

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey
07101 (973) 504-3600

IN THE MATTER OF:

Slotie NFT
Respondent.

**SUMMARY CEASE
AND DESIST ORDER**

Pursuant to the authority granted to Amy G. Kopleton, Acting Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3- 47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order (“Order”) against Slotie NFT, d/b/a slotie.com (“Slotie”).

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

Introduction

1. In October 2021, Slotie began operating in the country of Georgia. It is now soliciting investors by way of the internet, including residents of New Jersey, to participate in an unregistered investment in what Slotie describes as DeFi (decentralized finance) gambling.
2. Slotie is using an internet website and various social media platforms to publicly solicit securitized NFTs related to DeFi gambling.
3. The securitized NFTs are similar to shares of stock and other equities insofar as the securitized NFTs purportedly provide purchasers with shared ownership of a percentage of the

revenue generated by the utilization of slot machines at third party online casinos and revenues to be generated in a DeFi gambling metaverse.

4. Slotie is offering and selling Slotie original generation NFTs (the “Slotie NFTs”) and Slotie Junior NFTs (the Slotie NFTs and Slotie Junior NFTs, collectively, the “Securitized NFTs”). The Slotie NFTs are nonfungible tokens, that purportedly grant holders access to the new world of DeFi gambling and provide owners with real world benefits, including passive income that it purportedly will pay based on earnings generated by an online slot game. Slotie Junior NFTs are purportedly the next generation of NFTs that grant access to the Las Vegas of the metaverse, the SlotieVerse, including the ability to earn revenue from land in the SlotieVerse.

5. Slotie purports to be developing the SlotieVerse metaverse. Slotie Junior NFT holders are entitled to benefits in the SlotieVerse metaverse, such as a plot of land, and to control 100% of the income of the SlotieVerse Junior district.

6. Slotie earns royalties of 2.5% on each sale of the Securitized NFTs in at least one secondary marketplace in which the Securitized NFTs are listed.

Respondent

7. Slotie conducts its business on the internet through its website, <https://www.slotie.com> (the “Slotie Website”), and has a social media presence on Discord, Twitter, and Instagram (collectively the “Slotie Social Media Platforms”).

8. In or about October 2021, the Slotie website was procured and paid for from an IP address in the country of Georgia with an address of Vazha Pshavela Ave. 38, Tbilisi 0105, Georgia.

9. Slotie is not registered with the Bureau in any capacity.

OFFER AND SALE OF THE SECURITIZED NFTs

10. A non-fungible token (“NFT”) is a digital asset with a unique identifier that exists on blockchains and can represent a real-world or digital asset like art and real estate.

11. A metaverse is a virtual world focused on social connections, interactivity, commerce, entertainment, and business. Metaverses can incorporate Web 3.0, blockchain and NFT technologies, and can be accessed via computer, in some cases with or without virtual reality headsets.

12. Slotie has been offering and selling Securitized NFTs that it purports will grant holders access to the new world of DeFi gambling and provide owners with real world benefits, including passive income.

13. The Securitized NFTs are securities as defined by N.J.S.A. 49:3-49(m).

14. The Securitized NFTs are not registered with the Bureau, federally covered, or exempt from registration.

15. Slotie is funding the development of an online slots game and a gambling metaverse through the sale of Securitized NFTs consisting of 10,000 Slotie NFTs and 4,950 Slotie Junior NFTs to the public.

16. The Securitized NFTs purportedly determine the investors' amount of passive income based on the NFTs rarity. NFT rarity refers to how limited a certain NFT is, depending on its traits such as color, design, costume, etc.

SLOTIE NFTs

17. The Slotie Website had represented that, "Slotie NFT is created by Elia Software – a leading gaming software organization serving 150+ digital casinos."

18. Slotie purchased eliasoftware.com on or about November 3, 2021, two weeks after the Slotie Website was purchased. It appears Elia Software came into existence shortly after the creation of Slotie NFT or approximately at the same time.

