

**STATE OF NORTH DAKOTA**

**SECURITIES DEPARTMENT**

In the Matter of Bio-Sunn Technologies, Inc.,	)	<b>CEASE AND DESIST ORDER,</b>
a North Dakota corporation, Lewis Bauer,	)	<b>ORDER FOR CIVIL PENALTY,</b>
Equity Fund International (EFI), Inc., a Georgia	)	<b>ORDER FOR RESCISSION,</b>
corporation, and Christopher Williams,	)	<b>AND</b>
	)	<b>NOTICE OF RIGHT TO</b>
Respondents.	)	<b>REQUEST A HEARING</b>

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**THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA**  
**TO: BIO-SUNN TECHNOLOGIES, INC., a North Dakota corporation, LEWIS**  
**BAUER, EQUITY FUND INTERNATIONAL (EFI), INC., a Georgia corporation, and**  
**CHRISTOPHER WILLIAMS, RESPONDENTS.**

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent, Bio-Sunn Technologies, Inc., (hereinafter, "Bio-Sunn") is a North Dakota corporation operated and controlled by Respondent, Lewis Bauer, (hereinafter, "Bauer") as Chief Executive Officer, with its principal office at 3975 23<sup>rd</sup> Street NW, Douglas, North Dakota 58735-9352. Bio-Sunn is not now and has never been registered as an issuer-dealer or broker-dealer with the North Dakota Securities Department.

2. Respondent Bauer is a resident of Douglas, North Dakota, who, for all times relevant to this matter, operated and controlled Bio-Sunn, as its Chief Executive Officer. Respondent Bauer is not now and has never been registered as an agent with the North Dakota Securities Department.
3. Respondent, Equity Fund International (EFI), Inc., (hereinafter, "EFI") is a Georgia corporation operated and controlled by Respondent, Christopher Williams, (hereinafter, "Williams") as its President and Chief Executive Officer, with its principal office at 2625 Piedmont Road NE, Suite 56305, Atlanta, Georgia 30325. EFI is not now and has never been registered as an issuer-dealer or broker-dealer with the North Dakota Securities Department.
4. Respondent Williams is a resident of Stone Mountain, Georgia, who, for all times relevant to this matter, operated and controlled EFI, as its President and Chief Executive Officer. Respondent Williams is not now and has never been registered as an agent with the North Dakota Securities Department.
5. In late 2019, Bio-Sunn made plans to develop a multi-million dollar facility for the extraction and production of CBD Oil from hemp in Kendall, Wisconsin. On or about February 11, 2020, following negotiations between the parties, Bio-Sunn and EFI entered into a "Joint Venture Client/Partner Agreement" under the terms of which EFI would provide Bio-Sunn with "Project Capital" in the form of "a structured non-recourse bank loan" in the amount of \$250,000,000, "with zero repayment or equity requirements" by Bio-Sunn.
6. In order to obtain the promised funding under the Agreement, Bio-Sunn was required to advance a "One Million Euros" "Advisory, Expense and Banking Fee" payment to

EFI, a sum which Bio-Sunn did not have. In order to assist Bio-Sunn in raising the amount of the “Advisory, Expense and Banking Fee” from outside investors, EFI agreed to guarantee the return of the investors’ investments in full within seven days of a successful closing or within ninety days “if for any reason the closing of the aforementioned project funding transaction is not successful.”

7. The “Joint Venture Client/Partner Agreement” was initialed and executed by Respondents Bauer and Williams on behalf of their respective companies on February 11, 2020.
8. Between February 28, 2020, and March 16, 2020, Bio-Sunn raised the sum of \$1,130,000 from ten individual investors from four states in amounts ranging from \$10,000 to \$640,000 from the offer and sales of Promissory Notes. The Notes each memorialized EFI’s guarantee of the return of investors’ investment if the project funding transaction contemplated in the “Joint Venture Client/Partner Agreement” was not successful. At least \$1,100,000 of the investors’ investments were wired directly to accounts controlled by Respondents EFI and/or Williams by the investors themselves or through Bio-Sunn.
9. Over the next several months no project funding was forthcoming and the investors became concerned about the use of their funds by Respondents and their ability to recover their substantial investments. In an effort to reassure the investors, on June 22, 2020, the General Counsel for EFI, Moshe K. Selikovitz, issued correspondence stating in part:

“That I have verified that the principal party contracted by “EFI” to affect and complete the “Hedge” financial transaction to provide the liquidity to affect the refund of

the Bio-Sunn Technologies, Inc. \$1,100,000 in fee monies paid to "EFI", in the event that the primary Bio-Sunn Technologies, Inc. project funding is unsuccessful is legitimate, fully qualified, experienced and capable to provide the aforementioned service. Further, I have verified with this party that the "Hedge" transaction is in the final stage of completion and scheduled to provide the aforementioned \$1,100,000 within the next six (6) weeks, barring further Force Majeure (COVID-19, etc.) delays."

