

FILED
312-26-14427
10/23/2026 4:21 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

ACCEPTED
312-26-14427
10/23/2026 4:24:14 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Amy Robles, CLERK

SOAH DOCKET NO. 312-26-14427

**IN THE
STATE OFFICE OF ADMINISTRATIVE HEARINGS**

**IN THE MATTER OF
TEXTICOIN, MINETXC, BLOCKCHAIN MINT, AND ROBERT J. GRAY**

**BY WAY OF A CHALLENGE TO
EMERGENCY CEASE AND DESIST ORDER NO. ENF-26-CDO-1893**

**REPLY BRIEF OF THE ENFORCEMENT DIVISION
OF THE STATE SECURITIES BOARD**

**FILED ON OCTOBER 23, 2026
ON BEHALF OF THE
ENFORCEMENT DIVISION**

Jeramy E. Heintz
State Bar No. 24074390
Justin Bontrager
State Bar No. 24138614
Kristen McCourt
State Bar No. 24138151
Attorneys for the Enforcement Division
Texas State Securities Board
208 E. 10th Street, 5th Floor

Table of Contents

I. REPLY SUMMARY AND INTRODUCTION	3
II. THE MINING PACKAGES ARE SECURITIES IN THE FORM OF INVESTMENT CONTRACTS.....	4
A. Purchasers Bought an On-Going, Pro-Rata Share—Not a One-Time, Fixed Amount of TXC	4
B. Purchasers Expected Profits from the Efforts of Respondent.....	5
C. SEC Guidance Isn't Binding—But Following It Shows the Mining Packages Are Securities	7
1. Weight.....	7
2. SEC's Interpretation, When Applied, Establishes the Mining Packages Are Investment Contracts	8
III. RESPONDENT ENGAGED IN FRAUD AND DECEPTION IN VIOLATION OF THE SECURITIES ACT	9
A. Elements of Fraud by Omission.....	10
1. Statutory Duty to Disclose Does Not Require Any Showing of Reliance or Injury.....	10
2. Respondent Intentionally Omitted Material Information from the Offering.....	11
3. Materiality	14
B. The Mulligan Mint Bankruptcy	15
C. Respondent's Assets, Liabilities, Capitalization, Organization, and Operations and Proposed Modifications to Findings of Fact 29, 30, and 31	16
D. Proposed Modifications Do Not Change Order's Legal Conclusions	19
1. Fair Notice and Lack of Prejudice	21
IV. RESPONDENT'S REMAINING OBJECTIONS DO NOT REQUIRE SETTING ASIDE THE ORDER	22
A. Immediate and Irreparable Public Harm.....	22
B. Attacks on Petitioner's Investigator and Requests for Sanctions.....	24
V. REFUND AUTHORITY, MEASURE, AND SCOPE	27
VI. CONCLUSION AND PRAYER	30

I. REPLY SUMMARY AND INTRODUCTION

The factual record and applicable law support the seven conclusions of law made by the Deputy Securities Commissioner in Emergency Cease and Desist Order No. ENF-26-CDO-1893 (“the Order”). Respondent offered and sold securities in the form of Mining Packages at a time when neither the securities nor the Respondent were registered as required by The Securities Act.¹ Additionally, Respondent (1) engaged in fraud in connection with these offers and sales and (2) made offers containing statements that were materially misleading or otherwise likely to deceive the public. The unregistered activity, fraud, and deception all independently of each other threatened immediate and irreparable public harm.

Because the evidence established through this hearing process has clarified several facts regarding Respondent’s identity and offers for sale and sales of these Mining Packages, Petitioner is asking for several modifications to clarify the identity of Respondent and the Order’s findings of fact. To be clear, these modifications to the findings of fact do not change the Order’s legal conclusions other than changing Respondents from plural to singular. Additionally, Petitioner is asking for an Order modification ordering Respondent to pay refunds to Mining Package purchasers.

Because the offer for sale and sale of a security in and from Texas is the triggering event for application of the registration and fraud provisions of The Securities Act, Petitioner will first focus on answering Respondent’s arguments about whether or not the Mining Packages were securities and then focus on the issues identified by the Honorable Administrative Law Judge’s (“ALJ’s”) *Instructions for Reply Briefs, Joint Stipulations of Undisputed Facts, and Revised Post-Hearing Schedule* dated October 19, 2026.

¹ Tex. Gov’t Code §§ 4001.001-4008.105
SOAH DOCKET NO. 312-26-14427

II. THE MINING PACKAGES ARE SECURITIES IN THE FORM OF INVESTMENT CONTRACTS

Respondent agrees that a fundamental principle of investment contract law is economic reality controls the investment contract analysis.² However, the parties dispute how the economic reality should be understood here. Respondent inaccurately describes the transactions at issue as (1) a transaction to obtain TXC, a commodity, (2) one in which purchasers had no reasonable expectation of profit, and in the alternative (3) one in which, if purchasers did have an expectation of profit, it was not due to any significant efforts of Respondent.³ Whereas Petitioner asserts the economic reality here was ordinary purchasers paid for a Mining Package which entitled them to a pro-rata share of the mine's production, TXC, created by the mining operations controlled by Respondent as described in Section IV of Petitioner's Brief.⁴

A. Purchasers Bought an On-Going, Pro-Rata Share—Not a One-Time, Fixed Amount of TXC

Respondent confuses the economic reality present in these transactions by focusing on the fact purchasers were promised their returns would be paid in TXC, a cryptocurrency and a commodity. The purchase of mining packages did not entitle purchasers to a fixed amount of TXC as you would expect to see in a transaction for the purchase of a commodity.⁵ Instead, purchasers here were promised an ongoing pro-rata share of however much TXC Respondent was able to mine from his mining operations, which he controlled.⁶ That's what makes this a security – the promise of a pro-rata share of the profits from Respondent's efforts to mine TXC. Respondent's focus on the currency used to pay returns to purchasers distorts the investment contract analysis.

² Resp't Post-Hearing Brief, at 49 (Oct. 9, 2026).

³ *Id.* at 48-58.

⁴ Pet'r Post-Hearing Brief, at 20-46 (Oct. 9, 2026).

⁵ Pet'r Ex. 1, at TSSB 078 ("How to Calculate Your Daily Reward").

⁶ *Id.*

B. Purchasers Expected Profits from the Efforts of Respondent

Respondent argues purchasers had no reasonable expectation of profits because their profits depended only on the value of TXC since that was the form of currency Respondent used to pay returns to purchasers.⁷ Respondent's argument distorts the whole investment contract analysis and economic reality of these transactions. If Respondent's argument was adopted, there would be no instance in which any investment contract would exist since all returns by nature are paid in some form of currency or other asset which all have values that fluctuate. What is important to the investment contract analysis is not in what form returns were paid, but that purchasers expected to be paid returns generated by the efforts of others.

The evidentiary record establishes the daily pro-rata share formula used by Respondent to pay returns to purchasers was tied to an ordinary purchaser's package level which promised a larger pro-rata share based on the higher the purchase price of the package, and the daily amount of TXC produced by Respondent's mining operations.⁸ Respondent supplied the machines, facilities, electricity, maintenance, and operations to produce purchasers' returns.⁹ Purchaser testimony reflected expectations of daily returns.¹⁰ Risk disclaimers and market volatility do not erase these affirmative representations.¹¹ Ultimately, the whole point of purchasing a Mining Package was that the purchaser received an ongoing, daily, pro-rata share of TXC produced by the mining operation.

Additionally, the evidentiary record also establishes Respondent's efforts were more than merely ministerial. Respondent Gray acknowledged that an ordinary purchaser did not receive an identified machine, install or maintain equipment, negotiate electricity, independently operate the

⁷ Resp't Post-Hr'g Br., at 54-56 (Oct. 9, 2026).

⁸ Tr. Vol. 1 at 177-78; Resp't Ex. 38, at RX38_20 ¶ 76.

⁹ Tr. Vol. 1 at 33:1-34:25; Tr. Vol. 3 at 211:6-212:13; Tr. Vol. 4 at 30:2-12.

¹⁰ Tr. Vol. 2 at 164-71, 212-14, 238-41, 266-74.

¹¹ See *United Hous. Found., Inc. v. Forman*, 421 U.S. 837, 852-53 (1975); *Life Partners, Inc. v. Arnold*, 464 S.W.3d 660, 681-82 (Tex. 2015).

SOAH DOCKET NO. 312-26-14427

REPLY BRIEF OF THE ENFORCEMENT DIVISION OF THE STATE SECURITIES BOARD

Page 5 of 32

rig, redirect the allocated hash power, or choose where it would be generated.¹² Furthermore, Respondent's expert Sotak confirmed Respondent acquired computational power using purchasers' funds, installed equipment, supplied facilities and electricity, and maintained the mines.¹³ Walsh agreed the ordinary purchaser depended on the operations team, paid by Respondent, to keep the physical systems running.¹⁴ Walsh described the substantial work required to establish the mining facilities, including preparing and installing mining containers, connecting electrical and network systems, supervising high-voltage electrical work, installing miners, and ensuring the equipment was operational.¹⁵ He also confirmed operating the facilities required continuing maintenance, including monitoring cooling fluid levels, inspecting and replacing filters, repairing leaks, and replacing failed equipment.¹⁶ Although certain functions could be automated, Walsh acknowledged physical repairs required Respondent's personnel and the three members of the mining team were paid by Respondent.¹⁷ Importantly, Walsh agreed ordinary purchasers did not perform maintenance themselves but depended on Respondent's operations team to keep the physical systems running and their Mining Packages producing returns.¹⁸

Respondents cite to non-binding commodity delivery cases, including *SEC v. Belmont Reid & Co.*, 794 F.2d 1388 (9th Cir. 1986), and *Noa v. Key Futures, Inc.*, 638 F.2d 77 (9th Cir. 1980), to support their claim purchasers had no reasonable expectation of profit.¹⁹ But this was not simply a completed sale of a commodity whose price might rise or fall. Respondent Gray promised an ongoing, daily, pro-rata share of TXC produced by the mining operation he controlled. This scheme

¹² Tr. Vol. 1 at 33:1–34:24.

¹³ Tr. Vol. 3 at 210:17–211:13.

¹⁴ Tr. Vol. 4 at 30:2–12.

¹⁵ Tr. Vol. 4 at 13:10–14:12, 19:11–20; 22:18–24.

¹⁶ *Id.* at 27:4–21, 28:15–29:22.

¹⁷ *Id.* at 29:1–30:4.

¹⁸ *Id.* at 30:5–12.

¹⁹ Resp't Post-Hr'g Br. at 50, 55.

SOAH DOCKET NO. 312-26-14427

REPLY BRIEF OF THE ENFORCEMENT DIVISION OF THE STATE SECURITIES BOARD

Page 6 of 32

is distinguishable from the commodity delivery cases cited by Respondent because Respondent did not promise a one-time delivery of a commodity.

It is clear from the evidentiary record Respondent promised ordinary purchasers an ongoing, pro-rata share of the mine's daily production and Respondent controlled the mine's operations; this was not the simple sale of a commodity. The Mining Packages offered and sold by Respondent are securities in the form of investment contracts.

C. SEC Guidance Isn't Binding—But Following It Shows the Mining Packages Are Securities

In March 2026, the federal securities regulator, the Securities and Exchange Commission ("SEC") published its "interpretation regarding the application of the [f]ederal securities laws to certain types of crypto assets and certain transactions involving crypto assets."²⁰ Using this interpretation as persuasive guidance, Respondent's Mining Packages are securities in the form of investment contracts contrary to Respondent's assertions otherwise.