19. In November 2021, the Slotie Website contained a section titled, "Passive Income" which claimed:

Holding a Slotie NFT can be seen as a partnership deal between holders, casinos, and Elia Software. Casinos pay 12% of their slot machines' revenue as a commission to us for executing and distributing high quality gaming solutions for them. We share 80% of our NFT-based slot machine revenue to the Slotie owners on a monthly basis.

20. Although the Slotie Website originally stated that Slotie NFT was partnered with Elia Software, Slotie now states they are partnered with Ruby Play. Slotie claimed that “[d]elay from Elia Software caused us [Slotie] to replace them with Ruby Play for the development of the Web 2.0 Slotie Game.”

21. According to the Ruby Play website, “Ruby Play is... an iGaming development studio that specializes in the design and creation of the most entertaining and engaging slot games, as well as value-add tools for gaming operators.”

22. The Slotie Website now describes Slotie NFT benefits as including:

- a. a new slot-game that will be distributed in our partner casino chain;
- b. tickets to Slotie weekly lotteries; and
- c. the ability to generate Watts – a unique internal currency, which holders could use to breed a 2nd Generation Slotie NFT, that Slotie stated would be launched in Q3 2022.

Profit Making From Ruby Play Slot Game

23. In approximately February 2022, Slotie announced a partnership with Ruby Play. Slotie stated that an online slots game (the “Ruby Slots Game”) will be distributed to Ruby Play’s partner online casinos. Slotie claims that Slotie NFT holders will earn a share of revenues from the Ruby Slots Game.

24. The Slotie NFTs provide purchasers with the right to passively share in income generated by the Ruby Slots Game.

25. On October 5, 2022, Slotie stated that Ruby Play will be releasing the Ruby Slots Game to different casinos. Slotie tries to explain how Slotie NFT holders will profit from the Ruby Slots Game, but Slotie never clearly states how this will occur.

26. The Slotie Website previously stated that “Casinos pay **12%** of their slot machines’ revenue as a commission to **us** for executing and distributing high quality gaming solutions for them...” (emphasis added). Slotie, through the Slotie Social Media Platforms, now describes the payout differently.

27. Slotie now claims that casinos will pay Ruby Play commissions on revenues, ranging from five (5) to twelve (12) percent, from the Ruby Slots Game, depending on the size of the casino. Slotie explains that Ruby Play will pay Slotie, “the profits” described as “everything they [Ruby Play] get from the casinos minus their cost of maintaining the game.” Slotie claims it will then share eighty (80) percent to their decentralized autonomous organization (“DAO”) fund. The Securitized NFT holders would purportedly vote on how these profits would be used or distributed.

28. Payout of the Ruby Slots Game revenue to Slotie NFT holders will purportedly be voted on through the Slotie DAO.

29. A DAO, in theory, is a structure with no central leadership in which holders of a related blockchain token participate in management and decision making of an entity by casting votes in the DAO.

30. Commissions paid related to the Ruby Slots Game are revenue share, paid in the form of earned holder rewards (“EHR”).

31. Slotie NFTs receive the EHR from the Ruby Slots Game.

Other Slotie NFT Profit Making Opportunities

32. The ownership of a Slotie NFT conveys the right to participate in Slotteries. Slotteries are what Slotie calls various drawings and lotteries, including contests that Slotie claims have awarded cash, NFTs, free spins, and WATTs.

33. According to the Slotie website, “WATTs is a token which acts like the energy in the Sloties’ world. WATTs are generated on a daily basis. Every Slotie owner gets 10 WATTs tokens

daily. You will have enough WATTs to breed your Sloties in 3 months.” Until August 25, 2022, WATTs were used to create another series of NFTs called Slotie Junior. Once a Slotie NFT holder obtained 1,800 WATTs and 2 Sloties, an owner could create a Junior Slotie. This was referred to as “breeding.”

