 2019 or January 2020. To date, the investor has not received
18 the return of his investment principal from Brian.

19 15. In approximately November 2019, Brian represented to the investor that he would convert his
20 investment in Symboli tokens into an investment in Energine tokens (Energine was another token that Brian
21 was preparing an ICO for). The investor was not given any disclosure documents regarding the Energine ICO.
22 The terms of this conversion was never formalized and ultimately never occurred.
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General Solicitation of the Symboli ICO

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2 16. In December 2018, the Symboli token offering was advertised via general solicitation. A press
3 release, dated December 11, 2018, created in part by Brian and the ICO advisor, was published online and
4 was available to the general public, including to Washington residents (to date, the press release is still
5 available online). In the press release, Symboli LLC announced the plan to launch a public pre-sale round in
6 the first quarter of 2019, followed by the public ICO in the second quarter of 2019. The press release states
7 “if you are interested in investing with Symboli, please visit our website at www.symboli.com.”

8 17. The Symboli token offering was also advertised via Twitter in December 2018. On December
9 10, 2018, the day before the press release was issued, a Twitter account in the name of Brian stated “It’s finally
10 happening, people! On Monday, Dec 10, @symbolico is beginning the onboarding process. Be the first to
11 go through #KYC and get whitelisted for the upcoming tokenization project. HUGE!” On December 11, 2018,
12 this Twitter account posted a link to the press release described above.

13 18. By approximately January 2019, Brian did not have the funds needed to continue with the
14 Symboli ICO, and this public offering never occurred.

15 Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

16 1. The offer and/or sale of the tokens described above constitute the offer and/or sale of a security
17 as defined in RCW 21.20.005(14) and (17).

18 2. Robert Bevan Brian and Symboli Blockchain LLC have each violated RCW 21.20.140
19 because, as set forth in the Tentative Findings of Fact, they offered securities for which no registration is on
20 file with the Securities Administrator, and for which no valid claim of exemption exists.
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1 3. Robert Bevan Brian has violated RCW 21.20.010 because, as set forth in the Tentative Findings
2 of Fact, he made misstatements of material fact or omitted to state material facts necessary in order to make
3 the statements made, in light of the circumstances under which they were made, not misleading.

4
5 **CONSENT ORDER**

6 Based upon the foregoing and finding it in the public interest:

7 IT IS AGREED AND ORDERED that the Respondents Robert Bevan Brian and Symboli Blockchain
8 LLC shall cease and desist from violation of RCW 21.20.140, the securities registration provision of the
9 Securities Act of Washington.

10 IT IS FURTHER AGREED AND ORDERED that the Respondent Robert Bevan Brian shall cease
11 and desist from violation of RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

12 IT IS FURTHER AGREED AND ORDERED that the Respondents Robert Bevan Brian and Symboli
13 Blockchain LLC shall be liable for and shall pay a fine of \$1,500 and investigative costs of \$1,000. Payment
14 shall be due on or before the entry date of this Consent Order.

15
16 IT IS FURTHER AGREED that the Respondents Robert Bevan Brian and Symboli Blockchain LLC
17 enter into this Consent Order freely and voluntarily and with a full understanding of its terms and
18 significance.

19 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this order.

20 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents waive their right
21 to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

22 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

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Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor