

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11186 / May 16, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21423

In the Matter of

**GRAYSTONE COMPANY
INC.**

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933, MAKING FINDINGS, AND
IMPOSING A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) against Graystone Company Inc. (“Graystone” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings and Imposing a Cease-and-Desist-Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

Summary

1. This matter involves Graystone's failure to comply with Regulation A, which provides a limited exemption to the registration requirements of the Securities Act for certain public offerings. Specifically, after obtaining qualification to offer shares at a fixed price pursuant to Regulation A, Graystone improperly changed the offering to permit the sale of shares at three different prices and thereafter offered and sold shares in an offering that was not exempt from registration under Regulation A. As a result, Graystone offered and sold securities in violation of Sections 5(a) and 5(c) of the Securities Act.

Respondent

2. Graystone is a Colorado corporation with its principal place of business in Fort Lauderdale, Florida. Its common stock trades on OTC Link whose parent company is OTC Markets Group Inc. Graystone's public filings state that Graystone plans to engage in Bitcoin mining and to develop and market products related to longevity, wellness and fertility.

Facts

3. From February 24, 2021 to approximately May 7, 2022, Graystone offered and sold shares of common stock to investors, selling approximately 29 million shares and raising a total of \$754,500 (the "Offering"). Graystone did not register the Offering with the Commission, but instead sought to rely on the limited exemption from registration found in Regulation A.

4. In connection with the Offering, Graystone filed an offering statement with the Commission on Form 1-A, which the Commission qualified on February 24, 2021, and filed a post-qualification amendment, which the Commission qualified on May 7, 2021. Under the qualified offering statement as amended, Graystone proposed to sell up to 200 million shares of common stock at a fixed price of 3 cents per share.

5. From February 24, 2021 to October 19, 2021, Graystone sold a total of 9.15 million shares to two investors for 3 cents per share, thereby raising \$274,500.

6. On October 19, 2021, Graystone filed an offering circular supplement with the Commission on Form 253G2 (the "October 19, 2021 Supplement"). Unlike Regulation A offering statements and post-qualification amendments, offering circular supplements are not qualified by the Commission.

7. The October 19, 2021 Supplement changed the terms of the Offering to permit Graystone to sell shares at any of three different prices instead of at a fixed price of 3 cents per share. Specifically, it provided for the offer and sale of up to 20 million shares for 2.4 cents per share, up to 160 million shares for 3 cents per share, and up to 20 million shares for 3.6 cents per share. Graystone subsequently sold 20 million shares for 2.4 cents per share in three transactions,

thereby raising \$480,000. Graystone did not revert to a fixed price for the remainder of the offering.

8. Graystone's Offering concerned shares of the same class of common stock that traded on the OTC Markets, and Graystone offered those shares at three different prices from the date of the October 19, 2021 Supplement through the end of the offering. By offering shares at three different prices, Graystone conducted an at the market offering, defined for purposes of Regulation A as an "offering of equity securities into an existing trading market for outstanding shares of the same class at other than a fixed price." Rule 251(d)(3)(ii). At the market offerings are not permitted under Regulation A. Because Graystone failed to comply with Regulation A's requirement that an offering occur at a fixed price, Regulation A did not apply to any sales made in the Offering subsequent to Graystone's filing of the October 19, 2021 Supplement.

Violations

9. Section 5(a) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security unless a registration statement is in effect as to such security. Section 5(c) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy a security unless a registration statement has been filed as to such security.

10. Graystone offered to sell and sold securities without a registration statement filed or in effect and without a valid exemption from registration. As a result of the conduct described above, Graystone violated Sections 5(a) and 5(c) of the Securities Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Graystone's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondent Graystone cease and desist from committing or causing any violations and any future violations of Section 5 of the Securities Act.

B. Respondent shall pay a civil money penalty in the amount of \$25,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: \$6,250 within 14 days of the entry of this Order; an additional \$6,250 within 90 days of the entry of this order; an additional \$6,250 within 180 days of the entry of this order; and the final payment, including all interest, within 270 days of the entry of this order. Payments shall be applied first to post-order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making

the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Graystone as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Katharine Zoladz, Division of Enforcement, Securities and Exchange Commission, Los Angeles Regional Office, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based

on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary