ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

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IN THE MATTER OF:

Robert Nash (A/K/A "Bob Nash"),

Respondents.

ORDER TO CEASE AND DESIST File No. 12065

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. §§ 35-1-101 to 35-1-703 (Supp. 2012), received information regarding alleged activities of Robert Nash (the "Respondent") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondent pursuant to S.C. Code Ann. § 35-1-602; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

STATEMENT OF FACTS

 Respondent Robert Nash is a New York resident with the last known address of 8666 Gaskin Road, Baldwinsville, New York 13027.

COMPASS ENERGY HOLDINGS ACTIVITIES

- Compass Energy Holdings, Inc. ("Compass Energy") was a South Carolina corporation with its principal place of business and a majority of its assets in South Carolina.
- 3. The Respondent began working with Compass Energy in or around January, 2010, and entered into a formal employment agreement on March 22, 2010.

- 4. The Respondent has stated that he began selling securities for Compass Energy in or around the summer of 2011.
- 5. On May 17, 2011, the Respondent received an email from the CEO of Compass Energy, Peter Iodice, which stated, "take a look if you can help with some subscription's [sic] your fee will be 30% of the sub amount. ex \$10,000.00 = \$3,000 fee. please let me know also we are very much open on ideas with the 2 companies. pete."
- From in or around May, 2011, through in or around August, 2013, Compass Energy continually offered their securities in or from South Carolina
- From in or around May, 2011, through in or around April, 2013, the Respondent, as an agent for Compass Energy, sold or was responsible for the sale of Compass Energy securities to hundreds of investors.
- From in or around December 12, 2011, through in or around October 26, 2012, the Respondent directly sold Compass Energy securities to at least three South Carolina investors on at least five different occasions.
- At least by March 22, 2013, the Respondent made available through his website, BobNash.net, a term sheet describing an offering of Compass Energy securities.
- At least by March 24, 2013, the Respondent made available through his website, BobNash.net, a subscription agreement offering Compass Energy securities.
- 11. Both the term sheet and subscription agreement offered through BobNash.net were still available as of August 2, 2013.
- The Respondent received commissions or other remuneration based, directly or indirectly, on transactions in Compass Energy securities.
- During the period they were offered, Compass Energy securities were not registered with the Division, federal covered, or exempt from registration.
- 14. During the period he offered and sold Compass Energy securities, the Respondent was not registered in this State as an agent or exempt from registration.

- 15. Upon information and belief, the Respondent failed to inform investors that Compass Energy securities were not registered, exempt, or federal covered.
- 16. Upon information and belief, the Respondent failed to inform investors that he was not registered in this State as an agent or exempt from registration.
- 17. Upon information and belief, the Respondent failed to inform investors that he received commissions or other remuneration based on transactions in Compass Energy securities.

ARTEMIS ACQUISITION CORPORATION ACTIVITIES

- Artemis Acquisition Corporation ("Artemis") is a Delaware corporation, that acquired the assets of Compass Energy in or around January, 2013.
- The Respondent was an officer and a member of the board of directors of Artemis at all times relevant to this Order.
- 20. On or about January 9, 2013, the Respondent issued a press release under the name of Artemis announcing the asset acquisition.
- 21. The press release further stated that the investor relations contact for Artemis was, "Mr. Robert Nash, Senior Vice President." The press release then provided a phone number, purporting to be the Respondent's phone number.
- 22. On or about January 28, 2013, Bob Nash posted on ViralAngels.com on behalf of Artemis a post which contained the following language:

Today the Board has decided to start a stock option to continue to bring in new investors and offer current investors to possibly reinvest again...as of today and until we announce it is over, the following stock option is as follows: (through subscriptionagreements [sic] for Compass/CEH, remember all CEH shareholders will be exchanged for Artemis shares one for one, after we receive our ticker symbol and all Artemis subscription agreements were halted after we met our founding round up to 8-31-12 and tied out financials at that time for Artemis, please note this keeps Artemis financials minimal.)

For a minimal \$1,000.00 investment through subscription agreement at .40 cents each share (2,500 common shares), our current subscription price, this investor will be granted a 12 month window from the day we receive our ticker symbol, to exercise a stock option to purchase up to \$10,000.00 more at the same .40 cent subscription price. This will give the investor a future discounted price...

For those who are able to take advantage of this opportunity, please contact your consultant to complete the subscription agreement.