THE SLOTIE DAO

34. On September 21, 2022, it was announced on the Slotie Discord that Slotie has established an early work in progress version of a DAO website for testing on subdomain <https://dao.slotie.com> (the “Slotie DAO Website”).

35. As of the date of this Order, no DAO votes have been cast on the Slotie DAO Website.

36. Prior to the existence of the Slotie DAO Website, a vote was purportedly held on the Slotie Discord in which Securitized NFT holders voted to lock WATTs for trading.

37. Other than the decision to lock WATTs, the Slotie team has made all major management decisions relating to the Ruby Slots Game, the SlotieVerse, and other benefits for Securitized NFT holders.

SLOTIE JUNIOR NFTs

38. Slotie also has a Slotie Website subdomain relating to Slotie Junior NFTs, <https://junior.slotie.com> (the “Slotie Junior Website”). Slotie claims “Slotie Juniors are the next generation of NFTs in the most anticipated blockchain gambling network of Sloties. Only 5,000 Juniors will ever be mintable with the remaining 5,000 Juniors reserved for Slotie Holders to breed. Slotie Juniors grant access to the Las Vegas of the metaverse, SlotieVerse.”

39. The Slotie Website previously stated that “owning a Junior Slotie literally doubles the profit for the Slotie holder.”

40. According to the Slotie Junior Website, each trait (color, design, costume, etc.) a Slotie Junior NFT possesses will have a different benefit, from more EHR, to more rakeback

percentage, to more free spins in the SlotieVerse. Slotie purports that EHR will be rewarded to Slotie Junior NFT holders based on the rarity of the NFT's traits.

41. There are several ways Slotie Junior NFT holders passively share in profits, which will be paid as EHR. Slotie claims it is developing the SlotieVerse metaverse, and has stated that Slotie Junior NFT holders would earn revenue through land that would be granted to them in the SlotieVerse.

42. According to the Slotie Junior Website, Slotie Junior NFT holders also receive profits and benefits in the SlotieVerse by having the ability to, “attend events with discounted prices, have free spins, and rakebacks in the slot machines, and other casino games in SlotieVerse.”

43. Slotie Junior NFT holders purportedly will receive a plot of land via airdrop in SlotieVerse's Slotie Junior District, a group of 10,000 adjacent land plots, where each parcel is owned by the Slotie Junior NFT holders. This ownership gives the Slotie Junior NFT holders the authority to decide on how to use the land. The Slotie Junior NFT holders will control 100% of the income of the district.

44. Slotie describes that Slotie Junior NFT holders will have the ability to earn revenue from their SlotieVerse land by selling the land, leasing out the land, building a casino on the land and leasing that out, or by earning royalties from advertising on the land.

Slotie Junior Website

45. The Slotie Junior Website claims that Slotie's plans for:

- a. Q1 2022 include Slotie buying land in the Sandbox metaverse, and developing a Slotie Casino and SlotieVerse Embassy on this land, which will act as a bridge between Sandbox and the SlotieVerse; and
- b. Q3 2022 include making SlotieVerse land available for sale, and holders can develop their land according to their wishes.

46. Slotie has not purchased land in the Sandbox metaverse, has not built a Slotie Casino or SlotieVerse Embassy on this land, has not airdropped land to Slotie Junior NFT holders, and has

not made land in the SlotieVerse available for sale.

SLOTIEVERSE

47. Slotie promotes the development of a decentralized metaverse named SlotieVerse on the Ethereum blockchain on the Slotie Website, Slotie Junior Website, and on the Slotie Social Media Platforms.

48. According to the Slotie Junior Website, “SlotieVerse is a Las Vegas metaverse experience where all the fun takes place... SlotieVerse aims to create unmatched social experiences with the mission to have entertaining events in every corner.”

49. Patrons, acting through digital representations of themselves known as avatars, will be able to experience the SlotieVerse by having access to not only casinos, but also malls, clubs, entertainment centers, and autohouses.

THE SLOTIE WEBSITE AND SLOTIE SOCIAL MEDIA PLATFORMS

50. After retaining GoDaddy.com, LLC and paying for web hosting on or about October 25, 2021, Slotie created and published the Slotie Website.

51. Contemporaneously with the publication of the Slotie Website, Slotie began using the Slotie Social Media Platforms. The Slotie Social Media Platforms are described in greater detail as follows:

- a. In or around October 8, 2021, Slotie created an account with Twitter with @SlotieNFT as its handle. Slotie posted its first tweet on November 1, 2021, seven days after publishing the Slotie Website.
- b. On or about November 2, 2021, Slotie began posting content through slotie_nft, its handle on Instagram.
- c. On or around October 27, 2021, Slotie began disseminating information through Discord Server ID 902918779770638366, a server hosted by Discord named Slotie NFT. This server has been and is administered by an unidentified person acting

through the alias meadows#4149 and User ID 721649596383887450 (the “Discord Agent”).

PURCHASE, MINTING, AND BLOCKCHAIN INFORMATION REGARDING THE SECURITIZED SLOTIE NFTS

52. Slotie has directed investors to the Slotie Website to purchase and mint the securitized Slotie NFTs.

53. The aggregate number of mintable securitized Slotie NFTs was 10,000. The Slotie NFTs have been minted and published in the Ethereum Mainnet as Slotie NFT via contract 0x5fdB2B0C56Afa73B8ca2228e6aB92Be90325961d.

54. The contract was created by Slotie using 0x197f307de4a57608aa63a471c943a2fe15268834 as their address.

55. The contract was executed on December 7, 2021, as transaction hash 0xc1eb6ed442b717bea32b56f6655d0b45ac20808ed7b0f1fe7849bc0060887709 in block 13758390.

56. According to the blockchain, the Slotie NFT contract was launched on December 7, 2021, and Slotie claims the Slotie NFTs sold out in under 5 minutes. There is no evidence on the blockchain of 10,000 Slotie NFTs selling out in under 5 minutes.

PURCHASE, MINTING, AND BLOCKCHAIN INFORMATION REGARDING THE SECURITIZED SLOTIE JUNIOR NFTS

57. Slotie has directed investors to the Slotie Junior Website to purchase and mint the securitized Slotie Junior NFTs.

58. The aggregate number of securitized Slotie Junior NFTs is 10,000. 5,000 are mintable to the public and 5,000 were available to Slotie NFT holders for breeding. The securitized Slotie Junior NFTs have been minted and published in the Ethereum Mainnet as Slotie NFT via contract 0x5dFf0b226fde7085a850aff06E2ea62D1Ad506f5.

59. The contract was created by Slotie using

0x197f307de4a57608aa63a471c943a2fe15268834 as their address.

60. The contract was executed on February 9, 2022, as transaction hash 0x0e9c7039666826f23b019420c38a1040b7678f3854594541a8d781c158eba067 in block 14174463.

61. According to the blockchain, the Slotie Junior NFT contract was launched on February 9, 2022, and Slotie claims the Slotie Junior NFTs sold out in under 2 minutes. There is no evidence on the blockchain of 5,000 Slotie Junior NFTs selling out in under 2 minutes.

SECONDARY SALES OF THE SECURITIZED NFTS

62. Slotie initially directed purchasers to mint the Slotie NFTs directly through the Slotie NFT website. Once minted, the NFTs could be resold on the secondary marketplace OpenSea. In April 2022, OpenSea delisted the Slotie NFT collection. Slotie then began directing NFT purchasers to other secondary marketplaces, namely Rarible and LooksRare.

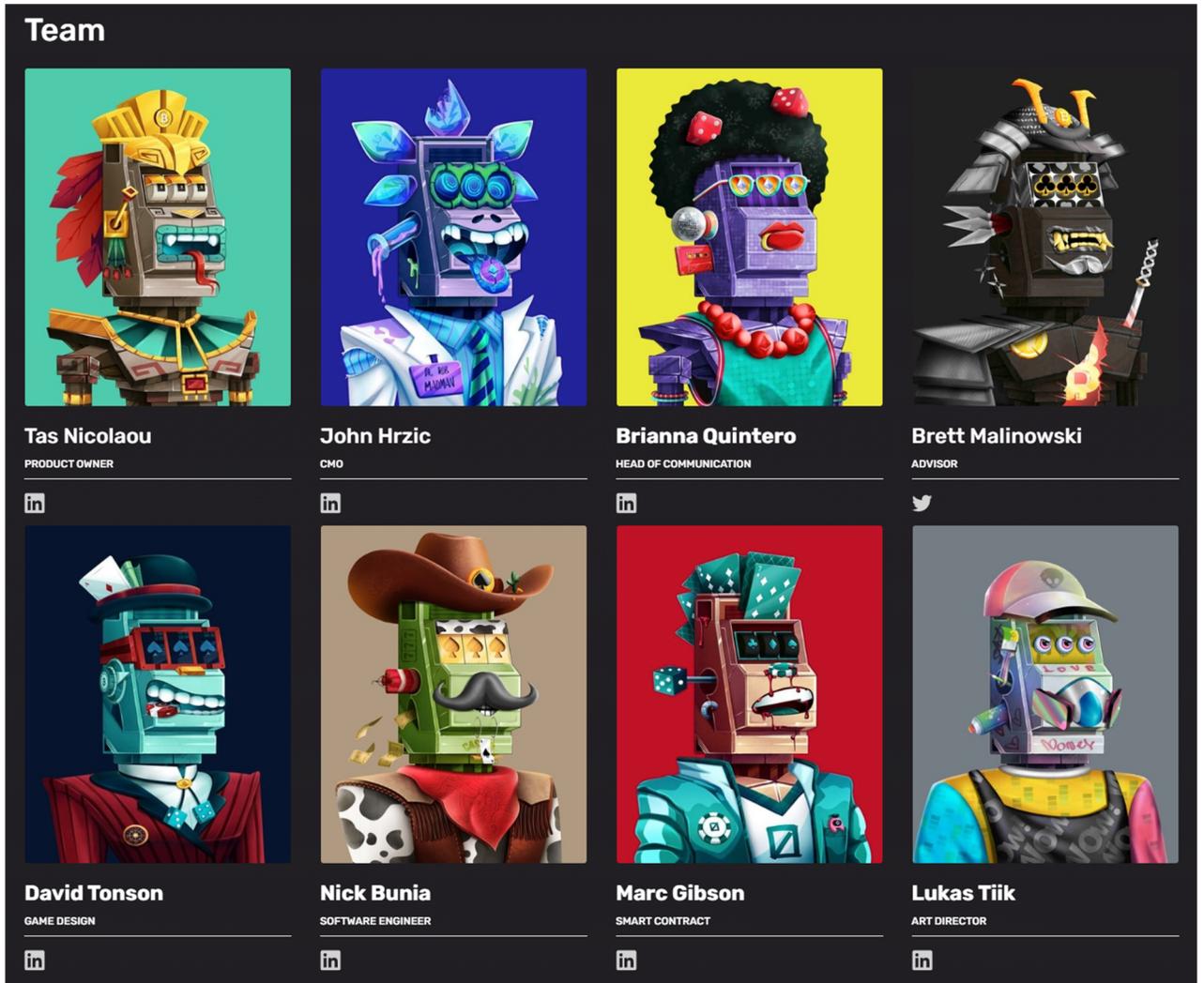
63. In October 2022, Slotie announced that the Securitized NFTs could also be bought and sold on an additional secondary marketplace, Magic Eden.

64. The LooksRare secondary marketplace indicates that Slotie is earning royalties of 2.5% on each sale of the Securitized NFTs.

THE TEAM

65. Slotie purportedly consists of a team of game developers with more than 10 years of experience in the gambling industry.

