

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-22231

In the Matter of

**ARTELLIGENCE HOLDINGS,
INC. f/k/a TAUTACHROME,
INC.,**

Respondent.

MOTION FOR SUMMARY DISPOSITION

The Division of Enforcement (“Division”), pursuant to the Securities and Exchange Commission (“Commission”) Rules of Practice 154 and 250, moves for an order revoking the registration of each class of securities of Respondent ARtelligence Holdings, Inc. f/k/a Tautachrome, Inc. registered pursuant to Section 12 of the Securities Exchange Act of 1934 (“Exchange Act”).

There is no dispute that a violation has occurred. Respondent’s Answer together with the Commission’s own records show that Respondent had failed to file six periodic reports when the Order Instituting Proceedings (“OIP”) was issued and is now delinquent in filing nine periodic reports. The only remaining issue is the appropriate remedy for Respondent’s violations, a resolution governed by the Commission’s precedent in *Gateway International Holdings, Inc.*, Exchange Act Release No. 53907, 2006 WL 1506286, *8 (May 31, 2006). The facts relevant to the *Gateway* factors are likewise not disputed and demonstrate that, as a matter of law, revocation is required for the protection of investors.

BRIEF IN SUPPORT

I. FACTS

A. Issuer Background.

Respondent (CIK # 1389067) (Ticker symbol: TTCM) is a Delaware corporation located in Atlanta, Georgia with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). *See* Declaration of Sandyha Harris at Ex. 1 (Information from Delaware Secretary of State), Ex. 2 (EDGAR Filing History), and Ex. 3 (Form 8-A Registration Statement). Section 13(a) of the Exchange Act and Rule 13a-1 thereunder require that all issuers file an annual report for each fiscal year. Exchange Act Rule 13a-13 requires that domestic issuers file quarterly reports. 15 U.S.C. §78m(a) and 17 C.F.R. §240.13a-1; 17 C.F.R. §240.13a-13. Because Respondent is incorporated in Delaware, it is a domestic issuer and must file quarterly reports. As of June 16, 2025, unsolicited quotations for Respondent's common stock were quoted on OTC Link. *Id.* at Ex. 7 (OTC Markets Company Profile).

B. Respondent's Delinquencies And Significant Events Occurring During The Delinquencies.

Respondent is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-K for the period ended December 31, 2022. *Id.* at Ex. 2 and Ex. 4 (Delinquency Chart). When the OIP issued, six periodic reports were delinquent; three additional delinquencies have accrued since the OIP issued.

On July 15, 2024, the Division of Corporation Finance issued a delinquency notice informing Respondent that if it did not file all then-delinquent reports within 15 days, it could be subject to a revocation proceeding. *See* Harris Decl. at Ex. 8 (Delinquency Notice). Respondent did not cure its delinquencies and, on October 8, 2024, the Commission issued the OIP. In its December 9, 2024 Answer, Respondent admitted that it was delinquent, which is also established

by the Commission's own records. *See* Answer at 1; Harris Decl. at Ex. 2 and Ex. 4. Although Respondent told the Commission that it was committed to curing its delinquencies, *see* Answer at 3, in the nine months since Respondent filed its Answer, Respondent has not cured any of them.

II. APPLICABLE STANDARDS

Rule of Practice 250(b) provides for summary disposition if there is no genuine issue as to any material fact and the party making the motion is entitled to judgment as a matter of law. *See* 17 C.F.R. § 201.250.

Section 12(j) empowers the Commission, where “necessary and appropriate for the protection of investors” to either suspend (for a period not exceeding twelve months) or permanently revoke a security’s registration “if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder,” including the filing of periodic reports. 15 U.S.C. §78l(j). In making its determination, the Commission considers the five *Gateway* factors, which are: (1) the seriousness of the issuer’s violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer’s efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer’s assurances, if any, against future violations. *Gateway*, 2006 WL 1506286 at *8. Where the issuer’s violations are serious and recurrent, the Commission applies “a strong presumption in favor of revocation” that can only be rebutted by “a strongly compelling showing with respect to the other factors.” *Absolute Potential, Inc. (f/k/a Absolute Waste Services, Inc.)*, Exchange Act Release No. 71866, 2014 WL 1338256 at *6 (April 4, 2014).

