

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

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

7 Symboli Blockchain LLC;
8 Robert Bevan Brian,

9 Respondents.

Order Number S-19-2822-21-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO ISSUE AN
ORDER TO CEASE AND DESIST,
IMPOSE FINES, AND CHARGE
COSTS

10 THE STATE OF WASHINGTON TO:

Symboli Blockchain LLC
Robert Bevan Brian

11 **STATEMENT OF CHARGES**

12 Please take notice that the Securities Administrator of the State of Washington has reason to believe
13 that the Respondents Symboli Blockchain LLC and Robert Bevan Brian have each violated the Securities
14 Act of Washington and that their violations justify the entry of an order of the Securities Administrator
15 against each to cease and desist from such violations, to impose a fine, and to charge costs pursuant to
16 RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

17 **TENTATIVE FINDINGS OF FACT**

18 **Respondents**

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

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

13 10. The investor decided to invest \$35,000 in the pre-ICO Symboli tokens. The investor entered
14 into a Purchase and Sale Agreement with Brian dated June 21, 2018 (which the investor drafted at Brian's
15 request). The agreement states that Brian is the owner of "coins called Symbolicoi" which will be publicly
16 offered on cryptocurrency exchanges starting on July 18, 2018 at an initial price of \$1 per token. Per the
17 terms of the agreement, the investor agreed to purchase 175,000 tokens from Brian at a price of \$0.20 cents
18 per token. The agreement further states that the investor is entitled to annual dividends distributed from
19 the total net profits of the retail cannabis stores in Los Angeles for the first three years of operation. This
20 agreement was electronically signed by Brian and the investor on June 21, 2018.

21 11. Brian failed to provide the investor with any disclosure documents regarding the Symboli
22 ICO. Brian failed to disclose to the investor that the tokens had not finished development, and that he did
23

1 not in fact hold any pre-ICO Symboli tokens. Brian failed to disclose any risks of the investment to the
2 investor, including the risk that the ICO would not occur on the date specified.

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

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

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

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

21 **General Solicitation of the Symboli ICO**

22 16. In December 2018, the Symboli token offering was advertised via general solicitation. A
23 press release, dated December 11, 2018, created in part by Brian and the ICO advisor, was published online

1 and was available to the general public, including to Washington residents (to date, the press release is still
2 available online). In the press release, Symboli LLC announced the plan to launch a public pre-sale round
3 in the first quarter of 2019, followed by the public ICO in the second quarter of 2019. The press release
4 states “if you are interested in investing with Symboli, please visit our website at www.symboli.com.”

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

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

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

13 CONCLUSIONS OF LAW

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

16 2. Robert Bevan Brian and Symboli Blockchain LLC have each violated RCW 21.20.140
17 because, as set forth in the Tentative Findings of Fact, they offered securities for which no registration is
18 on file with the Securities Administrator, and for which no valid claim of exemption exists.

19 3. Robert Bevan Brian has violated RCW 21.20.010 because, as set forth in the Tentative
20 Findings of Fact, he made misstatements of material fact or omitted to state material facts necessary in
21 order to make the statements made, in light of the circumstances under which they were made, not
22 misleading.

23 NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST

24 STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ISSUE AN ORDER TO CEASE AND
DESIST, IMPOSE FINES, AND CHARGE COSTS

1 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator
2 intends to order that the Respondents Symboli Blockchain LLC and Robert Bevan Brian, and their agents
3 and employees, shall cease and desist from violations of RCW 21.20.140 and that Respondent Robert Bevan
4 Brian shall cease and desist from violations of RCW 21.20.010.

5 **NOTICE OF INTENT TO IMPOSE FINES**

6 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of
7 Law, the Securities Administrator intends to order that:

- 8 1. Respondent Robert Bevan Brian shall be liable for and pay a fine of \$20,000; and
9 2. Respondent Symboli Blockchain LLC shall be liable for and pay a fine of \$10,000.

10 **NOTICE OF INTENT TO CHARGE COSTS**

11 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and Conclusions
12 of Law, the Securities Administrator intends to order that the Respondents Symboli Blockchain LLC and
13 Robert Bevan Brian shall be liable for and pay the Securities Division the costs, fees and other expenses
14 incurred in the administrative investigation and hearing of this matter in an amount not less than \$5,000.

15 **AUTHORITY AND PROCEDURE**

16 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is
17 subject to the provisions of Chapter 34.05 RCW. The Respondents may each make a written request for a
18 hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent
19 does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the
20 above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease
21 and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs
22 sought against that respondent.

23 Signed and Entered this 18th day of February, 2021.

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William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Bridgett Fisher
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor