
IN THE MATTER OF:

PRATIK KC a/k/a PRATIK CHAND KC

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CONSENT ORDER

MATTER NO. CO-23-202135-S

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Pratik KC a/k/a Pratik Chand KC (“Respondent”) is an individual whose address last known to the Commissioner is 17 Thornbush Road Ext., Mansfield Center, Connecticut. Respondent is not and has not been registered in any capacity under the Act;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an investigation of Respondent pursuant to Section 36b-26(a) of the Act to determine if he had violated, was violating or was about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, as a result of the Investigation, the Division obtained evidence that from approximately 2017 to approximately 2021, Respondent offered and sold securities in the amount of \$41,500 to at least thirteen (13) Connecticut investors. Respondent entered into agreements with at least eight of these investors entitled “Investment/Loan Agreement” (“Agreements”). The terms of the Agreements, which varied, provided that Respondent would either invest the investors’ money in

cryptocurrency or a technology business owned by Respondent. All of the Agreements represented that the investor would receive a minimum percentage of interest in return, and that the investor would receive back all of the sums invested, after a certain period of time, upon request. Moreover, the Agreements entered into after 2018 failed to disclose that one of Respondent's earlier investors had sued him for failing to return an investment of \$10,000;

WHEREAS, despite several investors requesting their money back, approximately \$39,450 is outstanding and due to investors to date;

WHEREAS, the Commissioner has reason to believe that the foregoing conduct violates certain provisions of the Act, and would support administrative proceedings against Respondent under Section 36b-27 of the Act;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, an administrative proceeding initiated under Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondent have reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, Respondent expressly consents to the Commissioner's jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act;

WHEREAS, Respondent has provided the Commissioner with a sworn financial affidavit, demonstrating that he is financially unable to repay the investors \$41,500 in restitution that the Commissioner is authorized to order, or pay the administrative fine of \$50,000 that otherwise would have been imposed against him by the Commissioner, and that such restitution and fine will be stayed for a period of three years (as set forth in Section IV below);

WHEREAS, Respondent acknowledges that he has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and that he executes this Consent Order freely;

AND WHEREAS, Respondent, through his execution of this Consent Order, specifically represents and agrees that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondent, through his execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Section 36b-27 of the Act and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail himself of Section 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present his position in a hearing in which he is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondent, through his execution of this Consent Order, acknowledges the following allegations of the Commissioner:

1. Respondent violated Section 36b-16 of the Act by offering and selling securities that were not registered under Section 36b-16 of the Act nor the subject of a filed exemption claim or claim of covered security status; and
2. Respondent violated Section 36b-4 of the Act by, in connection with the offer, sale or purchase of any security, directly or indirectly making an untrue statement of a material fact.

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondent an opportunity for a hearing;

AND WHEREAS, Respondent acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondent, through his execution of this Consent Order, consents to the Commissioner's entry of an order imposing on him the following sanctions:

1. Respondent, either directly or through any person, organization, entity or other device, shall cease and desist from directly or indirectly violating any provision of the Act or any regulation, rule or order adopted or issued under the Act, including, without limitation, Sections 36b-16 and 36b-4 of the Act;
2. From the date this Consent Order is entered by the Commissioner, Respondent shall be **BARRED** from directly or indirectly, through any person, organization, entity or other device, (i) offering or selling securities in or from Connecticut; (ii) transacting business in or from Connecticut as a broker-dealer, agent, investment adviser or investment adviser agent, as such terms are defined in the Act and notwithstanding any definitional exclusion that might otherwise be available under the Act; and (iii) acting in any other capacity which requires a license or registration from the Commissioner; and,
3. (a) Based on the financial affidavit submitted to the Division by Respondent, the order of restitution in the amount of \$41,500 and the imposition of a \$50,000 fine that otherwise would have been imposed against Respondent pursuant to Section 36b-27 of the Act shall be temporarily stayed for three years from the date the Commissioner enters this Consent Order. The three-year stay shall no longer be in force and effect, and the monetary sums shall be immediately due and payable, if the Commissioner ascertains at any time that (i) Respondent is able to pay the restitution and/or administrative fine; or (ii) Respondent failed to disclose any material asset, materially misstated the value of any asset or made any other material

misstatement or omission in the financial affidavit. Where the monetary sums become immediately due and payable pursuant to this paragraph, they shall first be applied to provide restitution to the investors described above, with the balance being applied to fulfill all or part of Respondent's obligation to pay the fine imposed hereunder. After the three-year stay period, the order of restitution in the amount of \$41,500 will remain outstanding against Respondent; and,

(b) This paragraph is without prejudice to the right of the Commissioner, in his discretion, to take such further action on the matter in the future following expiration of the temporary stay as may be warranted by the then existing circumstances. Respondent, through his execution of this Consent Order, knowingly, wilfully and voluntarily waives his right to notice and an administrative hearing in conjunction with the implementation of this paragraph; provided, however, that, prior to invoking any enforcement measures contemplated by this paragraph, the Commissioner shall provide the Respondent with an informal opportunity to demonstrate his compliance with this Consent Order. After the expiration of three years from the date this Consent Order is entered, if the Division determines that Respondent is still unable to pay the administrative fine, such fine will be waived.

V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondent based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondent based upon: (i) evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act; or (ii) evidence indicating that Respondent withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
4. Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, that the Commissioner had a basis to pursue the allegations set forth in Section III of this Consent Order, or create the impression that this Consent Order is without factual basis;
5. Respondent shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. However, nothing in this Consent Order affects Respondent's (i) testimonial obligations; or (ii) right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party;
6. Nothing in this Consent Order shall be construed as limiting in any way any investor's ability to pursue restitution through private litigation; and

7. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 3rd day of May 2023.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Pratik KC, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Pratik KC

State of: MA

County of: Middlesex

On this the 3rd day of May 2023, before me, the undersigned officer, personally appeared Pratik KC, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: July/03/2026