1. Weight

Respondent incorrectly argues that substantial weight should be given to the SEC's interpretation as it applies to this case. While Texas courts do look to federal caselaw for guidance in interpreting the meaning of "investment contract," the SEC interpretation Respondent relies on is not federal law, federal caselaw, or even a federal agency rule.²¹ Therefore, the SEC interpretation regarding the application of federal securities law to certain transactions involving crypto assets should not be given substantial weight but rather used as persuasive authority in the absence of any state or federal caselaw applicable to these facts. It should not be given deference that displaces the Texas Supreme Court's *Life Partners* investment-contract analysis.

²⁰ Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets, 91 Fed. Reg. 13714, 13714 (Mar. 23, 2026).

²¹ *Life Partners*, 464 S.W.3d at 666–67.

SOAH DOCKET NO. 312-26-14427

REPLY BRIEF OF THE ENFORCEMENT DIVISION OF THE STATE SECURITIES BOARD

Page 7 of 32

2. SEC's Interpretation, When Applied, Establishes the Mining Packages Are Investment Contracts

The parties dispute both how the economic reality should be understood here and the application of the SEC's interpretation to that reality. Respondent relies on the SEC's interpretation that "Protocol Mining Activities" defined by the SEC as "mining digital commodities on [proof-of-work] networks" do not constitute the offer or sale of securities to argue that the sale of Mining Packages here should not be deemed a securities transaction.²² In doing so Respondent misunderstands and misuses the terms "miners" and "Protocol Mining Activities" as used in the SEC's analysis.

The SEC describes "miners" in this context of "Protocol Mining Activities" as participants who "use computers to solve complex mathematical equations in the form of cryptographic puzzles."²³ When the SEC refers to a miner's computational resources or power, it refers to the miner's use of the miner's own computer(s), or computational resources, to mine crypto assets, regardless of whether they solo mine or participate in a mining pool.²⁴ The SEC's interpretation that "Protocol Mining Activities" do not involve the offer or sale of securities under federal law does not contemplate arrangements like here in which the overwhelming majority of participants have no role in the actual mining of the rewards beyond purchasing a fractional interest in computational power exclusively controlled and operated by the offeror.²⁵

As the SEC explains, "[e]ven when participating in a mining pool, individual miners still perform the actual mining activity by contributing their computational power to solve the cryptographic puzzles for validation of new blocks."²⁶ Here, purchasers cannot contribute

²² 91 Fed. Reg. at 13724.

²³ *Id.*

²⁴ *Id.* at 13724-25.

²⁵ *Id.*

²⁶ *Id.* at 13725.

computational resources or power because they do not control the hardware used to mine TXC;²⁷ Respondent retains full operational control over nearly all the hardware, including the ASIC Miners, generating the mining power.²⁸ Importantly, the SEC specifically excludes activities like the sale of Respondent's Mining Packages "where non-miners can purchase interests in the pool" and "passively rely on the pool operator to provide the computational resources" from its interpretation that "Protocol Mining Activities" do not involve the offer or sale of a security under federal law.²⁹ Mr. Sotak, Respondent's expert witness, was questioned about this and agreed the SEC carved out miners who passively relied on operators to provide computational power.³⁰

Like in *Howey*, the purchasers here did not purchase the mining packages because they sought to possess or operate the computational power generated by mining hardware. Rather, they purchased the packages with the expectation that Respondent would exclusively control and operate the mining equipment and that purchasers would receive a share of the profits generated from Respondent's operation of that mining equipment.³¹ Significantly, the SEC determined "where miners passively rely on the pool operator to provide the computational resources [like here], the pool operator's activities constitute essential managerial efforts."³² This makes the mining packages investment contracts and thereby securities under both federal and Texas securities laws.

III. RESPONDENT ENGAGED IN FRAUD AND DECEPTION IN VIOLATION OF THE SECURITIES ACT

The evidentiary record supports the Order's conclusion that Respondent engaged in fraud in connection with the offer for sale and sale of his Mining Packages. Respondent had a statutory

²⁷ See Resp't Ex. 38, at RX38_19, ¶¶ 69–72 (showing at most 234 purchasers of the 50,000 purchasers had physical control of any mining equipment used to mine TXC).

²⁸ See Tr. Vol. 2 at 55:1-8; Tr. Vol. 4 at 25:10-18.

²⁹ 91 Fed. Reg. at 13725 nn.105–106; Tr. Vol. 3 at 210:1–211:13.

³⁰ Tr. Vol. 3 at 210:1–211:13.

³¹ See *SEC v. W.J. Howey Co.*, 328 U.S. 293, 300 (1946); 91 Fed. Reg. at 13721 n.86; See Tr. Vol. 2 at 163:10-164:15.

³² 91 Fed. Reg. at 13725 n.106.

duty under The Securities Act to disclose material information to purchasers and prospective purchasers about (1) the Mulligan Mint bankruptcy; and (2) information about Respondent's assets, liabilities, capitalization, organization, and operations yet he failed to do so.³³

A. Elements of Fraud by Omission

The Securities Act prohibits the use of any fraud or fraudulent practice in connection with the offer for sale or sale of a security.³⁴ The Securities Act defines "fraud" and "fraudulent practice" to include both "an intentional failure to disclose a material fact" and "a misrepresentation of a relevant fact made in any manner."³⁵ Conduct that constitutes fraud is subject to both administrative and criminal enforcement action.³⁶ Simply put, under The Securities Act, the same fraudulent conduct can carry both administrative and criminal consequences with the only practical differences being the forum for litigation, burden of proof standard, and potential penalties or punishment. The elements for fraud by omission under The Securities Act, whether for an administrative proceeding under section 4007.104 or a criminal proceeding, are (1) an intentional failure to disclose (2) a material fact (3) in connection with the offer for sale or sale of a security.

1. Statutory Duty to Disclose Does Not Require Any Showing of Reliance or Injury

Respondent Gray argues he had no fiduciary duty to disclose Mulligan Mint's bankruptcy. Respondent's argument assumes the principles of common-law fraud supersede the statutory framework of The Securities Act. They do not. The Act expressly defines fraud and fraudulent practices and establishes statutory grounds for enforcement that do not depend on proof of a common-law fiduciary relationship.³⁷ No provision of The Securities Act or Board Rules requires a showing of a fiduciary duty, reliance, or injury to prove a violation of The Securities Act brought

³³ Emergency Cease and Desist Order, ENF-26-CDO-1893, at 5-6, ¶¶ 28-33 ("Findings of Facts") and ¶¶ 4-5 ("Conclusions of Law") [hereinafter Emergency Order].

³⁴ Tex. Gov't Code §§ 4007.104(a)(1)(A), 4007.203

³⁵ *Id.* § 4001.058(a)

³⁶ *Id.* §§ 4001.058(a), 4007.104(a)(1)(A), 4007.203

³⁷ *Id.* §§ 4001.058(a)(1), (3); 4007.104(a)(2).

SOAH DOCKET NO. 312-26-14427

by the Commissioner. Respondent cannot invoke common-law fraud to avoid liability under Texas securities laws.

The Securities Act expressly places the burden of disclosing material information upon those offering and selling securities.³⁸ Unlike common-law fraud, Texas securities law is designed to protect investors by requiring offerors to disclose all material information and prohibiting the use of any misrepresentation of relevant facts to protect Texas's capital markets by allowing purchasers to make informed investment decisions.

2. Respondent Intentionally Omitted Material Information from the Offering

As previously noted, engaging in fraud or a fraudulent practice in connection with the offer for sale or sale of a security, as alleged in the Order, gives rise to both an administrative violation and a criminal violation of The Securities Act.³⁹ This means the same conduct is both an administrative and a criminal violation of The Securities Act.

There is no guidance from Texas courts on the requisite intent required for fraud in the context of an administrative action, but there is guidance on the requisite criminal intent required for the same offense in a criminal context. The Penal Code defines criminal intent by categorizing offenses in three ways: (1) the nature of the conduct; (2) the result of the conduct; and (3) the circumstances surrounding the conduct.⁴⁰ In Texas, a violation of The Securities Act is not a “result-oriented crime,” meaning Respondent did not need to intend to defraud anyone.⁴¹ Instead, a violation of The Securities Act is a circumstances surrounding the conduct offense.⁴² Here “the prohibited conduct is the fraud, i.e., the failure to disclose a material fact. Therefore, the culpable mental state must be in conjunction with the fraud.”⁴³ This means Respondent did not need to

³⁸ See Tex. Gov't Code § 4001.058(a) (defining fraud as including the intentional failure to disclose a material fact).

³⁹ Tex. Gov't Code §§ 4001.058, 4007.104, 4007.203.

⁴⁰ Tex. Pen. Code Ann. § 6.03

⁴¹ *Cook v. State*, 824 S.W.2d 634, 638 (Tex. App.—Dallas 1991, pet. ref'd).

⁴² *Id.* at 638–39.

⁴³ *Id.* at 637.

intend the result of his conduct, just the circumstances surrounding his conduct. In other words, Respondent did not have to intend to deceive, defraud, or manipulate anyone. Petitioner is only required to prove Respondent was aware of the circumstances surrounding his conduct, namely that Respondent knew the alleged material facts and failed to disclose them. The record is clear on this point; Respondent Gray knew the alleged material facts – here, the Mulligan Mint bankruptcy and complete and meaningful information about Respondent’s assets, liabilities, capitalization, organization, and operations – and failed to disclose this information on any of the public websites where he sold the Mining Packages or any other offering materials.⁴⁴

a. Scattered References in Videos and on Telegram Do Not Provide Adequate Pre-Purchase Disclosures

The Securities Act imposes affirmative disclosure obligations on those offering or selling securities. Unlike common-law fraud, Texas securities law is designed to protect investors by requiring sellers to disclose material information up-front and prohibiting deceptive and misleading statements made in connection with the sale of investments. Accordingly, Respondent’s reliance on common-law disclosure principles to argue Respondent had no duty to disclose is misplaced because the common-law principles cited by Respondent do not supplant the statutory duty to disclose imposed by The Securities Act. Under The Securities Act, investors have no duty or obligation to independently investigate an offering beyond the information provided to them by the issuer when purchasing the investment.

Petitioner does not dispute that Respondent mentioned his prior bankruptcy in some videos, calls, and Telegram materials.⁴⁵ However, the limited, brief mentions of bankruptcy that occurred in what Respondent’s describe as “literally hundreds of hours of recorded weekly community Zoom calls hosted by Mr. Gray”⁴⁶ or on posts in a Telegram group cannot reasonably constitute

⁴⁴ Pet’r Exs. 22–23.

⁴⁵ Resp’t Exs. 26, 55A; Pet’r Ex. 131; Tr. Vol. 1 at 125–29; Tr. Vol. 2 at 4–9.

⁴⁶ Resp’ts Mot. Summ. Disp., at 17 (July 8, 2026)

SOAH DOCKET NO. 312-26-14427

adequate disclosure of a material fact, especially where Respondent omitted the bankruptcy from his public websites and key offering materials touting his experience.⁴⁷ Respondent's public websites were open to prospective purchasers, and TEXTcoin.org directed visitors to MineTXC.com to purchase Mining Packages.⁴⁸ A person could read the favorable account of Respondent Gray's experience and buy a package without watching a separate video or searching Telegram. Respondent acknowledged that purchasers were not required to watch the presentations or acknowledge receiving the bankruptcy information.⁴⁹

The timing matters. Gray agreed that when the September 2, 2025, Miner Update expressly identified Mulligan Mint, packages had already been sold and many purchasers had already paid.⁵⁰ Historically some miner calls were directed to existing purchasers.⁵¹ An isolated reference somewhere in the project's communications is not an adequate disclosure for purposes of The Securities Act in light of the protections the Act was designed to provide to the investing public. A disclosure made after a purchaser has already invested cannot inform that purchaser's original decision. The limited references identified by Respondent cannot constitute a sufficient pre-purchase disclosure of the Mulligan Mint bankruptcy where Respondent emphasized Gray's expertise and success in the offering.⁵²

⁴⁷ Tr. Vol. 1 at 125:2–16; Tr. Vol. 2 at 7:21–9:12; Pet'r Post-Hr'g Br., at 71-76 (Oct. 9, 2026).

⁴⁸ Tr. Vol. 2 at 69:18–71:16; Pet'r Exs. 22–23.

⁴⁹ Tr. Vol. 1 at 128:14–129:13.

⁵⁰ *Id.* at 127:7–24; Pet'r Ex. 131.

⁵¹ Tr. Vol. 2 at 43:3–18 and 156:3-157:8; Tr. Vol. 1 at 128:20-24.

⁵² See *In the Matter of Ecoenergy Group, Inc. Dba Intermodal Wealth; Intermodal Wealth, Inc.; John Patrick Acord; Steven Patrick Jones; and Donald Drabik*, Tex. SOAH 2013 WL 12629538 at 19 (ALJ issued PFD affirming emergency order that failing to disclose filing for bankruptcy was a material fact when accompanied with an offer for securities); *SEC v. Haarman*, No. 1:21-CV-235-DAE, 2025 WL 2429058, at *4-*6 (W.D. Tex. Mar. 7, 2025), opinion clarified, 2025 WL 2429047 (W.D. Tex. June 9, 2025) (clarifying, in part, that the court granted summary judgement in the SEC's favor on the fraud claim based on organizer's misrepresentation about his background). SOAH DOCKET NO. 312-26-14427

3. Materiality

Texas securities law requires the seller of a security to disclose all material facts.⁵³ Facts are deemed material when there is a substantial likelihood that the information would significantly alter a reasonable investor's decision whether to invest.⁵⁴ An omitted fact is material under Section 4001.058 of The Securities Act “if there is a substantial likelihood that it would have assumed actual significance in the deliberations of a reasonable investor, in that it would have been viewed by the reasonable investor as significantly altering the total mix of available information used in deciding whether to invest.”⁵⁵ Notably, Texas courts have applied The Securities Act’s definition of fraud to intentional omissions about promoters’ prior business dealings. In *Bridwell v. State*, the court evaluated the materiality of undisclosed prior fraudulent dealings finding that information to be material as it would have altered the total mix of information and affected the decision to invest.⁵⁶ Additionally, in *Gant v. State* the court treated nondisclosure concerning prior misuse of investor funds as material under the The Securities Act.⁵⁷ Federal courts have similarly found an offeror’s omission of a prior bankruptcy constituted fraud under federal securities laws.⁵⁸ For example, in *SEC v. Haarman*, the court held investment fund organizers who highlighted their professional experience while omitting an organizer’s prior bankruptcy made their offering materially misleading as a matter of law.⁵⁹ Furthermore, the Fifth Circuit has opined, “the disclosure required by the securities laws is measured not by literal truth, but by the ability of the

⁵³ Tex. Gov’t Code §§ 4001.058, 4007.104, 4007.203.

⁵⁴ *Bridwell v. State*, 804 S.W.2d 900, 904 (Tex. Crim. App. 1991).

⁵⁵ *Id.*; *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 449-50 (1976); *see Head v. State*, 299 S.W.3d 414, 425 (Tex. App.—Houston [14th Dist.] 2009, pet. refd); *Gant v. State*, 814 S.W.2d 444, 448-49 (Tex. App.—Austin 1991, no pet.); *see also Lormand v. US Unwired, Inc.*, 565 F.3d 228, 243 (5th Cir. 2009) (“Accordingly, the disclosure required by securities laws is measured not by literal truth, but by the ability of the statements to accurately inform rather than mislead prospective buyers.”).

⁵⁶ *Bridwell v. State*, 804 S.W.2d 900, 903–04 (Tex. Crim. App. 1991).

⁵⁷ *Gant v. State*, 814 S.W.2d 444, 449–50 (Tex. App.—Austin 1991, no pet.).

⁵⁸ *See SEC v. Merchant Capital, LLC*, 483 F.3d 747, 770-71 (11th Cir. 2007) (finding omission of a principal’s prior bankruptcy was materially misleading in the context of offering material touting his business experience); *Haarman*, 2025 WL 2429058, at *6.

⁵⁹ *Haarman*, 2025 WL 2429058, at *6.

statements to accurately inform rather than mislead prospective buyers.”⁶⁰ Taken together, both Texas and Federal caselaw support Petitioner’s position that Respondent’s omissions were material.

B. The Mulligan Mint Bankruptcy

Petitioner does not contend that every past business setback must always be disclosed since each offering and issuer is unique. However, Respondent chose here to highlight Respondent’s business history to sell these Mining Packages. Respondent promoted his business expertise and highlighted his business successes, including his work in honest money and coin manufacturing, on his public websites.⁶¹ Having chosen to tell that story of success without also disclosing the Mulligan Mint Bankruptcy with the same or similar prominence at the bare minimum was a deceptive practice in that Respondent made an offer containing a statement that was materially misleading or otherwise likely to deceive the public. In light of the evidentiary record and the *Bridwell* materiality standard, Petitioner has met its burden of proof to show that the Mulligan Mint bankruptcy was also a fraudulent omission in that it would have significantly altered the total mix of available information used in deciding whether to purchase a Mining Package and invest in Respondent’s mining operation which he wholly controlled.

Gray's omission of the Mulligan Mint bankruptcy makes his statements about his business expertise and success materially misleading because it misrepresents the reality of his professional record and fails to satisfy full and fair disclosure required under The Securities Act. Purchasers’ testimony during the hearing supports Petitioner’s position that such an omission was material and would have changed some purchasers’ decisions to invest in Respondent’s Mining Packages.⁶² The point is not that a bankruptcy must always be disclosed; it is that Respondent cannot use

⁶⁰ *Lormand v. US Unwired, Inc.*, 565 F.3d 228, 248 (5th Cir. 2009).

⁶¹ Pet’r Exs. 22–23; Tr. Vol. 1 at 120–23; Pet’r Post-Hr’g Br., at 67–70.

⁶² Tr. Vol. 2 at 170:23–171:11 and 243:1-7; see Pet’r Post-Hr’g Br., at 75-76.

SOAH DOCKET NO. 312-26-14427

selected experience to induce confidence while omitting a materially adverse outcome bearing on that experience when selling a security.

C. Respondent's Assets, Liabilities, Capitalization, Organization, and Operations and Proposed Modifications to Findings of Fact 29, 30, and 31

As discussed in Section III of Petitioner's Brief, Petitioner has asked for a modification to the Order to clarify the identity of the Respondent as "Robert J. Gray d/b/a TEXTcoin, Mine TXC, Blockchain Mint, and Danagger Resources."⁶³ This clarification necessitates further modification of the Order's fraud findings of fact 29, 30, and 31 concerning Respondent's assets, liabilities, capitalization, organization, and operations.

Finding 29 addresses the alleged intentional omission of MineTXC's assets, liabilities, and capitalization.⁶⁴ Respondent points to a website pie chart or use-of-funds presentation and published information about money received from sales of Mining Packages to claim disclosure of MineTXC's assets, liabilities, and capitalization.⁶⁵ But published information describing the amount of money received from sales and intended allocation or use of purchasers' proceeds does not, without more, disclose (1) MineTXC was not a separate entity but rather a sole proprietorship of Respondent, and (2) Respondent's assets, liabilities, and capitalization across all his businesses and personal dealings since he was operating this mining business without any separate legal entities. For example, Staff's agency website contains a Registration Process page that includes information about financial statement requirements for issuers wishing to register their securities offerings in Texas. This guidance indicates "an issuer is required to submit a balance sheet prepared in accordance with generally accepted accounting principles and audited using generally accepted auditing standards" as well as "a detailed income statement, prepared in accordance with

⁶³ Pet'r Post-Hr'g Brief, at 13–20; Danagger was misspelled on Respondent's website as "Danager" and will be spelled as Danagger throughout this brief (Pet'r Ex. 1, at TSSB 84. § 2).

⁶⁴ Emergency Order, ¶ 29.

⁶⁵ Resp't Post-Hr'g Brief, at 34–35.

SOAH DOCKET NO. 312-26-14427

generally accepted accounting principles and audited using generally accepted auditing standards, which shall cover the last [three] years of operations of the issuer.”⁶⁶ Information that Respondent was operating MineTXC as a sole proprietorship and information about his assets, liabilities, and capitalization were material facts because they would have significantly altered the total mix of available information purchasers used in deciding whether to purchase a Mining Package and invest in Respondent’s mining operation which he wholly controlled. Respondent did not disclose these facts which he had a statutory duty to disclose.

Finding 30 specifically concerns Danagger Resources and the failure to disclose information about Danagger Resources including information about its owners and principals, its relationship to Respondent, its assets, liabilities, and capitalization, and its custody or control of purchasers’ funds.⁶⁷ The check payment instructions named Danagger Resources but did not identify the business as an unincorporated, sole proprietorship of Respondent Gray.⁶⁸ Respondent argues Danagger Resources had no assets, liabilities, or capitalization so there was nothing capable of being disclosed.⁶⁹ Respondent’s argument misses the point that having no assets, liabilities, or capitalization is information that would have significantly altered the total mix of available information purchasers used in deciding whether to purchase a Mining Package and therefore the absence of assets, liabilities, or capitalization was a material fact that should have been disclosed to purchasers prior to purchase. Additionally, Respondent’s argument about having no assets, liabilities or capitalization contradicts Respondent’s other Dannager argument that Danagger Resources was merely an assumed name used by Respondent Gray and Gray disclosed he would control purchasers’ funds.⁷⁰ The fact Respondent used several unincorporated, sole proprietorships

⁶⁶ Tex. State Sec. Bd., *Registration Process*, <https://www.ssb.texas.gov/securities-professionals/regulation-securities/registration-process>.

⁶⁷ Emergency Order ¶¶ 19, 30(A)–(D).

⁶⁸ Pet’r Ex. 1, at TSSB 084; Tr. Vol. 1 at 133:17–135:15.

⁶⁹ Resp’t Post-Hr’g Brief, at 35-36.

⁷⁰ *Id.*

to offer and sell these Mining Packages as well as operate this common mining enterprise is what makes all of Respondent's personal and business assets, liabilities, and capitalization material information that should have been disclosed.

Finding 31 concerns nondisclosure of information about Respondent's mining operations including operational management, responses to equipment and network interruptions, and safeguards.⁷¹ Respondent again argues this information was disclosed to purchasers.⁷² However, the "disclosures" Respondent points to are not adequate, pre-purchase disclosures as required by The Securities Act. Respondent's claimed "disclosures" were haphazard and not presented in any meaningful way where Respondent could be sure purchasers were given the information required by The Securities Act. For example, Respondents rely on discussions during Zoom calls about actual failures and other operational matters. The existence of such discussions does not establish that the information reached prospective purchasers before they paid for their Mining Package. A purchaser who did not attend or view the relevant call would not necessarily receive that information and a post-purchase disclosure could not inform an earlier purchase. Petitioner does not contend that no operational information was ever discussed or that every purchaser failed to receive it. Rather, all purchasers and prospective purchasers did not receive a complete or standardized, pre-purchase disclosure of the material information described in findings of facts 29, 30, and 31 as required by The Securities Act.⁷³

Accordingly, Petitioner proposes findings of facts 29, 30, and 31 be combined into one finding of fact – finding of fact 29. Petitioner further proposes the following modification to finding number 29:

⁷¹ Emergency Order ¶ 31 (A)–(C).

⁷² Pet'r Post-Hr'g Br. at 36-38.

⁷³ Pet'r Post-Hr'g Br. at 87–90, 95–98; Tr. Vol. 2 at 155:15–156:13.

SOAH DOCKET NO. 312-26-14427

“29. *In connection with the offer for sale and sale of Respondent’s Mining Packages, Respondent intentionally failed to disclose the following material facts:*

- A. Respondent owns and operates unincorporated businesses as sole proprietorships doing business as MineTXC, TEXITcoin, Blockchain Mint, and Danagger Resources;*
- B. Complete information about Respondent’s assets, liabilities, and capitalization;*
- C. Information concerning Respondent’s operations, including the identity, business reputation, or qualifications of persons responsible for managing Respondent’s cryptocurrency mining farms and data centers;*
- D. Respondent’s strategies or procedures for overcoming hardware failures, power outages, or network disconnections; and*
- E. Information about the security of the premises of Respondent’s cryptocurrency mining farms, its data centers, and any other facility that maintains custody of hardware involved in cryptocurrency mining.”*

These requested modifications clarify Respondent’s identity and his ownership of MineTXC, TEXITcoin, Blockchain Mint, and Danagger Resources as sole proprietorships without changing the substance of the material facts alleged to be omitted. Petitioner does not seek to impose a new disclosure obligation concerning unrelated aspects of Gray’s personal finances or business activities. Rather, the proposed modification concerns the financial condition, organizational structure, and operations of the enterprise through which Gray offered and sold Mining Packages, consistent with the subjects identified in original Findings of Fact 29, 30, and 31.

D. Proposed Modifications Do Not Change Order’s Legal Conclusions

The fact that Petitioner discovered through this administrative hearing that the Mining Package offering did not involve several distinct legal entities but rather only Respondent Gray

using several fictitious business names highlights the fact there was fraud by omission here. If Staff could not discern the true organizational structure of Gray's businesses relevant to his mining operations and offer of Mining Packages from Respondent's offering materials, then purchasers and potential purchasers could not have known this material information either.

Section XI of Petitioner's brief discusses in more detail how Respondent used these assumed business names in the Mining Packages offering. The requested modifications to findings of facts 29, 30, and 31 are all consistent with (1) Petitioner's assertions in its brief that Respondent individually and using the fictitious business names of TEXTcoin, MineTXC, Blockchain Mint, and Danagger Resources engaged in the sale and offer for sale of Mining Packages, being securities, and (2) in connection with such offers and sales, Respondent engaged in fraud as alleged in the Order's legal conclusion number 4. The requested modification clarifies the manner and means by which Respondent engaged in fraud now that it has been made clear MineTXC and Danagger Resources are not separate legal entities but assumed business names for Gray. Importantly, the substance of the alleged information that was not disclosed has not changed. The proposed modification to finding 29 still only alleges nondisclosure of information related to Respondent's identity, assets, liabilities, capitalization, experience, and operations. This information is the same information findings 29, 30, and 31 alleged were not disclosed. The only substantive difference is the modified language clarifies that Gray used several fictitious business names instead of creating separate legal entities.

Further, the Notice of Hearing expressly stated the hearing would determine whether to affirm, modify, or set aside the Order and fully incorporated the Order into the Notice of Hearing.⁷⁴ Additionally, Section 4007.104(e) of the Securities Act permits the Commissioner to modify findings after a hearing.⁷⁵ Clarifying the identification of the Respondent as Petitioner requests

⁷⁴ Notice of Hearing ¶¶ 2, 7, 10.

⁷⁵ Tex. Gov't Code § 4007.104(e).

SOAH DOCKET NO. 312-26-14427

should not invalidate the substance of the Order's allegations and legal conclusions; it should definitely not operate as a reason to excuse Respondent's fraudulent conduct.

1. Fair Notice and Lack of Prejudice

Respondent argues he was not given fair notice sales of Mining Packages would be deemed a securities transaction.⁷⁶ Under the securities laws in Texas that does not matter. For a violation of the registration and fraud provisions of The Securities Act Staff does not have to prove an offeror knew what he sold was a security, just that he knew he sold something, in this case Mining Packages.⁷⁷ The purpose of The Securities Act is to protect Texas investors.⁷⁸ Allowing bad actors to avoid liability for failing to register or engaging in fraud due to ignorance of the securities laws would invalidate the purposes of The Securities Act and unnecessarily frustrate enforcement of the protections afforded to the investing public in Texas.

Respondent's counsel argues that Respondent Gray, due to not graduating law school, could not have known that the sale of Mining Packages could constitute the sale of a security.⁷⁹ However, Respondent Gray acknowledged that his enterprise would be accused of being a security, but it would be a "nasty letter to cut it out," and he would respond, "our rockets full, blast off," and reassured listeners that it would not be a criminal matter.⁸⁰ Additionally, Petitioner has consistently maintained since 2018 that cryptocurrency cases, including cases involving cryptocurrency mining, would be evaluated under the *Life Partners* test on a case by case basis.⁸¹ Respondent Gray cannot now bury his head in the sand despite his recorded admissions. He knew

⁷⁶ Resp't Post-Hr'g Br., at 66-70.

⁷⁷ *Cook v. State*, 824 S.W.2d 634, 637-9 (Tex. App.—Dallas 1991, pet. ref'd).

⁷⁸ Tex. Gov't Code § 4001.002(a)(1).

⁷⁹ Resp't Post-Hr'g Br., at 68-9.

⁸⁰ Pet'r Ex. 132B

⁸¹ See *In the Matter of Bitcoin Trading & Cloud Mining Limited Aka Btcrush, Jaylon Cross, Bruce Rodgerson, Robin Lozinski and Thomas A. Johnson*, 2018 WL 2200023; Tex. State Sec. Bd, *The Investor's Guide to Cryptocurrency Offerings*, <https://www.ssb.texas.gov/investors-guide-cryptocurrency-offerings>.
SOAH DOCKET NO. 312-26-14427

he was selling Mining Packages and that is all Petitioner is required to prove – not that he knew those transactions would be considered securities transactions later.

Furthermore, Petitioner's requested modifications to the Order do not prejudice Respondent. There are no substantive changes to the base allegations and legal conclusions in the Order that (1) Respondent sold Mining Packages which Petitioner deemed to be securities; (2) Respondent failed to register the securities; (3) Respondent failed to register as a dealer; Respondent engaged in fraud; (4) Respondent made offers containing statements that were materially misleading or otherwise likely to deceive the public; and (5) Respondent's conduct threatened immediate and irreparable public harm. The manner and means are still the same. The only modifications requested clarify that the entities listed as Respondents in the Order are now understood to be fictitious business names used by Respondent Gray and organized as sole proprietorships and not separate legal entities. There can be no prejudice here where the substance of the factual allegations are substantively the same and Respondent was the only one who knew the true identities of the business names he used in this offering.

IV. RESPONDENT'S REMAINING OBJECTIONS DO NOT REQUIRE SETTING ASIDE THE ORDER

A. Immediate and Irreparable Public Harm

Section 4007.104(a) permits issuance of an emergency cease and desist order when the Commissioner reasonably believes a person is engaging in or is about to engage in fraud, deception, or any violation of The Securities Act or a Board rule if the Commissioner determines the conduct threatens immediate and irreparable public harm.⁸² Immediate and irreparable public harm should be measured as of the date of the issuance of the emergency order. Importantly, the public harm need not actually occur, the conduct or expected conduct must only threaten public

⁸² Tex. Gov't Code § 4007.104(a).
SOAH DOCKET NO. 312-26-14427

harm. To be clear, Petitioner does not have to prove the conduct caused public harm just that it threatened to cause public harm.

Here, Respondent's ongoing unregistered offering and unregistered dealer activity, together with the fraudulent and deceptive promotional practices, at the time of the issuance of the Order provided a sufficient basis for the Commissioner to determine that conduct threatened immediate and irreparable public harm.⁸³ The scope and continuing nature of the Mining Packages offering support the Commissioner's determination: Gray acknowledged more than 50,000 miners and automated daily distributions; his affiliate system rewarded recruiting additional purchasers; and he admitted the program did not check affiliates' registration before compensating them.⁸⁴

The Deputy Commissioner's determination that Respondent's conduct threatened immediate and irreparable public harm is required to be evaluated in the context of the circumstances when the Emergency Order issued on February 11, 2026, in accordance with Section 4007.104(a) of The Securities Act. Respondent's subsequent cessation of Mining Package sales does not retroactively establish that a threat to public harm was absent. An emergency cease and desist order is intended to stop the challenged conduct; compliance with that order cannot, standing alone, establish that the order was unnecessary.

Although Respondent's subsequent cessation of sales does not retroactively invalidate the emergency determination, that subsequent conduct may be considered in determining the appropriate final disposition under Section 4007.104(e) of The Securities Act. The relevant distinction is between whether the Emergency Order was justified when issued and whether the evidence developed through the hearing supports affirming, modifying, or setting aside the Order.

Additionally, the "Order" section of the Order includes language that effectively means Respondent may continue to sell Mining Packages as long as he does so in accordance with the

⁸³ Pet'r Post-Hr'g Br., at 99–104.

⁸⁴ Tr. Vol. 2 at 33:19–34:7; Tr. Vol. 1 at 116:5–119:20; Resp't Ex. 4; Pet'r Ex. 1, at TSSB 097, 100–05.
SOAH DOCKET NO. 312-26-14427

registration, exemption, anti-fraud, and anti-deception provisions of The Securities Act. The Order contemplates that Respondent can continue to sell Mining Packages so long as he does so in compliance with the securities laws of Texas.

If Respondent stopped selling and offering for sale Mining Packages in and from Texas after the Order was issued, that would not affect the validity of the Order. Rather, it demonstrates why emergency orders are an effective tool for securities regulators to use to protect investors from threatened harm. If allowing an emergency order to be invalidated any time a Respondent complies with such order were allowed, then issuing emergency orders would be a waste of time. The order would simply disappear anytime someone paused an offering, necessitating further enforcement action unnecessarily since Petitioner would have to take further action once the offering started up again after the order was invalidated.

B. Attacks on Petitioner's Investigator and Requests for Sanctions

Respondent asks the ALJ to treat corrections to certain findings in the Order as evidence of misconduct warranting sanctions. Petitioner has identified the findings that should be narrowed or modified, including references to home miners, bankruptcy disclosures, and Respondent Gray's use of assumed business names.⁸⁵ Petitioner has done so because the final order should accurately reflect the evidence developed during the hearing. The need to modify certain findings does not establish that the original allegations were groundless or brought in bad faith.⁸⁶

Respondent also relies on selected portions of Financial Examiner Phillip Fuselier's ("FE Fuselier's") cross-examination to suggest that Petitioner knowingly advanced false allegations. That characterization overlooks what Petitioner knew when the Order was issued and what was subsequently developed during the hearing. FE Fuselier's candid acknowledgment of evidence favorable to Respondent is not an admission of misconduct.

⁸⁵ Pet'r Post-Hr'g Br., at 95–98.

⁸⁶ See Tex. Gov't Code § 2003.0421(a)(1)(A); 1 Tex. Admin. Code § 155.157(a)(1)(A).
SOAH DOCKET NO. 312-26-14427

Similarly, FE Fuselier and Petitioner had seen limited references to Mulligan Mint's bankruptcy in videos, but not on the public-facing point-of-sale websites that touted Gray's business background and accomplishments. The distinction was central to the intentional failure to disclose allegation: prospective purchasers could review those favorable representations and buy Mining Packages without watching the separate videos.⁸⁷ Acknowledging the limited video references does not establish that FE Fuselier concealed evidence or that the point-of-sale presentation did not include disclosure of the bankruptcy.

Respondents also accuse Petitioner of knowingly presenting false testimony through Mr. Block. That allegation overlooks what actually occurred. Mr. Block's testimony concerning his personal bankruptcy was elicited by Respondent's counsel during cross-examination. Petitioner was unaware of the bankruptcy, did not elicit the original testimony, and had no involvement in Mr. Block's responses. Respondent confronted Mr. Block with bankruptcy records and asked that his testimony be stricken. The ALJ denied that request and explained that she would give the testimony appropriate weight in light of Mr. Block's claimed lack of recollection.⁸⁸ Importantly, Petitioner does not rely on Mr. Block's testimony in its post-hearing brief, although Respondent cites portions of that testimony in support of their own arguments. Nothing in these circumstances establishes that Petitioner knowingly presented false testimony or attempted to mislead the ALJ.

Respondent also alleges misconduct concerning the designation of certain video clips. Petitioner acknowledges that the parties exchanged communications regarding video designations but disputes Respondent's characterization of those communications as a binding Rule 11 agreement restricting the admission of additional video evidence. The communications were intended to streamline the presentation of voluminous video evidence, not to establish an independent agreement limiting the evidence the ALJ could admit. Although Respondent relies on

⁸⁷ Pet'r Exs. 22–23; Tr. Vol. 2 at 69:18–71:16; Tr. Vol. 1 at 128:14–129:13.

⁸⁸ Tr. Vol. 3 at 42:5–10, 45:4–46:10, 53:11–24, 56:4–8.

SOAH DOCKET NO. 312-26-14427

Thang v. Defy International, LLC to argue that email communications may constitute an enforceable agreement,⁸⁹ agreements between counsel in contested cases before SOAH are governed by Section 155.415 of SOAH's Rules of Procedure.⁹⁰ That rule requires an agreement to be in writing, signed, and filed with SOAH, or entered on the record at the hearing or prehearing conference. The emails were never filed with SOAH or introduced into the hearing record. When Respondent first characterized the exchange as a Rule 11 agreement during the hearing, the parties disputed its scope, and the ALJ expressly observed that no such agreement had been raised at the prehearing conference.⁹¹ Rather than enforce Respondent's interpretation of the exchange, the ALJ determined the parties would proceed based on the pre-filed exhibits and Respondent remained free to raise objections.⁹² The underlying videos had been timely pre-filed and received by Respondent. Under these circumstances, a disagreement concerning the scope of an informal exchange intended to streamline the hearing does not establish that Petitioner knowingly misrepresented an agreement or engaged in bad-faith conduct warranting sanctions under Section 2003.0421 of the Government Code or Section 155.157 of SOAH's Rules of Procedure.⁹³

Finally, Respondent characterizes Petitioner's request for refunds as frivolous because the Order did not include a refund directive. However, the Notice of Hearing expressly identified refunds as requested relief and cited the statutory authority for that request.⁹⁴ Whether refunds may be included in the final enforcement order is a legal question properly presented for consideration, not evidence of bad faith.

Petitioner recognizes its obligation to present the evidence fairly and to correct material inaccuracies. That is precisely why Petitioner has requested appropriate modifications to the Order.

⁸⁹ 712 S.W.3d 647, 664–67 (Tex. App.—Houston [14th Dist.] 2025, no pet.); Resp't Post-Hr'g Br., at 82-83.

⁹⁰ 1 Tex. Admin. Code § 155.415.

⁹¹ Tr. Vol. 1 at 62:16–64:25.

⁹² *Id.* at 64:20–65:6.

⁹³ Tex. Gov't Code § 2003.0421, 1 Tex. Admin. Code § 155.157.

⁹⁴ Pet'r Ex. 55, Notice of Hearing ¶¶ 7, 11–12.

SOAH DOCKET NO. 312-26-14427

Respondent's disagreements with the evidence, the requested relief, and the wording of certain findings do not establish sanctionable conduct. The ALJ should resolve the statutory violations on the hearing record and applicable law, rather than on accusations concerning counsel. Respondent's requests for adverse findings and sanctions should be rejected.

V. REFUND AUTHORITY, MEASURE, AND SCOPE

Respondent asserts Petitioner cannot request a modification for an order of refunds as part of this administrative hearing process because the Order did not itself require refunds. While it is true the Order did not order any refunds be paid, that fact has no bearing on whether refunds can now be ordered in a modification to the Order. Section 4007.108(a) of The Securities Act authorizes the Commissioner to order refunds in an agreed order or enforcement order.⁹⁵ Section 4007.108(b) limits the amount of an ordered refund to what was paid for a regulated transaction or service; it does not authorize consequential damages or estimated investment losses.⁹⁶ Petitioner asks for a modification to the Order to allow for this statutory refund, not a market-loss award.

An order affirming or modifying an emergency order under Section 4007.104(e) of The Securities Act is an "enforcement order" as that term is used in Section 4007.108(a). Chapter 4007 of The Securities Act is titled "Enforcement." Subchapter C of Chapter 4007 is entitled "Administrative Actions," and it contains authority for the issuance of several administrative enforcement orders such as cease and desist orders, cease publication orders, and emergency cease and desist orders. Petitioner's website includes a page listing agreed orders and other enforcement orders such as emergency cease and desist orders.⁹⁷ When considering the sections of Chapter 4007 together, Section 4007.108(a) allows for the order of refunds in this context.

⁹⁵ Tex. Gov't Code § 4007.108(a).

⁹⁶ Tex. Gov't Code § 4007.108(a)–(b).

⁹⁷ Tex. State Sec. Bd., *Enforcement Actions Administrative*, <https://www.ssb.texas.gov/news-publications/enforcement-actions-administrative>.

SOAH DOCKET NO. 312-26-14427

Here, refund relief was requested in the Notice of Hearing and litigated. Nothing about the absence of refunds from the initial emergency order by itself invalidates the Commissioner's authority to include properly noticed relief in the final order.⁹⁸

The Securities Commissioner has already issued at least one order combining these forms of relief in the same procedural posture. In *In re KP Financials, LLC, et al.*, the original emergency order directed cessation of specified conduct but did not order refunds, like here.⁹⁹ After respondents requested a hearing, the Notice of Hearing expressly asked the ALJ to recommend an order affirming, modifying, or setting aside the emergency order and, as part of that order, requiring refunds.¹⁰⁰ The ALJ recommended affirmance with three modifications and refunds, expressly identifying § 4007.108(a) as the refund authority and § 4007.104(e) as the emergency-order review authority.¹⁰¹

The Commissioner then adopted conclusions that an emergency order must be affirmed and modified after the hearing and that identified investors should receive refunds.¹⁰² The final order expressly affirmed and modified the emergency cease and desist order and ordered refunds.¹⁰³ Thus, *KP Financials* directly answers the ALJ's request for a prior order by the Commissioner requiring refunds in a Section 4007.104 proceeding. This is a concrete example of the Commissioner construing a final order under Section 4007.104(e) as an enforcement order for purposes of Section 4007.108(a) of The Securities Act. The two provisions can be given effect together without requiring the emergency order itself to have included refunds.

⁹⁸ Pet'r Post-Hr'g Br., at 105–11.

⁹⁹ *In re KP Financials, LLC, et al.*, Emergency Cease and Desist Order No. ENF-20-CDO-1827, at 10–11 (Nov. 19, 2020). Also available at 2020 WL 7024148.

¹⁰⁰ *In re KP Financials, LLC, et al.*, SOAH Docket No. 312-21-1666, Notice of Hearing at 2–3 ¶¶ 7, 11 (Mar. 24, 2021). Notice of Hearing is attached to the end of this reply brief.

¹⁰¹ *Id.*, Proposal for Decision at 3 & n.14, 14, 18 (Feb. 10, 2022). Also available at 2022 WL 22870939.

¹⁰² *In re KP Financial, LLC, et al.*, Order No. ENF-22-CDO-1867, at 6 ¶¶ 9, 15–16 (“Conclusions of Law”) and at 7 ¶ 5 (“Order”) (Oct. 27, 2022). Also available at 2022 WL 16825808.

¹⁰³ *Id.* at 7.

Additionally, the requested refunds were clearly noticed. The March 18, 2026 Notice of Hearing identified refunds as an issue for the proposed decision, requested refunds under Section 4007.108 of the Securities Act, and cited Sections 4007.104 and 4007.108.¹⁰⁴ Respondent had the opportunity to contest the remedy at the hearing and in briefing. Petitioner asks the ALJ to make a recommendation based on the merits of request.

As for the measure and scope of refunds requested, Section 4007.108(b) of The Securities Act establishes the ceiling on a refund as the amount paid by the purchaser for the regulated transaction but does not expressly prescribe a mandatory deduction from that ceiling amount for every return paid back to the purchaser. However, Petitioner only requested refunds in an amount not exceeding the amount each purchaser paid less any appropriate debits for amounts received from Respondent as returns. The requested refunds in both Petitioner's Brief and the Notice of Hearing are substantially the same. Because Section 4007.108 of The Securities Act, the refund section, was made law effective September 1, 2019, language was included in the Notice of Hearing that any eligible refunds were only being requested for transactions occurring on or after the effective date of the applicable section of The Securities Act.¹⁰⁵ It is not a date selected from the factual history of this offering. Petitioner does not seek to apply the refund authority retroactively to transactions outside its effective date.¹⁰⁶

The amount and eligible population can be established from Respondent's transaction records rather than speculative estimates.¹⁰⁷ The remedy should apply only to qualifying paid transactions and remain within the statutory cap, with appropriate credit for amounts already

¹⁰⁴ Pet'r Ex. 55, Notice of Hearing ¶¶ 7, 11–12.

¹⁰⁵ The full text of the 2019 version of the act is available here: <https://ssb.texas.gov/texas-securities-act-and-board-rules/texas-securities-act/texas-securities-act-2019>. Section 32-1 is the refund section added by the 86th Legislature, effective September 1, 2019.

¹⁰⁶ Notice of Hearing ¶¶ 7, 11–12.

¹⁰⁷ Resp't Exs. 1, 38 (RX38_10 ¶ 35), 51; Pet'r Post-Hr'g Br., at 106–11.