10. Seventeen months has passed since then with no closing on project funding and no return of the \$1,100,000 in fee monies paid to EFI.
11. The Promissory Notes issued by Bio-Sunn are "securities" as defined in N.D.C.C. §10-04-02(19). N.D.C.C. §10-04-04 requires that securities offered for sale or sold in or from North Dakota be registered or exempt from registration.
12. The Promissory Notes issued by Bio-Sunn have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not properly filed as federal covered securities under N.D.C.C. § 10-04-08.4. The offers and sales of the subject investments were made in violation of N.D.C.C. § 10-04-04. Respondent Bio-Sunn and Respondent Bauer each engaged in nine violations of N.D.C.C. § 10-04-04.
13. The transactions referenced above were conducted at a time when Bio-Sunn was not registered as an issuer-dealer or broker-dealer with the Securities Department selling its own securities. Bio-Sunn engaged in nine violations of N.D.C.C. § 10-04-10(1).

14. Respondent, Lewis Bauer, was not registered as an agent with the Securities Department at the times of these transactions when he executed the Promissory Notes on behalf of Bio-Sunn. Bauer engaged in nine violations of N.D.C.C. §10-04-10(2).

15. The guarantee by Respondents EFI and Williams of the safe return of all investor funds to Bio-Sunn by EFI in the event the project funding transaction contemplated in the “Joint Venture Client/Partner Agreement” was not successful was a material inducement for each investor’s decision to invest in the Bio-Sunn project. Pursuant to N.D.C.C. § 10-04-17(1), an agent of or for the seller of securities made in violation of N.D.C.C. Chapter 10-04 who shall have participated or aided in any way in making such sale shall be jointly and severally liable to such purchaser to recover the full amount paid by such purchaser.

16. Respondents willfully failed to disclose material facts when offering the investments including the following:

(a) Project Funding in the amount of \$250,000,000 was not in fact preapproved but was entirely contingent on the decisions and actions of entities and persons outside of the control of the Respondents;

(b) information about the assets and liabilities of Respondents and any other information describing the means by which Respondents could provide investors with the promised liquidity “If for any reason the closing of the aforementioned project funding transaction is not successful . . . within ninety (90) days”; and

(c) that the investments offered by Respondents were neither registered nor exempt from registration.

These failures to disclose were material omissions of fact, necessary to make the statements made in connection with the offerings, not misleading. The failure to disclose material information in connection with the offer to sell any security in or from this state constitutes a fraudulent practice in violation of N.D.C.C. § 10-04-15(2) and each of the Respondents engaged in nine violations of N.D.C.C. § 10-04-15(2).

17. Pursuant to N.D.C.C. § 10-04-16(1), the Securities Commissioner has the authority to Order that a person Cease and Desist from violations of the Securities Act, to rescind transactions made in violations of the Securities Act, and to assess civil penalties in an amount not to exceed \$10,000 for each violation of the Securities Act or a total of \$630,000 based on the violations described above. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondents pursuant to N.D.C.C. § 10-04-16(1).

18. This Order is issued in the public interest, and for the protection of investors.

**NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in or from North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Department or are exempt from registration under N.D.C.C. Chapter 10-04.
2. From offering for sale or selling securities, or effecting transactions in securities, in or from North Dakota unless and until they have registered with the Securities Department as issuer-dealers, broker-dealers or agents or are exempt from registration under N.D.C.C. Chapter 10-04.

3. From using material misstatements or omissions, or from engaging in any fraudulent or deceptive practices, in connection with the offer and/or sale of securities in or from this state.

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit registered broker-dealers and agents from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

**YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$20,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$70,000 fine with respect to an organization.**

**YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.**

## **ORDER FOR AND NOTICE OF CIVIL PENALTY**

**YOU ARE NOTIFIED** that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1), in an amount not to exceed \$10,000 for each violation. **IT IS ORDERED, THAT** Respondents Bio-Sunn and Bauer are jointly and severally liable for and shall pay a civil penalty of \$90,000 to the North Dakota Securities Department based on the violations discussed above. **IT IS FURTHER ORDERED, THAT** Respondents EFI and Williams are jointly and severally liable for and shall pay a civil penalty of \$90,000 to the North Dakota Securities Department based on the violations discussed above.

The civil penalties assessed herein are due and payable immediately upon the entry of this Order, except to the extent that a hearing has been timely requested by the Respondents. If a hearing is requested, the Securities Commissioner expressly reserves the authority to modify this provision and to assess additional civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above or any other violations subsequently discovered. The Commissioner reserves the authority to direct any penalties to the North Dakota Investor Restitution Fund (Fund # 262), for the purpose of repaying aggrieved investors, as appropriate.

## **ORDER FOR RESCISSION**

The Securities Commissioner further Orders that each of the Respondents, Bio-Sunn, Bauer, EFI and Williams, are jointly and severally liable to the Bio-Sunn investors and shall make rescission of the transactions described in this Order within sixty days of




the date of this Order, for the full amount paid for the securities by each investor, plus interest according to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

**NOTICE OF RIGHT TO REQUEST A HEARING**

**YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

**IN TESTIMONY WHEREOF**, witness my hand and seal this 1<sup>st</sup> day of December, 2021.



  
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