

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

In the Matter of  
Vortex Blockchain Technologies Inc.,  
Respondent

Administrative Proceeding  
File No. 3-20046

**ANSWER TO ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
AND NOTICE OF HEARING  
PURSUANT TO SECTION 12(j) OF  
THE SECURITIES EXCHANGE ACT  
OF 1934**

Pursuant to the Rules of Practice at Title 17 Code of Federal Regulations § 201.220(b) of the Securities and Exchange Commission (the “Commission”), Vortex Blockchain Technologies Inc., a Nevada corporation (“VXBT”; CIK No. 1577882) through its attorneys answers the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 dated September 22, 2020 (and served by priority express mail) (the “Order”) as follows:

**I. RESPONDENT’S STATEMENT OF FACTS**

VXBT was incorporated in the State of Nevada under the name “UA Granite Corporation” on February 14, 2013. VXBT’s Articles of Incorporation initially authorized VXBT to issue up to 75,000,000 shares of common stock, par value \$0.00001 per share. On April 30, 2018, upon approval by VXBT’s Board of Directors and majority stockholders on April 27, 2018, VXBT filed Amended and Restated Articles of Incorporation with the Nevada Secretary of State, with a delayed effective date of May 15, 2018, increasing the number of authorized shares of common stock from 75,000,000 shares to 200,000,000 shares. In connection with the amendment and restatement of the Articles of Incorporation, its Board of Directors and majority stockholders also approved

and adopted the Amended and Restated Bylaws of the Company on April 27, 2018. Effective May 31, 2018, pursuant to VXBT's Amended and Restated Articles of Incorporation and upon completion of processing by the Financial Industry Regulatory Authority, VXBT changed the name of the company from "UA Granite Corporation" to "Vortex Blockchain Technologies Inc." in anticipation of a change of VXBT's business plan and direction. Also effective May 31, 2018, VXBT effected a 15-for-1 forward stock split of all its issued and outstanding common stock, which increased the number of issued and outstanding shares of common stock from 1,400,000 to 21,000,000. In October of 2018, VXBT completed a reverse merger with Vortex Network LLC and is now operating as a cryptocurrency holding company engaged in the business of mining crypto assets.

VXBT filed three Forms 10-Q, for the periods ending December 31, 2019, September 30, 2019, and June 30, 2019, and a Form 10-K for the period ended March 31, 2019, on March 10, 2020, apparently without review by an independent accounting firm or by any legal counsel as management was unaware of the Commission's requirements and had a limited budget.

VXBT received a letter from the Commission dated April 8, 2020, in which the Commission noted that VXBT's financial statements were "unaudited" and did not identify an Independent Registered Public Accounting Firm. VXBT received another letter from the Commission dated June 16, 2020, noting that the comments from the Commission's April 8, 2020, letter were unresolved.

VXBT sent a letter to the Commission dated June 17, 2020, and subsequently filed a filed a Form 8-K, in which it disclosed that it had not previously engaged an independent registered public accounting firm at the time it filed the Forms 10-Q and Form 10-K on March 10, 2020, and that VXBT subsequently was advised by M&K CPAS, PLLC ("M&K"), an independent registered public accounting firm engaged by VXBT, that a restatement of its previously issued financial statements contained in the

Company's Quarterly and Annual Reports on Forms 10-Q and 10-K for the periods ended December 31, 2018 through December 31, 2019, would be required, to correct the presentation and classification of certain depreciable assets and equity, and that required audited year end reports were erroneously filed as unaudited. VXBT further disclosed that it intended to file amendments to the reports covering the periods from December 31, 2018 through December 31, 2019, originally filed with the Commission during the period of March 10-11, 2020, to amend and restate financial statements and other financial information, and that, accordingly, VXBT's previously issued financial statements contained in these reports should no longer be relied upon.

On June 22, 2020, VXBT filed an Amendment No. 1 to the Quarterly Report on Form 10-Q of VXBT for the 3rd quarter ended December 31, 2018, originally filed with the Commission on March 10, 2020, explaining that it was being filed to address a filing error.

VXBT received the Commission's letter dated July 6, 2020, in which the Commission told VXBT that it was terminating its review as a result of VXBT failing to provide a "substantive response." VXBT, through its representatives, then engaged in a dialogue with the Commission regarding VXBT's efforts file further amendments to its previous filings to correct the deficiencies.

VXBT received service of the Order on or about September 23, 2020.