SOAH DOCKET NO. 312-26-14427

refunded and procedures for verifying purchaser records. Petitioner does not request market-loss damages or an award based on hypothetical TXC values.

For record purposes, Petitioner identifies the *KP Financials* materials as prior administrative orders and adjudicative authority responsive to the ALJ's express request, not as evidence concerning TEXTcoin purchasers or transactions. To the extent official notice is necessary, Petitioner requests official notice of the existence and contents of the public agency orders and SOAH proposal for decision under Section 2001.090 of the Texas Government Code, with Respondent afforded an opportunity to contest the noticed material.¹⁰⁸ Copies may be provided as an appendix of authorities rather than characterized as exhibits admitted at the TEXTcoin hearing.

VI. CONCLUSION AND PRAYER

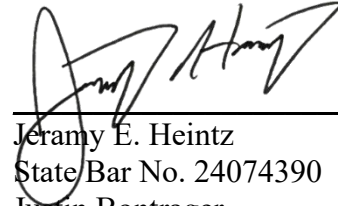
The core facts have not changed. Ordinary purchasers paid money for Mining Packages. Respondent supplied and ran the mining operation and promised purchasers an on-going, daily, pro-rata share of the mine's production. Respondent promoted these daily distributions and appreciation in value of the currency used to pay returns. The Mining Packages were not registered for sale in Texas and Respondent did not register as a dealer in Texas. The record shows Respondent engaged in fraud and deception in offering his Mining Packages. The limited factual corrections Petitioner has proposed make the final order more accurate; they do not change the substance of the factual allegations or legal conclusions of the Order.

Petitioner respectfully requests the ALJ recommend affirming the Emergency Cease and Desist Order, with the limited factual modifications set out in Petitioner's Brief; sustaining the securities, dealer, and misleading-practices violations supported by the record; rejecting

¹⁰⁸ Tex. Gov't Code § 2001.090.
SOAH DOCKET NO. 312-26-14427

Respondent's request for sanctions; and recommending refunds under Section 4007.108 of The Securities Act, subject to its legal limits.

**Filed on October 23, 2026
on behalf of the
Enforcement Division**

A handwritten signature in black ink, appearing to read 'Jeramy E. Heintz', is written over a horizontal line.

Jeramy E. Heintz
State Bar No. 24074390
Justin Bontrager
State Bar No. 24138614
Kristen McCourt
State Bar No. 24138151
Attorneys for the Enforcement Division
State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701

CERTIFICATE OF SERVICE

I hereby certify that on this, the 23rd of October 2026, true and correct copies of the foregoing *Reply Brief of the Enforcement Division of the Texas State Securities Board* have been served to Avi Perry, attorney for Respondents, and to the Securities Commissioner's Representative by the means indicated within this Certificate of Service.

CHERYN NETZ HOWARD, General Counsel for the Texas State Securities Board and the Securities Commissioner's Representative, by efile addressed to cnetzhoward@ssb.texas.gov.

TEXTcoin

Service by efile addressed to its counsel, Avi Perry at aviperry@quinnemanuel.com and Alex Rossmiller at alexrossmiller@quinnemanuel.com.

MineTXC

Service by efile addressed to its counsel, Avi Perry at aviperry@quinnemanuel.com and Alex Rossmiller at alexrossmiller@quinnemanuel.com.

Blockchain Mint

Service by efile addressed to its counsel, Avi Perry at aviperry@quinnemanuel.com and Alex Rossmiller at alexrossmiller@quinnemanuel.com.

Robert J. Gray

Service by efile addressed to his counsel, Avi Perry at aviperry@quinnemanuel.com and Alex Rossmiller at alexrossmiller@quinnemanuel.com.

By:



Jeramy E. Heintz
State Bar No. 24074390
Securities Commissioner
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-305-8398
E: jheintz@ssb.texas.gov

Attachment 1

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310

Texas State Securities Board

ACCEPTED
312-21-1666
3/24/2021 2:01 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.texas.gov

E. WALLY KINNEY
CHAIR

MIGUEL ROMANO, JR.
MEMBER

KENNY KONCABA
MEMBER

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

SOAH DOCKET NO. 312-21-1666

TEXAS STATE SECURITIES BOARD,
Petitioner

v.

KP FINANCIALS, LLC, KEVIN VU PHAM,
DANIEL AJWANI AND GERALD
JOHNSON,
Respondents

§ BEFORE THE STATE OFFICE

§

§

§

§ OF

§

§

§

§ ADMINISTRATIVE HEARINGS

FILED
312-21-1666
3/24/2021 1:58 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

KP FINANCIALS, LLC

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

KEVIN VU PHAM

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

DANIEL AJWANI

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

GERALD JOHNSON

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

NOTICE OF HEARING

This is your OFFICIAL NOTICE that a hearing will commence at **9:00AM on AUGUST 5, 2021** before an Administrative Law Judge. The hearing is being held via videoconference for the purpose of determining (1) whether to issue a proposal for decision for an order that affirms, modifies, or sets aside Emergency Cease and Desist Order No. ENF-20-CDO-1827 (the “Emergency Order”) as it relates to KP Financials, LLC (“Respondent KP”), Kevin Vu Pham (“Respondent Pham”), Daniel Ajwani (“Respondent Ajwani”), and Gerald Johnson (“Respondent Johnson”), and (2) whether to issue a proposal for decision that, as part of the order affirming, modifying, or setting aside the Emergency Order, also orders Respondents KP, Pham, Ajwani and Johnson to pay a refund to all investors who purchased the securities set forth herein on or after September 1, 2019.

This hearing will be held pursuant to The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1-581-45 (the “Securities Act”), the Rules and Regulations of the State Securities Board, 7 Tex. Admin. Code §§101.1-139.27 (2019) (Tex. State Sec. Bd.) (the “Board Rules”), the Administrative Procedure Act, Tex. Gov’t Code Ann. §§2001.001-2001.902 (the “Administrative Procedure Act”), and the Rules of Practice and Procedure of the State Office of Administrative Hearings, 1 Tex. Admin. Code Chapter 155 (2019) (State Ofc. of Admin. Hearings) (the “SOAH Rules”).

THE EMERGENCY ORDER

1. The Enforcement Division of the Texas State Securities Board (the “Enforcement Division”) is bringing this action and praying for a proposal for a decision that affirms the Emergency Order as the Emergency Order relates to Respondent KP, Respondent Pham, Respondent Ajwani, and Respondent Johnson (collectively the “Respondents”) and orders Respondents to pay a refund to all investors who purchased the securities set forth herein on or after September 1, 2019.
2. The Securities Commissioner entered the Emergency Order on November 19, 2020, pursuant to Section 23-2 of the Securities Act. The Emergency Order is attached hereto as **Exhibit 1**, and it is fully incorporated herein as if set forth fully herein.
3. Pursuant to Section 23-2.C of the Securities Act, Respondents were afforded the opportunity to request a hearing to set aside the Emergency Order.

4. On or about December 7, 2020, Respondents, through counsel, requested a hearing to challenge the Emergency Order. A copy of the request for a hearing is attached hereto as **Exhibit 2** and incorporated herein as if set forth fully herein.
5. Pursuant to Section 23-2.D of the Securities Act, unless otherwise agreed by the parties, the hearing must be held not later than the 10th day after the date the Securities Commissioner receives the request for a hearing.
6. Respondents and the Enforcement Division agreed to waive the requirement the hearing be held within ten days. The agreement is documented in the request for a hearing attached as **Exhibit 2**.

THE HEARING

7. A hearing to (1) whether to issue a proposal for decision for an order that affirms, modifies, or sets aside the Emergency Order, and (2) whether to issue a proposal for decision that, as part of the order affirming, modifying, or setting aside the Emergency Order, also orders Respondents to pay a refund to all investors who purchased the securities set forth herein on or after September 1, 2019, will be held at the State Office of Administrative Hearings. It will commence at **9:00 AM on AUGUST 5, 2021**.
8. The State Office of Administrative Hearings will conduct the hearing via Zoom. Zoom is a video conferencing platform for meetings held through the internet. The State Office of Administrative Hearings will provide instructions for accessing the hearing via Zoom.
9. At the hearing, the Enforcement Division will present testimony and other admissible evidence in support of its prayers set forth herein. Respondents will be afforded the right to present such testimony and evidence relating to issues identified herein.
10. The Enforcement Division will pray the Honorable Administrative Law Judge enter a proposal for decision for an order that affirms the entirety of the Emergency Order. Respondents will be afforded the right to present such testimony and other evidence in support of their prayer for a proposal for decision for an order setting aside the Emergency Order.

REFUND

11. As described herein, pursuant to Section 32-1 of the Securities Act, the Enforcement Division is praying for a proposal for decision that includes an order Respondents pay a refund to investors who purchased the securities set forth herein on or after September 1, 2019. The Enforcement Division is praying the order calculate the refund as the amount of each investor's principal investment less any returns or profits paid by Respondents to said investor.

LEGAL NOTIFICATIONS

12. Legal authority and jurisdiction for this matter exist under 23-2 and 32-1 of the Securities Act, Section 2003.021(b) of the Texas Government Code and Rule 155.51 of the SOAH Rules.
13. **IF YOU DO NOT FILE A WRITTEN ANSWER OR OTHER WRITTEN RESPONSIVE PLEADING TO THIS NOTICE OF HEARING ON OR BEFORE THE 20TH DAY AFTER THE DATE ON WHICH THIS NOTICE WAS MAILED TO YOU OR PERSONALLY SERVED ON YOU, THE FACTUAL ALLEGATIONS IN THIS NOTICE COULD BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND MAY GRANT THE RELIEF SOUGHT IN THIS NOTICE. THE RESPONSE MUST BE FILED IN AUSTIN, TEXAS WITH THE SECURITIES COMMISSIONER AND THE STATE OFFICE OF ADMINISTRATIVE HEARINGS, AND ALSO SERVED ON THE STAFF OF THE STATE SECURITIES BOARD. IF YOU FAIL TO ATTEND THE HEARING, EVEN IF A WRITTEN ANSWER OR OTHER RESPONSIVE PLEADING HAS BEEN FILED AND SERVED, THE FACTUAL ALLEGATIONS IN THIS NOTICE COULD BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND MAY GRANT THE RELIEF SOUGHT IN THIS NOTICE.**
14. **PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINISTRATIVE HEARINGS AT WWW.SOAH.TEXAS.GOV, OR IN PRINTED FORMAT UPON REQUEST TO THE STATE OFFICE OF ADMINSTRATIVE HEARINGS.**
15. Respondents may access the Securities Act and the Board Rules through the website of the Texas State Securities Board at www.ssb.texas.gov. Respondents may also access the SOAH Rules through the website of the State Office of Administrative Hearings at www.soah.texas.gov and the Administrative Procedure Act through Texas Legislature Online at statutes.capitol.texas.gov.
16. The Securities Act authorizes the Texas State Securities Board to pursue administrative, civil or criminal enforcement cases. The Securities Act and Board Rules also authorize the Texas State Securities Board to share information with and refer cases to other governmental agencies with administrative, civil or criminal jurisdiction. These other governmental agencies include, without limitation, state and federal regulatory agencies, law enforcement agencies and prosecutors' offices. Therefore, any information provided, filed or otherwise supplied by Respondents may be shared with these other government agencies and/or used in other cases. Whether the Texas State Securities Board makes its files available to other governmental agencies or refers cases to other government agencies is confidential pursuant to Section 28 of the Texas Securities Act.

17. Pursuant to Board Rule 105.13, the Enforcement Division is now respectfully requesting and will continue to respectfully request the State Office of Administrative Hearings order that all costs charged to the Texas Securities Board by any court reporting service be assessed against Respondents.

CONTACT AND FILING INFORMATION

18. The Enforcement Division is represented by Jeramy Heintz, Attorney, Enforcement Division. Mr. Heintz's State Bar Card Number is 24074390, his work address is 208 E. 10th Street, Austin, Texas 78701, his telephone number is 512-305-8392, his facsimile number is 512-355-0404 and his email address is jheintz@ssb.texas.gov.
19. The Docketing Office of the State Office of Administrative Hearings is located at 300 W. 15th Street, Austin, Texas 78701, and it may be contacted by telephone at 512-745-3445 and by facsimile at 512-475-4994.
20. The State Office of Administrative Hearings may conduct the hearing via audio or video conferencing. The audio and video conferencing platforms are secure, free meetings held telephonically or through the internet. The State Office of Administrative Hearings will provide instructions for all hearings held telephonically or through a video conferencing platform.
21. Persons with disabilities who need special accommodations at the hearing, whether held at the State Office of Administrative Hearings or through an audio or video conferencing platform, should contact the Docketing Department of the State Office of Administrative Hearings at 512-475-4993 at least one week prior to the hearing.
22. Pursuant to Board Rule 105.8, all documents filed by any party, other than business records and transcripts, must be contemporaneously served upon Marlene Sparkman, General Counsel and Securities Commissioner's Representative. Ms. Sparkman's address is 208 E. 10th Street, 5th Floor Austin, Texas 78701, her telephone number is 512-305-8300, her facsimile number is 512-305-8336, and her email address is msparkman@ssb.texas.gov.

Signed on this, the 24th day of March 2021

By: 
Joe Rotunda
State Bar No. 24029808
Division Director, Enforcement Division
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-355-0404
E: jrotunda@ssb.texas.gov

CERTIFICATE OF SERVICE

I hereby certify that on this, the 24th day of March 2021, true and correct copies of this Notice of Hearing, as well as the exhibits referenced herein, are being served on the following parties through the means set forth below:

MARLENE SPARKMAN, General Counsel for the Texas State Securities Board and the Securities Commissioner's Representative, by hand delivery at 208 E. 10th Street, 5th Floor, Austin, Texas 70701, and by electronic mail addressed to msparkman@ssb.texas.gov.

KP FINANCIALS, LLC

Service by certified mail, return receipt requested, to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

KEVIN VU PHAM

Service by certified mail, return receipt requested, to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

DANIEL AJWANI

Service by certified mail, return receipt requested, to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

GERALD JOHNSON

Service by certified mail, return receipt requested, to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; (4) care of LegalInc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033; and (5) by electronic mail to its counsel, Philip Hilder at philip@hilderlaw.com and Stephanie McGuire at stephanie@hilderlaw.com.

By:



Joe Rotunda

State Bar No. 24029808

Director, Enforcement Division

Texas State Securities Board

208 E. 10th Street, 5th Floor

Austin, Texas 78701

T: 512-305-8392

F: 512-355-0404

E: jrotunda@ssb.texas.gov

Exhibit 1

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310

Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.texas.gov

E. WALLY KINNEY
CHAIR

MIGUEL ROMANO, JR.
MEMBER

KENNY KONCABA
MEMBER

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

IN THE MATTER OF §
KP FINANCIALS, LLC, KEVIN VU PHAM, §
DANIEL AJWANI AND GERALD JOHNSON §

Order No. ENF-20-CDO-1827

KP FINANCIALS, LLC

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.

KEVIN VU PHAM

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.

DANIEL AJWANI

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.

GERALD JOHNSON

Service by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for KP Financials, LLC, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stats. Ann. arts. 581-1 - 581-45 (the "**Securities Act**").

The Staff of the Enforcement Division of the Texas State Securities Board (the "**State Securities Board**") has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. KP Financials, LLC ("**Respondent KP Financials**"), can be served by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, its Registered Agent, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.
2. Kevin Vu Pham ("**Respondent Pham**") is the Founder and Managing Member of Respondent KP Financials. He can be served by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for Respondent KP Financials, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.
3. Daniel Ajwani ("**Respondent Ajwani**") is the Co-Founder of and an Account Executive for Respondent KP Financials. He can be served by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for Respondent KP Financials, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.
4. Gerald Johnson ("**Respondent Johnson**") is an Account Specialist for Respondent KP Financials. He can be served by certified mail, return receipt requested, addressed to (1) 11801 Domain Boulevard, Floor 3, Austin, Texas 78758; (2) 2600 Halite Bend, Pflugerville, Texas 78660; (3) 17350 State Highway 249, Suite 220 #2253, Houston, Texas 77064; and (4) care of Legallnc Corporate Services, the Registered Agent for Respondent KP Financials, at 10601 Clarence Drive, Suite 250, Frisco, Texas 75033.

THE PUBLIC ADVERTISEMENT

5. Respondents KP Financials and Johnson published an advertisement in the financial services section of Craigslist targeting residents of Austin, Texas.
6. The advertisement promotes Respondent KP Financials and its managed forex portfolio investments.
7. It claims Respondent KP Financials is earning an average return of three percent per month and boasts a client satisfaction rate of 100%.

8. It also contains a field titled "license info" that reads "Registering with the Texas SEC and Series 34."

RESPONDENT JOHNSON AND THE
PITCH OF THE MANAGED FOREX PORTFOLIO INVESTMENTS

9. Respondent Johnson is responding to Texans who reply to the advertisement, and he is promoting Respondent KP Financials and pitching the investments in managed forex portfolios.
10. Respondents KP Financials and Johnson are telling potential investors Respondent KP Financials trades forex in the managed forex portfolios and averages a return of three percent per month.
11. Respondents KP Financials and Johnson are telling potential investors they will be entirely passive, and they only need to track their progress and watch their money grow.

RESPONDENT JOHNSON AND HIS
DESCRIPTION OF RESPONDENT KP FINANCIALS

12. Respondents KP Financials and Johnson are telling potential investors Respondent KP Financials has been a company for about four years and just completed a major rebranding.
13. Respondents KP Financials and Johnson are telling potential investors Respondent KP Financials is the only investment firm in the Texas area – and perhaps the United States – that invests in the foreign exchange market on behalf of investors.
14. Respondents KP Financials and Johnson are telling potential investors the foreign exchange market is a new market and, because the foreign exchange market is a new market, Respondent KP Financials has generated exponential growth in the past months and all customers are very happy with the results.

RESPONDENT AJWANI AND HIS DESCRIPTION OF RESPONDENT
KP FINANCIALS AND THE MANAGED FOREX INVESTMENT PORTFOLIOS

15. Respondents KP Financials and Ajwani are telling potential investors Respondent KP Financials employs 40 account specialists and around 20 traders, and the company is growing day-by-day.
16. Respondent KP Financials and Ajwani are telling potential investors that around 80 clients have already invested with Respondent KP Financials.
17. Respondents KP Financials and Ajwani are telling potential investors Respondent KP Financials is taking advantage of changes in the markets due to COVID-19,

and they are claiming March 2020 was the most profitable month because Respondent KP Financials was able to "take advantage of that chaos."

18. Respondents KP Financials and Ajwani are telling potential investors that changes in the markets due to COVID-19 have led many clients to use funds in their 401k accounts to purchase managed forex accounts. They are explaining these clients can recover the 30 percent penalty in less than a year by investing in the managed forex accounts.
19. Respondents KP Financials and Ajwani are comparing the risks of investing in the stock market with the risk of investing in the managed forex accounts, telling investors the risk associated with investments in the managed forex accounts is "very low."
20. Respondents KP Financials and Ajwani are directing potential investors to the firm's public website, which is publicly accessible at www.kpfinancials.com (the "**KP Financials Website**").

THE PUBLIC WEBSITE

21. The KP Financials Website promotes Respondent KP Financials and its investments in managed forex portfolios.
22. The KP Financials Website promotes these investments using testimonials coupled with stock photographs that represent as follows:
 - A. The testimonial purportedly authored by A.G. represents "[t]heir Forex trading is reliable, consistent and profitable. I highly recommend investing with them to create a passive income stream to grow your wealth."
 - B. The testimonial purportedly authored by J.M. represents, "[i]f you are looking to multiply your capital with very[,] minimal risk and maximum reward in return, investing with KP Financials would be one of the best decisions you can make."
 - C. The testimonial purportedly authored by J.G. represents, "[t]hey have made me 3-6% every month since we started working together."
 - D. The testimonial purportedly authored by L.G. represents, "[s]ince I started investing, all I've seen are positive results... With everything that's happening with COVID-19, while my 401k kept on going down, the money with KP [F]inancials kept going up... The only regret we have is that we didn't invest sooner."
 - E. The testimonial purportedly authored by J.W. represents, "[w]ith KP managing my funds, I have made consistent, solid returns while also diversifying my portfolio even more than it previously was."

23. Respondents KP Financials and Ajwani are telling potential investors the KP Financials Website will soon provide access to "partnerships," permitting investors to receive discounts on lawncare and other services, and providing investors with access to Respondent KP Financials' private jets.

THE MANAGED FOREX INVESTMENT PROGRAMS

24. Respondents KP Financials, Pham, Ajwani and Johnson (collectively the "**Respondents**") are offering two different investments in managed forex accounts issued by Respondent KP Financials:
- A. An investor can purchase an investment in a portfolio for a minimum deposit of \$10,000, and Respondent KP Financials will trade forex in an account on behalf of the investor; or
 - B. An investor can purchase an investment in a pooled account for a minimum deposit of \$3,000, and their funds will be commingled with funds from other clients and traded on behalf of other clients as a pool.
25. The term of each investment is generally one year, but investors can withdraw funds or close their accounts prior to the term if they pay a penalty equal to 25 percent of the value of their account.
26. Investors are responsible for paying the following fees:
- A. A fee of 30% of profits payable to Respondent KP Financials as an investment management fee; and
 - B. A fee of 1% for every deposit or withdrawal, up to \$1000, and any brokerage fees or transaction fees.

THE MANAGEMENT AGREEMENT

27. Respondents are providing investors with a Discretionary Investment Management Agreement (the "**Agreement**") that sets forth the terms and conditions of the investments in managed forex portfolios, and investors must execute the Agreement to purchase investments in managed forex portfolios.
28. The Agreement designates Respondent KP Financials as the Advisor and conveys it with full discretion and authority to manage all assets and property held in investors' accounts.
29. The Agreement also authorizes Respondent KP Financials to invest as follows:
- A. It authorizes Respondent KP Financials to invest in cash and cash equivalents, including foreign currency; and

- B. It authorizes Respondent KP Financials to invest or reinvest money and assets in any market and to purchase, sell and otherwise trade in securities.
30. The Agreement also represents Respondent KP Financials is registered as follows:
- A. It represents Respondent KP Financials is registered as a "portfolio manager" and "exempt market dealer;" and
 - B. It represents the principal regulator of Respondent KP Financials is "N/A."
31. The Agreement further reflects Respondent KP Financials is responsible for identifying the investment needs and objectives of clients and the risk tolerance and financial circumstances of clients, as well as ensuring the investment is a suitable investment.