23. Further, on March 16, 2013, the Respondent posted on ViralAngels.com for Artemis another post which contained the following language:

At this time all special pricing for equity partners – application fees, subscription agreement/share pricing is under review and will be changing asap! Until this announcement of pricing changes, the subscription agreement/share pricing remains the same; .40 cents for USA exchange and for Frankfurt/Stockholm exchanges, it is .05 cents/nickel for new investors and .005 half a penny for current investors. Again please note, all pricing is under review and will be revised ASAP!...

Remember if you would like to purchase more shares, please contact your investor relations representative and they will complete your payment/order with you and remember all pricing is due to change ASAP, once it is announced, if your payment is not in then you will receive the increase pricing – keep this in mind, thank you.

- 24. On April 2, 2013, the Respondent sent an email to, among others, South Carolina residents which stated that the sale of subscription agreements was about to end. The email further stated an increase in share price for current investors to reinvest and a different increase in price for new investors to buy. Both price increases were set to begin April 9, 2013.
- 25. On May 9, 2013, the Respondent uploaded to Artemis' OTC Markets webpage, an alleged "research report" titled, "An investment with an INCREDIBLE \$500 Minimum Purchase" (hereinafter, the "Research Report").
- 26. The Research Report states, "This is our third self-stock offer and project/corporation."
- 27. The Research Report further states, "You our investor: When potential investor replies to our email, this action will automatically give your agreement and receive [sic] Company private and confidential information to be emailed to you."
- 28. Also, the Research Report states that the investor will receive, among other materials, "The Company Term Sheet Offering to Investors Pursuant to Regulation D, Rule 506 of The Securities Act of 1933 and The Company Subscription Agreement now being offered at .40 cents a share, as a private distribution self stock offering, directly from our corporation. The company has the right to increase our .40 cent price, at any time, before we are approved with FINRA and receive our ticker symbol."
- 29. The Research Report states, "YOUR OPPORTUNITY TO BE PAID BACK FROM RISING GAS AND FOOD PRICES," and "Now is the time, for your small investment, to pay you back BIG earnings."
- 30. The Research Report, the posts on ViralAngels.com, and other actions by the Respondent and the issuer, constitute general solicitations in violation of SEC Regulation D, Rule 506, rendering that exemption unavailable to the Respondent.
- 31. Further, upon information and belief, the Issuer, in violation of SEC Regulation D, Rule 506, sold securities to more than 35 non-accredited investors.

- 32. At no time during the offering of Artemis securities were Artemis securities registered with the Division, federal covered, or exempt from registration.
- 33. At no time relevant to the offering of Artemis securities was the Respondent registered in this State as an agent or exempt from registration.

ROBERT NASH HOLDINGS, INC. ACTIVITIES

- 34. Robert Nash Holdings, Inc., is a Nevada corporation, created on or around August 10, 2013, with the last known address of 8666 Gaskin Road, Baldwinsville, New York, 13027.
- 35. The Respondent is listed as the President, Secretary, Treasurer, and Director of Robert Nash Holdings, Inc.
- 36. Upon information and belief, Robert Nash Holdings, Inc., is the same entity referred to in communications from the Respondent as Nash Holdings, Inc.
- 37. On July 23, 2013, Respondent sent an email offering for sale certain \$500 notes which investors could elect in two years to receive 100,000 common shares in a company to be created or paid back in lump sum. This email was addressed to, among others, South Carolina residents.
- 38. The email then directed the recipients to send payment for the notes to the Respondent at the Respondent's address. The Respondent stated in the email that "I will know by the amount what you want."
- 39. On July 31, 2013, the Respondent sent an email offering to sell securities entitled "Nash Holdings, Inc. Convertible Note Purchase Agreement" (the "Convertible Note"). An executable copy of the Convertible Note was attached to the email. Upon information and belief, this email was also directed toward South Carolina residents.
- 40. The Convertible Note stated an investor could purchase notes in \$500.00 denominations, which entitle the holder to either \$500.00 two years from now, or 100,000 common shares in an "anticipated future public company."

- 41. The notes offered or sold in this State by the Respondent through Robert Nash Holdings, Inc.("Nash Holdings") constitute securities as that term is defined in the Act.
- 42. At no time relevant to the offering of the notes were the notes offered or sold in this State by the Respondent or by Nash Holdings registered in this State, exempt from registration, or federal covered securities.
- 43. At no time relevant to the offering of the notes was the Respondent registered in this State as an agent or exempt from registration.

