

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

Quantized, Inc.,
Brandon S. Skyler

Docket No. 15 E 003
KSC No. 2014-6239

and their representatives and agents,

Respondents.

_____/
Pursuant to K.S.A. 17-12a604

FINAL ORDER TO CEASE AND DESIST

1. On December 2, 2014, after considering allegations presented by the Staff for the Office of the Kansas Securities Commissioner (“KSC Staff”) that Respondents have committed violations of the Kansas Uniform Securities Act and that the issuance of an Order to Cease and Desist pursuant to K.S.A. 17-12a604 is in the public interest, the Securities Commissioner of the State of Kansas (the “Commissioner”) issued an Order to Cease and Desist and Notice of Intent to Impose Administrative Sanctions.
2. Respondents have failed to request a hearing on the December 2, 2014 Cease and Desist order in a timely manner.
3. NOW THEREFORE, the Commissioner issues the following findings of fact, conclusions of law, and Order.

FINDINGS OF FACT

4. Respondent Quantized, Inc. (“Quantized”) is a Nevada corporation organized on April 3, 2001 and located at 20501 Ventura Blvd., Ste. 244, Woodland Hills, California.

5. Respondent Brandon Skyler (“Skyler”) is an individual residing in [REDACTED], [REDACTED] and is Quantized’s Chief Executive Officer, Treasurer, Director, and Secretary.
6. Sometime in May of 2014, Kansas resident (“KR1”) received an unsolicited call from an unknown person promoting an investment in securities issued by Quantized. The caller asked whether KR1 would like to receive more information about this investment, indicating to KR1 that the discussed securities were registered at the federal level.
7. In the days immediately following the phone call, KR1 received a package through the mail promoting an investment in Quantized. Included within was a promissory note and warrant certificate, both of which were issued by Quantized. The package also contained a blank contract to purchase the aforementioned note and warrants.
8. Skyler confirmed to KSC Staff that the promotional documentation KR1 received was the same kind of packaging the company sends to potential investors. Additionally, the mailing included Skyler’s business card. Skyler confirmed that Respondents had sent items to an individual residing in the same city as KR1 during the same time frame as when KR1 reported receiving the aforementioned materials.
9. As stated in the materials received by KR1, the notes offered by Quantized would bear interest at a rate of ten percent (10%) per year. The holder of a note could convert the security into a pre-determined amount of the company’s common stock at a set price. The notes were offered with warrants attached granting the holder of a note the option to purchase additional shares at a discounted price.
10. Both the purchase agreement and the note itself state that these securities offered by Quantized have not been registered under the Securities Act of 1933 nor under the securities laws of any State.

11. A check of the records maintained by the Office of the Kansas Securities Commissioner confirms that there was no registration, granted exemption, or notice filing indicating status as federal covered securities for the securities offered by Quantized.
12. A check of the records maintained by the Office of the Kansas Securities Commissioner confirmed that Skyler was not registered as an agent at the time of the offering to KR1.
13. KR1 did not have a preexisting relationship with the issuer or with Skyler, nor does KR1 meet the definition of an accredited investor under SEC Rule 501(a)(5), (6).
14. KR1 ultimately did not purchase the securities offered by Quantized.

CONCLUSIONS OF LAW

Violation of Offering an Unregistered, Non-Exempt Security

15. Paragraphs 1 through 11 are incorporated by reference as though fully set forth herein.
16. In violation of K.S.A. 17-12a301, Respondents offered securities, to wit: the promissory note and attached warrants offered to KR1, without the securities being registered with the Office of the Kansas Securities Commissioner, exempt from registration, or federal covered securities.

Failure to Register as an Agent

17. Paragraphs 1 through 11 are incorporated by reference as though fully set forth herein.
18. In violation of K.S.A. 17-12a402(a), Respondent Skyler unlawfully attempted to effectuate the sale of an issuer's security without first being registered as an agent or exempt from registration.

Unlawful Employment or Association with an Agent

19. Paragraphs 1 through 11 are incorporated by reference as though fully set forth herein.
20. In violation of K.S.A. 17-12a402(d), Respondent Quantized unlawfully employed or

associated with Respondent Skyler who acted as an agent by attempting to effectuate the sale of securities issued by Quantized without first being registered as an agent or exempt from registration.

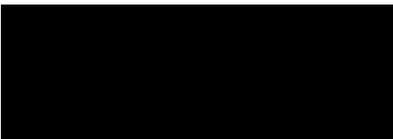
ORDER

WHEREFORE, it is hereby Ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from:

- A. violating or materially aiding in any violation of K.S.A. 17-12a301 by offering or selling any securities as defined by K.S.A. 17-12a-102(28), in the State of Kansas unless those securities are registered in accordance with the provisions of K.S.A. 17-12a301; and
- B. violating or materially aiding in any violation of K.S.A. 17-12a402(a) by unlawfully acting as an agent of an issuer without first being registered as an agent or exempt from registration; and
- C. violating or materially aiding in any violation of K.S.A. 17-12a402(d) by unlawfully employing or associating with an unregistered or non-exempt agent who offers securities on behalf of an issuer.

IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas, this 13th day of May, 2015.



Joshua A. Ney
Kansas Securities Commissioner

NOTICE:

This decision constitutes a final agency action that is subject to judicial review. A Petition for Judicial Review must be filed within 30 days of this Order pursuant to K.S.A. 77-613. The agency officer to receive service of a petition for judicial review on behalf of the Office of the Securities Commissioner is Joshua A. Ney, Securities Commissioner, at 109 SW 9th St., Suite 600, Topeka, KS 66612. A party to this action may also Request for Reconsideration within 15 days of this Order pursuant to K.S.A. 77-529 or a Request to Stay the Order pursuant to K.S.A. 77-528. More information about post-hearing remedies can be found in the Securities Administrative Procedure Manual available at <http://ksc.ks.gov/DocumentCenter/View/274>.

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of May, 2015, a copy of the above Final Order to Cease and Desist was sent via certified and first class mail to the following:

Quantized, Inc.
20501 Ventura Blvd., Ste 244
Woodland Hills, CA

Brandon Skyler


And via email to:

J.P. Rankin
OFFICE OF THE KANSAS
SECURITIES COMMISSIONER
109 SW 9th St., Suite 600
Topeka, KS 66612
Jp.rankin@ksc.ks.gov



Nickie Oathout
Clerk of Administrative Hearings