

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:

SIVA NEKKALAPUDI

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)
) **File No. 1800370**
)
)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Siva Nekkhalapudi
406 E. 1790 North St.
Pleasant Grove, UT 84062

Siva Nekkhalapudi
174 Gregory St., Apt. C
Aurora, IL 60504

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND

1. Respondent Siva Nekkhalapudi ("Respondent") is an individual with last known addresses of 406 E. 1790 North St., Pleasant Grove, Utah 84062 and 174 Gregory St., Apt. C, Aurora, Illinois, 60504.
2. From approximately March of 2017 to present, Respondent has been working in the City of Chicago and State of Illinois.
3. Respondent is not and was never registered to offer or sell securities, or provide investment advisory services, in the State of Illinois.
4. Nevertheless, as described more fully below, Respondent offered investment advisory and financial planning services to the public.

FRAUD IN THE OFFER AND SALE OF SECURITIES

5. Respondent represented himself to have made at least \$28,000,000.00 through investing and trading in cybercurrencies.

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6. At the time of the investments made below, each of the investors believed Respondent made significant money investing and trading in cybercurrencies.
7. In January of 2018, Respondent solicited Investor A to invest approximately \$24,000.00 worth of cybercurrency at the time to receive a guaranteed return of 20% per month on the principle thereafter.
8. Respondent failed to make the monthly payment to Investor A beginning in February of 2018 and every month thereafter to date.
9. Despite failing to make the monthly payment to Investor A, Respondent solicited Investor B in February of 2018 to invest approximately \$20,000.00 worth of cybercurrency at the time to receive a guaranteed return of 33% per month on the principle thereafter.
10. Despite Respondent's representation to have made significant money investing and trading in cybercurrencies, Respondent omitted to disclose to Investor B that he failed to make the monthly payment to Investor A as described above.
11. Respondent failed to make the monthly payment to Investor B beginning in March of 2018 and every month thereafter to date.
12. Despite failing to make the monthly payments to Investors A and B, Respondent solicited Investor C in March of 2018 to invest \$10,000.00 to receive a guaranteed return of 20% per month on the principle thereafter.
13. Despite Respondent's representation to have made significant money investing and trading in cybercurrencies, Respondent omitted to disclose to Investor C that he failed to make the monthly payments to Investors A and B as described above.
14. Respondent failed to make the monthly payment to Investor C beginning in April of 2018 and every month thereafter to date.
15. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq*] (the "Act").
16. Section 12.F of the Act states that it shall be a violation of the provisions of the Act for any person "To engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."

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17. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person "To obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
18. Section 12.I of the Act states that it shall be a violation of the provisions of this act for any person "To employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
19. By virtue of the foregoing, Respondent violated Sections 12.F, 12.G, and 12.I of the Act.
20. That the aforementioned findings are based upon credible evidence.
21. That Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum of ninety (90) days, by an order effective immediately, without prior notice or hearing, the offer or sale of securities by any person, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the act.
22. That the entry of this Temporary Order of Prohibition prohibiting Respondent Siva Nekkalapudi from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: Pursuant to the authority granted by Section 11.F of the Act:

Respondent Siva Nekkalapudi is temporarily **PROHIBITED** from offering to sell or selling securities in or from the State of Illinois until further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Illinois Securities Department, ATTN: Peter S. Coorlas, Jr., 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty (60) days from the date the hearing request is received by the Department.

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 7th day of September 2018.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

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