STATEMENT OF LAW

- 44. Pursuant to S.C. Code Ann. Section 35-1-301, it is unlawful for a person to offer or sell a security in this State unless the security is registered, a federal covered security, or exempt from registration under S.C. Code Ann. Sections 35-1-201 through 35-1-203.
- 45. Pursuant to S.C. Code Ann. Section 35-1-102(2), an agent is an individual, other than a brokerdealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities, or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.
- 46. Pursuant to S.C. Code Ann. Section 35-1-402(a), it is unlawful for an individual to transact business as an agent in this State unless registered or exempt from registration.
- 47. Pursuant to S.C. Code Ann. Section 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
 - a. To employ a device, scheme, or artifice to defraud;
 - b. To make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
 - c. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

CONCLUSIONS OF LAW

- 48. From in or around May, 2011, through in or around April, 2013, the Respondent offered or sold Compass Energy securities in this State, in violation of S.C. Code Ann. § 35-1-301.
- 49. From in or around January, 2013, through in or around May, 2013, the Respondent offered or sold Artemis securities in this State, in violation of S.C. Code Ann. § 35-1-301.
- 50. From in or around July, 2013, through in or around August, 2013, the Respondent offered or sold Nash Holdings securities in this State, in violation of S.C. Code Ann. § 35-1-301.
- 51. From in or around May, 2011, through in or around January, 2013, the Respondent in connection with the offer and sale of Compass Energy securities transacted business in this State as an agent, in violation of S.C. Code Ann. § 35-1-402.
- 52. From in or around May, 2011, through in or around April, 2013, in connection with the offer or sale of Compass Energy securities, the Respondent employed a device scheme or artifice to defraud, made an untrue statement of material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. § 35-1-501.

CEASE AND DESIST ORDER

WHEREAS, pursuant to S.C. Code Ann. § 35-1-604(a)(1), if the Securities Commissioner 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 the Act or a rule adopted or order issued under the Act or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist from engaging in the act,

practice, or course of business or to take other action necessary or appropriate to comply with the Act; and

WHEREAS, pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under Section 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation the Division will seek, a statement of the reasons for the order, and notice that a hearing will be scheduled if one is requested;

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a), IT IS HEREBY ORDERED that:

- a. Robert Nash immediately cease and desist from transacting business in this State in violation of the Act and, in particular, Sections 35-1-301, 35-1-402(a), and 35-1-501 thereof; and
- b. Robert Nash pay a civil penalty in an amount of fifty thousand dollars (\$50,000) if this Order becomes effective by operation of law, but if the Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act committed by the Respondent, and the actual cost of the investigation and proceeding.

REQUIREMENT OF ANSWER AND

NOTICE OF OPPORTUNITY FOR HEARING

The Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order to Cease and Desist a written Answer specifically requesting a hearing. If the Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule the hearing.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and any assessed fees, becoming final as to that Respondent by operation of law.

THIS ORDER DOES NOT PREVENT THE DIVISION OR ANY OTHER LAW ENFORCEMENT AGENCY FROM SEEKING SUCH OTHER CIVIL OR CRIMINAL REMEDIES THAT ARE AVAILABLE UNDER THE ACT, INCLUDING REMEDIES RELATED TO OFFERS OR SALES OF SECURITIES BY THE RESPONDENTS WHICH ARE NOT SET FORTH ABOVE.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES UNDER S.C. CODE ANN. § 35-1-508.

IT IS SO ORDERED, this the $\underline{\mathcal{U}}^{\# \mathcal{U}}_{\mu}$ day of December, 2013.

By: Jordan Crapps

Assistant Attorney General Securities Division Rembert C. Dennis Building 1000 Assembly Street Columbia, S. C. 29201

(803) 734-9916

STATE OF SOUTH CAROLINA OFFICE OF THE ATTORNEY GENERAL SECURITIES DIVISION

CERTIFICATE OF SERVICE AND AFFIDAVIT OF COMPLIANCE File Number 12065

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated December 4, 2013, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Robert Nash 8666 Gaskin Road Baldwinsville, NY 13027

Document(s): Order to Cease and Desist

Mailed December 4, 2013 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

Threséchia P. Návarro South Carolina Attorney General's Office Securities Division Post Office Box 11549 Columbia, SC 29211-1549 (803) 734-4731

Subscribed and sworn to before me on this <u>day of Docent</u>, 2013.

Notary Public for South Carolina My commission expires: $\frac{7/2}{18}$