66. The Slotie Website provides the following information about the Slotie Team:



67. Tas Nicolaou is purportedly the Product Owner for Slotie, John Hrzic purportedly serves as the CMO (undefined) for Slotie, Brianna Quintero purportedly serves as Head of Communication Slotie, Brett Malinowski purportedly serves as Advisor for Slotie, David Tonson purportedly serves as Game Design for Slotie, Nick Bunia purportedly serves as Software Engineer for Slotie, Marc Gibson purportedly serves as Smart Contract for Slotie, and Lukas Tiik purportedly serves as Art Director for Slotie.

68. The Slotie Junior Website omits Lukas Tiik and lists Matt’s Crypto as an Advisor.

69. Slotie provided links on the Slotie Website to the LinkedIn profiles for Tas Nicolaou, John Hrzic, Brianna Quintero, David Tonson, Nick Bunia, Marc Gibson, and Lukas Tiik. A link to

Twitter was provided for Brett Malinowski. The Slotie Junior Subdomain provides a link to Twitter for Matt's Crypto.

70. The links on the Slotie website for the LinkedIn profiles belonging to David Tonson and Lukas Tiik indicate that these pages do not exist on LinkedIn.

71. Slotie does not provide any other information regarding the "Team" on the Slotie Website.

THE SOCIAL MEDIA SALES AGENTS FOR SLOTIE AND SOCIAL MEDIA PROMOTIONS

72. As described herein, Discord Agent Meadows#4149 began posting on Slotie's Discord server. The Discord Agent is offering the Securitized NFTs through Slotie's Discord server.

73. Slotie is not providing any information relating to the identity, business repute, qualifications, experience or licensure of the Discord Agent.

74. Slotie is advertising and/or soliciting the Slotie NFTs and Slotie Junior NFTs through an internet website accessible at <https://www.slotie.com> and subdomain accessible at <https://junior.slotie.com> and through the Slotie Social Media Platforms.

75. Slotie is encouraging users to interact through the Slotie Social Media Platforms and they are rewarding active users with NFT whitelist spots and prizes in the Slotteries.

UNTRUE OR MATERIALLY MISLEADING STATEMENTS OF MATERIAL FACTS IN THE OFFER OF THE SECURITIZED NFTS

76. In connection with its offers of the Securitized NFTs, Slotie falsely claims that Slotie NFT sold out in under 5 minutes and Slotie Junior NFT sold out in under 2 minutes.

77. There is no evidence on the blockchain of 10,000 Slotie NFTs selling out in under 5 minutes or of 5,000 Slotie Junior NFTs selling out in under 2 minutes.

OMISSIONS OF MATERIAL FACTS IN THE OFFER OF THE SECURITIZED NFTS

78. In connection with its offer of the Securitized NFTs, Slotie omitted to disclose material facts relating to the Slotie Team, Discord Agent, and financial information, including:

- a. information relating to the business repute, qualifications, experience or licensure of the Slotie “Team members” David Tonson and Lukas Tiik;
- b. identity, business repute, qualifications, experience or licensure of the Discord Agent;
- c. information relating to any sales-based or other compensation that has been paid to or can be earned by the Discord Agent;
- d. its assets, liabilities, revenue and other financial information germane to its operations including with respect to the development and management of the Ruby Slots Game and the SlotieVerse; and
- e. Slotie’s actual and anticipated use of capital raised through the sale of the Securitized NFTs. Slotie fails to disclose the financial impact and consequences of failing to raise sufficient capital through the sale of the Securitized NFTs.

79. Slotie fails to disclose material facts that are risks associated with the operation of a metaverse hosting casinos, including:

- a. the failure to successfully market the SlotieVerse metaverse, and the failure to grow or sustain the number of customers, may negatively impact profitability or lead to losses;
- b. the SlotieVerse metaverse competes with physical, virtual and metaverse casinos and may need to significantly invest in technology, research and development and marketing to maintain or increase competitiveness;
- c. the SlotieVerse metaverse competes with other forms of gambling, gaming, entertainment and free-to-play platforms;
- d. delays in the implementation of new games within the SlotieVerse or failure of the SlotieVerse to successfully plan and host new events may negatively impact revenue;
- e. fraud, theft and gambling scams may negatively impact profitability;
- f. the costs of casinos in the SlotieVerse developing and implementing any necessary anti-money laundering and Know Your Customer standards may limit profitability;
- g. the costs of acquiring and maintaining any necessary licensure, as well as the inability to obtain or retain any necessary licensure, may cause casinos in the SlotieVerse metaverse to close;
- h. metaverses are new platforms with uncertain viability, and any cessation of operations may negatively impact businesses, including casinos, operating in their metaverses;
- i. metaverses compete with other metaverses, and this competition may limit the population of each such metaverse and the number of clients of metaverse casinos;
- j. cybersecurity risks from criminals targeting Slotie using distributed denial-of-service attacks, malware and phishing campaigns may limit the ability of Slotie to market its metaverse;

- k. metaverses such as SlotieVerse may limit the ability of businesses to advertise, increase the costs of advertising, or restrict the locations of advertisements, and these acts may impair the ability to attract new clients; and
- l. new technologies may replace NFTs and metaverses, thereby limiting the liquidity and profitability of the securitized NFTs and demand for the SlotieVerse metaverse.

80. Slotie fails to disclose material facts that are additional risks associated with the

Securitized NFTs, including:

- a. bad actors may hack or exploit systems and steal NFTs or appropriate digital assets, attempt to impersonate owners of NFTs, counterfeit NFTs, sell replicas of original NFTs, or misuse art tied to NFTs;
- b. domestic or foreign governments may adopt legislation or regulations that negatively impact the use, transfer, exchange or price of NFTs;
- c. NFTs compete with other digital assets, and this competition may negatively impact the price of an NFT;
- d. the market for NFTs is new and volatile, and the price of an NFT as it relates to fiat currency may greatly decrease over a short period of time, impacting the liquidity of an NFT and the price of an NFT; and
- e. businesses or organizations that issue NFTs may go out of business, declare bankruptcy or cease operations, thereby decreasing the use or value of its NFTs.

CONCLUSIONS OF LAW

81. The Securitized NFTs are securities as defined in N.J.S.A. 49:3-49(m).

82. Slotie is offering securities that are neither registered with the Bureau, nor “federally covered,” nor exempt from registration, in violation of N.J.S.A. 49:3-60.

83. Slotie is effecting or attempting to effect transactions in the Securitized NFT securities for the accounts of others or for its own account without registration as a broker-dealer in violation of N.J.S.A. 49:3-56.

84. In connection with the offer, sale, or purchase of securities, Slotie is making materially false and misleading statements and/or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of N.J.S.A. 49:3-52(b).

85. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably

necessary to carry out the provisions of the Securities Law.

86. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

87. Slotie's violations of the Securities Law are continuous and ongoing, therefore it is in the public interest and appropriate that this Order be issued.

CONCLUSION

THEREFORE, it is on this 20th day of October 2022, **ORDERED** that:

88. Slotie and any person, employee, officer, director, entity, agent, or Slotie representative, or independent contractor under Slotie's direction or control, immediately **CEASE AND DESIST** from:

a. offering for sale any security, in New Jersey unless the security is registered with the Bureau, or is offered for sale pursuant to an exemption from registration under the Securities Law;

b. acting as broker-dealers or agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law;

c. making material misstatements of fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in connection with its offer and/or sale of Securitized NFTs in New Jersey; and

d. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

89. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11

and subsection (b) are hereby **DENIED** as to Slotie.

90. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to Slotie.

A handwritten signature in black ink, appearing to read "Amy Kopleton". The signature is cursive and somewhat stylized, with a large initial "A" and "K".

Amy Kopleton
Acting Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i), the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities. Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15-day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.