On September 29, 2020, VXBT filed with the Commission Amendment No. 1 on Form 10-K/A to its Annual Report for the period ended March 31, 2019, which was filed with the Commission on March 10, 2020.

This Answer followed.

## **II. RESPONDENT'S ANSWER TO THE ORDER'S ALLEGATIONS IN SECTION II**

**A. VXBT's answers to the allegations contained in Section II.A. of the Order are as follows:**

VXBT admits the allegation that it is an active Nevada corporation located in Des Moines, Iowa, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g).

Whether VXBT is delinquent in its periodic filings is a conclusion of law for which no answer is required. To the extent that a response would be required, VXBT denies the allegations.

VXBT denies the allegation that, as of the date of the Order, it had not filed any periodic reports since it filed a Form 10-Q for the period ended December 31, 2019 because VXBT filed Forms 10-Q and a Form 10-K on March 10, 2020.

VXBT admits the facts contained in the footnote regarding its filing of Forms 10-Q and 10-K that the filings did not contain audited financial statements. Further, as noted in Respondent's Statement of Facts, above, on June 22, 2020, VXBT filed an Amendment No. 1 to the Quarterly Report on Form 10-Q of VXBT for the 3rd quarter ended December 31, 2018, originally filed with the Commission on March 10, 2020, in which it corrected errors contained therein, and, on September 29, 2020, VXBT filed with the Commission Amendment No. 1 on Form 10-K/A to its Annual Report for the period ended March 31, 2019, which was filed with the Commission on March 10, 2020.

VXBT admits that it reported a net loss of \$21,548 for the prior nine months preceding December 31, 2019.

VXBT admits that as of July 28, 2020, the common stock of VXBT was quoted on the OTC Pink Sheets<sup>1</sup> but lacks sufficient knowledge and information to admit or deny that OTC Pink's parent company is OTC Markets Group Inc.

VXBT lacks sufficient knowledge and information to admit or deny that it had five market makers.

Whether VXBT was eligible for the "piggyback" exception of Exchange Act Rule 15c2-11(f)(3) is a conclusion of law for which no answer is required. To the extent that a response would be required, VXBT denies the allegations.

**B. VXBT's answers to the allegations contained in Section II.B. of the Order are as follows:**

The allegations contained in Section II.B. of the Order are legal conclusions to which no answer is required. To the extent that a response would be required, VXBT denies the allegations.

With regard to the allegations that VXBT repeatedly failed to meet its obligations to file timely periodic reports, and failed to heed any delinquency letters sent to it by the Division of Corporation Finance requesting compliance with its period filings, VXBT denies such allegations.

**III. RESPONDENT'S ANSWER TO THE ORDER'S RECOMMENDATIONS IN SECTION III**

VXBT denies that it would be necessary or appropriate for the protection of investors to either suspend the trading or revoke registration of its securities.

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<sup>1</sup> VXBT assumes the reference to "OTC ink" was a typographical error meant to be typed as "OTC Pink".

#### **IV. GENERAL DENIAL**

Each and every allegation contained in the Order not specifically admitted herein is denied.

#### **VI. AFFIRMATIVE DEFENSES**

##### **A. First affirmative defense.**

Continued suspension of trading or revocation of the registration of VXBT's securities is not in the public interest as it would materially devalue VXBT's securities and thus punitive to VXBT's shareholders, including those who had played no part in the issues giving rise to the Order.

##### **B. Second affirmative defense.**

Continued suspension of trading or revocation of the registration of VXBT's securities is unnecessary because VXBT has no prior record of noncompliance with the Commission's regulations and VXBT has taken demonstrable steps to correct the deficiencies in its filings in accordance with the Commission's regulations, including filing amended filings and intends to be compliant in all respects with the Commission's requirements promptly.

#### **VI. CONCLUSION**

Having fully answered, for the foregoing reasons, VXBT requests that:

- (1) trading in its securities be reinstated;
- (2) that the Commission not revoke the registration of its securities;
- (3) that these proceedings be dismissed; and
- (4) all such other relief as the Commission deems just and proper.

RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of October, 2020.

GALLAGHER & KENNEDY P.A.

A handwritten signature in blue ink, appearing to read 'Peter Moolenaar', written over a horizontal line.

Peter Moolenaar

Dominick San Angelo

*Attorneys for Respondent Vortex Blockchain  
Technologies Inc.*