THE ACCOUNT STATEMENTS

32. Respondents KP Financials and Johnson are providing potential investors with records for an account maintained in the name of Respondent Pham at TW Corp. that purport to reflect profitable trades executed on nineteen days from May 7, 2020, through August 17, 2020.

THE REFERRAL PROGRAMS

33. Respondents are representing Respondent KP Financials will pay commissions to existing investors for referring new purchasers of investments in managed forex portfolios, and the commissions will be equal to 2% of the value of each new investor's initial deposit.
34. Respondents are representing Respondent KP Financials will also pay royalties to existing investors for referring new purchasers of investments in managed forex portfolios, and the royalty will be residual income equal to 2% of the value of each new investor's account.

REGISTRATION

35. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
36. Respondents have not been registered or notice-filed with the Securities Commissioner as investment advisers or investment adviser representatives at any time material hereto.
37. The investments in managed forex portfolios have not been registered by qualification, notification, or coordination at any time material hereto, and no permit has been granted for their sale in Texas.

FRAUD AND THE FAILURE TO DISCLOSE FINANCIAL INFORMATION

38. In connection with the offer of the investments in managed forex portfolios, Respondents KP Financials and Pham are intentionally failing to disclose Respondent KP Financials' assets and liabilities, as well as any other financial information relevant to the firm and its operations, and this information constitutes a material fact.

FRAUD AND THE FALSE CLAIMS RELATING TO THE REGULATION OF RESPONDENT KP FINANCIALS

39. In connection with the offer of the investments in managed forex portfolios, Respondents KP Financials and Johnson are publishing an advertisement that contains a field titled "license info" that reads "Registering with the Texas SEC and Series 34." These statements are misrepresentations of relevant facts because the State Securities Board is the securities regulator in Texas, Respondents have not registered and are not registering with the State Securities Board and Respondents Pham, Ajwani and Johnson have not sat for the Series 34 exam in Texas.
40. In connection with the offer of the investments in managed forex portfolios, Respondents are providing investors with the Agreement and the Agreement represents Respondent KP Financials is registered as a "portfolio manager" and "exempt market dealer." These statements constitute misrepresentations of relevant facts because Respondents are not registered with the State Securities Board, the Commodity Futures Trading Commission or the National Futures Association.
41. In connection with the offer of the investments in managed forex portfolios, Respondents are providing investors with the Agreement and the Agreement represents the principal regulator of Respondent KP Financials is "N/A." This statement is materially misleading or otherwise likely to deceive the public because:
- A. The State Securities Board is the principal regulator of Respondents;
 - B. Respondents must be registered with the State Securities Board as dealers or agents; and
 - C. The forex trading investments must be registered with or permitted by the State Securities Board.

FRAUD AND THE AUTHORITY OF RESPONDENT KP FINANCIALS TO RENDER SERVICES AS AN INVESTMENT ADVISER

42. In connection with the offer of the investments in managed forex portfolios, Respondents are representing they will use client monies to trade forex for a profit.

These statements are materially misleading or otherwise likely to deceive the public because:

- A. Respondents are requiring investors to execute the Agreement, and the Agreement actually authorizes Respondent KP Financials to invest or reinvest money and assets in any market and to purchase, sell and otherwise trade in securities;
- B. Respondent KP Financials must be registered or notice-filed as an investment adviser with the State Securities Board to render services as an investment adviser;
- C. Respondent KP Financials is not registered or notice-filed as an investment adviser with the State Securities Board;
- D. Respondents Pham, Ajwani and Johnson must be registered or notice-filed as investment adviser representatives with the State Securities Board to render services as investment adviser representatives; and
- E. Respondents Pham, Ajwani and Johnson are not registered or notice-filed as investment adviser representatives with the State Securities Board.

FRAUD AND THE CLAIMS OF SUITABILITY

- 43. In connection with the offer of the investments in managed forex portfolios, Respondents are representing Respondent KP Financials is responsible for identifying the investment needs and objectives of clients and the risk tolerance and financial circumstances of clients, as well as ensuring the investment is a suitable investment.
- 44. These statements constitute misrepresentations of relevant facts because Respondents are not taking any material steps to identify the investment needs and objectives of clients or the risk tolerance and financial circumstances of clients.
- 45. These statements also constitute misrepresentations of relevant facts because Respondents are not taking any material steps to ensure the investments are suitable investments.

DECEIT AND THE INCOMPLETE TRADING RECORDS

- 46. Respondents KP Financials and Johnson are providing potential investors with records for an account maintained in the name of Respondent Pham at TW Corp. that purport to reflect profitable forex trades executed on nineteen days from May 7, 2020, through August 17, 2020.
- 47. These trading records are statements that are materially misleading or otherwise likely to deceive the public because:

- A. The records reflect forex trades in a personal account held in the name of Respondent Pham and not forex trades in an account held in the name of Respondent KP Financials or clients of Respondent KP Financials; and
- B. They do not reflect forex trades placed or executed on any other date, including on days between May 7, 2020, and August 17, 2020.

DECEIT AND THE RISK OF THE INVESTMENTS IN THE MANAGED FOREX PORTFOLIOS

- 48. Respondents KP Financials and Ajwani are telling investors the risk associated with investments in the managed forex accounts is "very low." The representations are materially misleading or otherwise likely to deceive the public because the Agreement reflects significant risks, including the risk that foreign currencies can lose value when the US dollar rises against foreign currencies and the risk domestic and foreign governments can impose currency exchange restrictions that limit the ability to buy and sell foreign currencies.

FRAUD AND THE OPERATING HISTORY OF RESPONDENT KP FINANCIALS

- 49. In connection with the offer of the investments in the managed forex accounts, Respondents KP Financials and Johnson are claiming Respondent KP Financials has been a company for about 4 years and just completed a major rebranding.
- 50. These statements are misrepresentations of a relevant fact because the records of the Texas Secretary of State reflect that Respondent Pham organized Respondent KP Financials several months ago, having filed the Certificate of Formation on or about June 30, 2020.

THE CLAIMS OF THE EXCLUSIVITY OF THE INVESTMENT

- 51. As described herein, Respondents KP Financials and Johnson are representing Respondent KP Financials is the only investment firm in the Texas area – and perhaps the United States – that invests in the foreign exchange market on behalf of investors.
- 52. These statements are materially misleading or otherwise likely to deceive the public because other firms in Texas and the United States are investing in the foreign exchange market on behalf of investors.

DECEPTION AND THE REFERRAL PROGRAMS

- 53. Respondents are promising to pay commissions and royalties to investors who refer new purchasers of investments in managed forex accounts. These representations are materially misleading or otherwise likely to deceive the public because Respondents are not disclosing the following information:

- A. Persons who offer and sell securities in Texas, including investments in the managed forex portfolios, who are not registered as dealers or agents and who do not qualify for an exemption violate Section 12 of the Securities Act; and
- B. Persons who offer and sell investments in the managed forex portfolios in Texas are offering unregistered securities in violation of Section 7 of the Securities Act.

CONCLUSIONS OF LAW

1. The forex trading investments are securities as the term is defined by Section 4.A of the Securities Act.
2. Respondents are violating Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents are violating Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for sale of securities.
5. Respondents have made an offer containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

ORDER

1. It is therefore ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered pursuant to an exemption from registration under the Securities Act.
2. It is further ORDERED Respondents immediately CEASE AND DESIST from acting as a securities dealer or agent in Texas until Respondents are registered with the Securities Commissioner or is acting pursuant to an exemption from registration under the Securities Act.
3. It is further ORDERED Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

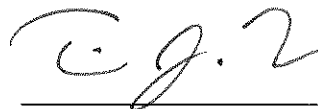
4. It is further ORDERED Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 19th day of November, 2020.



TRAVIS J. ILES
Securities Commissioner

Exhibit 2

HILDER & ASSOCIATES, P.C.

ATTORNEYS AT LAW

819 Lovett Boulevard
Houston, Texas 77006-3905

Telephone (713) 655-9111

Facsimile (713) 655-9112

philip@hilderlaw.com

www.hilderlaw.com

December 7, 2020

Sent Via Email and Certified Mail #9414711899564262121024

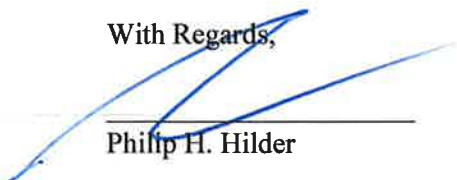
Travis J. Iles
Securities Commissioner
Texas State Securities Board
208 E. 10th St. – 5th Floor
Austin, Texas 78701-2407

**RE: In the Matter of KP Financials, LLC, Kevin Vu Pham, Daniel Ajuani and Gerald Johnson
Order No. ENF-20-CDO-1827**

Dear Mr. Iles:

We represent KP Financials, LLC, Kevin Pham, Daniel Ajuani, and Gerald Johnson relating to the Emergency Cease and Desist Order No. ENF-20-CDO-1827. Pursuant to Section 23-2 of the Texas Securities Act we herein request a hearing and as for grounds seek to set aside or modify the Order. Additionally, we herein waive the ten (10) day hearing provision.

With Regards,



Philip H. Hilder

CC: Jeramy Herntz – TSSB
KP Financials, LLC
Kevin Vu Pham
Daniel Ajuani
Gerald Johnson
Stephanie McGuire – Firm

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Envelope ID: 121599744

Filing Code Description: Brief

Filing Description: Petitioner's Reply Brief

Status as of 10/23/2026 4:25 PM CST

Associated Case Party: TEXITcoin

Name	BarNumber	Email	TimestampSubmitted	Status
Avi Perry		aviperry@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
Alex Rossmiller		alexrossmiller@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
Tiy Lewis		tlewis@wcbglaw.com	10/23/2026 4:21:51 PM	SENT
Jacob Beach		jacobbeach@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
KURT WOLFE		kurtwolfe@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT

Associated Case Party: MineTXC

Name	BarNumber	Email	TimestampSubmitted	Status
Avi Perry		aviperry@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
Alex Rossmiller		alexrossmiller@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT

Associated Case Party: Blockchain Mint

Name	BarNumber	Email	TimestampSubmitted	Status
Avi Perry		aviperry@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
Alex Rossmiller		alexrossmiller@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT

Associated Case Party: Texas State Securities Board

Name	BarNumber	Email	TimestampSubmitted	Status
Joseph Rotunda		Jrotunda@ssb.texas.gov	10/23/2026 4:21:51 PM	ERROR
Jeremy Heintz		jheintz@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT
Brian Shepherd		bshepherd@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Envelope ID: 121599744

Filing Code Description: Brief

Filing Description: Petitioner's Reply Brief

Status as of 10/23/2026 4:25 PM CST

Associated Case Party: Texas State Securities Board

Brian Shepherd		bshepherd@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT
Matthew Bacon		mbacon@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT
Kristen McCourt	24138151	kmccourt@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT
Cheryn Netz-Howard	24104247	cnetzhoward@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT
Justin Bontrager	24138614	jbbontrager@ssb.texas.gov	10/23/2026 4:21:51 PM	SENT

Associated Case Party: Robert J.Gray

Name	BarNumber	Email	TimestampSubmitted	Status
Avi Perry		aviperry@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT
Alex Rossmiller		alexrossmiller@quinnemanuel.com	10/23/2026 4:21:51 PM	SENT