

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 of the
6 Securities Act of Washington by:

7 Quantum Donovan LLC;
8 Shane Moore

9 Respondents.

Order No. S-22-3425-22-SC01

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

10 THE STATE OF WASHINGTON TO:

Quantum Donovan LLC;
Shane Donovan Moore

11 **STATEMENT OF CHARGES**

12 Please take notice that the Securities Administrator of the state of Washington has reason to believe
13 that Respondents Quantum Donovan LLC and Shane Donovan Moore have violated the Securities Act of
14 Washington. The Securities Administrator believes these violations justify the entry of an order against
15 Respondents Quantum Donovan LLC and Shane Donovan Moore to cease and desist from such violations,
16 to impose fines, and to charge costs, pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities
17 Administrator finds as follows:

18 **TENTATIVE FINDINGS OF FACT**

19 **Respondents**

20 1. Quantum Donovan LLC is a Washington limited liability company formed on February 19,
21 2021. Quantum Donovan LLC used a business address in Mercer Island, Washington and the website
22 www.quantumdonovan.com. The website is no longer active.

23 2. Shane Donovan Moore is the CEO of Quantum Donovan LLC. During the relevant time
period, Moore resided in Seattle and Mercer Island, Washington.

1 **Oregon Enforcement Action**

2 3. On October 20, 2022, the Department of Consumer and Business Services (Division of
3 Financial Regulation) for the State of Oregon issued an Order to Cease and Desist, Proposed Orders
4 Denying Use of Exemptions and Assessing Civil Penalties, and Notice of Right to an Administrative
5 Hearing (“Notice Order”) against Moore and Quantum Donovan, LLC. On November 29, 2022, the State
6 of Oregon issued Final Orders against Moore and Quantum Donovan, LLC.

7 **Nature of the Conduct**

8 4. Between 2021 and 2022, Respondents Moore and Quantum Donovan LLC sold investments
9 constituting securities to investors in Washington and other states. The Respondents misleadingly
10 represented that investors could earn returns of 1% per day through the Respondents’ cryptocurrency
11 mining business. The Respondents communicated with investors through emails, phone calls, text
12 messages, and other platforms, such as Telegram.

13 5. The Respondents emailed a written agreement to investors that was captioned as a “Services
14 Agreement.” Under the Services Agreement, investors could purchase one or more cryptocurrency mining
15 machines that would be used by Quantum Donovan LLC to “target the most profitable crypto on that day”
16 and “convert” it into Bitcoin. Quantum Donovan LLC represented that it would pay all of the costs to
17 operate and maintain the cryptocurrency mining machines. Investors were passive and had no role in the
18 cryptocurrency mining and had no control over how their funds were used. Investors were dependent on
19 the efforts of Moore and Quantum Donovan LLC to generate a return on their investments. Investors could
20 purchase one or more mining machines or purchase a fraction of a machine. Investors were initially charged
21 \$13,000 per mining machine, while later investors were charged \$14,000 per machine. After Moore
22 executed the Services Agreement, he arranged for a copy to be emailed to the investor.

1 6. The Respondents misleadingly represented to investors that they would receive large daily
2 returns on their investment as part of a “Reward Schedule” (also referred to in some agreements as a
3 “Payment Schedule”). According to the Services Agreement, investors were supposed to receive a daily
4 payment of \$130 per machine - a return of 1% per day. The term of the agreement was eight months and
5 the Respondents represented to investors that they would receive 240 payments as part of the investment.
6 Investors who purchased a fraction of a machine would receive a proportionate share of the daily return.
7 For example, in July 2021, a representative of Quantum Donovan stated that a \$20,000 investment would
8 generate a return of \$200 per day for a total of \$48,000 in eight months. The Services Agreement
9 represented that investor payments “shall be paid daily” to investor’s cryptocurrency wallet. The payments
10 were to be made in Bitcoin.

11 7. Investors were directed to wire their investment funds to a bank account in the state of
12 Washington that was in the name of Quantum Donovan LLC.

13 8. The Respondents failed to disclose material information regarding Quantum Donovan LLC
14 and Moore. The Respondents did not provide investors with a written disclosure document with material
15 information regarding Moore or Quantum Donovan LLC, and did not disclose any detailed information
16 regarding the company’s operational history and financial condition. The Respondents failed to provide
17 any disclosure regarding the specific risks of the investment or the prior use of investor funds.

18 9. The Respondents made payments in Bitcoin to investors through their cryptocurrency wallets
19 until approximately February 2022. These payments were sporadic and were not typically made on a daily
20 basis. Several investors have only received a fraction of the returns that they expected as part of the Reward
21 Schedule, and several investors have experienced significant investment losses.

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1 **Failure to Comply with Subpoena**

2 10. In August 2022, the Securities Division served Moore and Quantum Donovan LLC with a
3 subpoena that required the production of records. Moore and Quantum Donovan LLC failed to comply
4 with the subpoena and did not produce any documents to the Securities Division.

5 **Registration Status**

6 11. Quantum Donovan LLC is not currently registered to sell its securities in the state of
7 Washington and has not previously been so registered, nor has it filed a claim of exemption from
8 registration.

9 12. Shane Donovan Moore is not currently registered as a securities salesperson or broker-dealer
10 in the state of Washington and has not previously been so registered.

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

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14 **CONCLUSIONS OF LAW**

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

17 2. Quantum Donovan LLC violated RCW 21.20.140 by offering and/or selling securities for
18 which no registration is on file with the Securities Administrator.

19 3. Shane Donovan Moore violated RCW 21.20.040 by offering and/or selling said securities
20 while not being registered as a securities salesperson or broker-dealer in the state of Washington.

21 4. Quantum Donovan LLC and Shane Donovan Moore violated RCW 21.20.010 by making
22 untrue statements of material fact or omitting to state material facts necessary to make the statements made,
23 in light of the circumstances in which they were made, not misleading.

1 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

2 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
3 Law, the Securities Administrator intends to order Respondents Quantum Donovan LLC and Shane
4 Donovan Moore, and their agents and employees, to each permanently cease and desist from violating RCW
5 21.20.010 and RCW 21.20.140 and Respondent Shane Donovan Moore to permanently cease and desist
6 from violating RCW 21.20.040.

7 **NOTICE OF INTENT TO IMPOSE FINES**

8 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
9 the Securities Administrator intends to order that Respondent Quantum Donovan LLC and Shane Donovan
10 Moore shall be liable for and shall each pay a fine of \$10,000.

11 **NOTICE OF INTENT TO CHARGE COSTS**

12 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
13 the Securities Administrator intends to order that Respondents Quantum Donovan LLC and Shane Donovan
14 Moore shall be liable for and for and shall pay the costs, fees, and other expenses incurred in the
15 administrative investigation and hearing of this matter, in an amount not less than \$5,000.

16 **AUTHORITY AND PROCEDURE**

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

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SIGNED and ENTERED this 9th day of December, 2022.



A handwritten signature in black ink, appearing to read "William M. Beatty". The signature is fluid and cursive.

William M. Beatty
Securities Administrator

Approved by:

Presented by:

/s/ _____
Brian J. Guerard
Chief of Enforcement

/s/ _____
Robert Kondrat
Financial Legal Examiner