III. ARGUMENT

Respondent admits that it is delinquent in its periodic filings, an undisputed fact evidenced from the Commission's own records. At the time the OIP issued, Respondent had failed to file six periodic reports; three additional delinquent reports have accrued since the OIP issued. Therefore, whether a violation occurred is not disputed. The only remaining issue is the appropriate remedy for Respondent's violations. Because the facts relevant to the *Gateway* factors are not disputed, no evidentiary hearing is necessary for a remedy determination. Under Commission precedent, the appropriate remedy is revocation.

A. Respondent's violations of Section 13(a) are serious and recurrent.

1. Respondent's violations are serious.

All violations of Section 13(a)'s reporting requirements are serious because timely and accurate reporting is statutorily required and the reporting requirements are one of the primary statutory tools for protecting the integrity of the securities marketplace. As the Commission has stated:

Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions. Those requirements are "the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities." Proceedings initiated under Exchange Act Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

Gateway, 2006 WL 1506286 at *6 (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)). Here, investors have lacked current and accurate financial information about Respondent since December 2022, a period of over two years.

Respondent's reporting violations were especially serious because they coincided with significant company changes. *See China-Biotics, Inc.*, Exchange Act Release 70800, 2013 WL 5883342, *11 (Nov. 4, 2013) (delinquencies were especially serious where the periods coincided with significant changes to financial results, changes to its business model, turnover in management, and major financial investments); *Citizens Capital Corp.*, Exchange Act Release No. 67313, 2012 WL 2499350, at *3 (Jun. 29, 2012) (reporting violations were especially significant when they "occurred during a period when the [c]ompany admittedly engaged in various and significant changes in its business"). Since the period covered by its last periodic report, Respondent has changed management, increased the membership of its Board of Directors, announced a reverse stock split, announced a contract to acquire over \$500 million worth of intellectual property, and announced the termination of such contract. *See Harris Decl.* at Ex. 5 and Ex. 6; *see also* Answer at 2. Although Respondent disclosed some of these transactions in Forms 8-K, because of its delinquencies, investors have been left without required information as to how these events impacted Respondent's finances. The delinquencies have left investors without critical information during a time when the company is undergoing a significant business transformation.

2. Respondent's violations of Section 13(a) are recurrent.

Respondent's failure to file six periodic reports that were over a two-year period constitutes recurrent violations, which satisfies the second *Gateway* factor. The Commission has held a similar number of violations to be recurrent. *See e.g., Ironclad Encryption Corp.*, Exchange Act Release No. 9426, 2022 WL 488507, *3 (Feb. 15, 2022) (failure to file for "more than year" was recurrent and continuous); *Triton Emission Sols. Inc.*, Exchange Act Release No. 94255, 2022 WL 488504, *3 (Feb. 15, 2022) (same).

B. Respondent has not rebutted the presumption of revocation with a compelling showing on the remaining *Gateway* factors. Indeed, those factors confirm that revocation is required to protect investors.

Because Respondent's violations are serious and recurrent, they give rise to the presumption that revocation is required unless Respondent can make a strongly compelling showing in its favor on the remaining *Gateway* factors. Here, Respondent can make no such showing.

1. Respondent has exhibited a high degree of culpability.

Evidence that a reporting violation was "inadvertent or accidental" establishes a low level of culpability. *See China-Biotics, Inc.*, 2013 WL 5883342 at *10. Evidence that an issuer knew of its reporting obligations but failed to comply with them or persisted in noncompliance after receiving a delinquency notice establishes a high degree of culpability. *Id.* (issuer had a "high degree of culpability" where it "did not file a single periodic report for more than a year and a half" and continued in its delinquencies "despite multiple warnings and the institution of [revocation] proceedings"). Here, Respondent knew it had a reporting obligation, as evidenced by the fact that it filed several reports before the delinquencies giving rise to this proceeding. *See Harris Decl.* at Ex. 2 and Ex. 4. Because Respondent did not cure its delinquencies in the face of the delinquency notice or the OIP, Respondent's violations were committed with a high degree of culpability. Respondent's culpability is aggravated by its failure to file several Form 12b-25s notifying the Commission of its inability to timely file some of the delinquent reports. *Id.* at Ex. 2 and Ex. 4. *See also China-Biotics*, 2013 WL 5883342 at *11 (failure to file Form 12b-5 is an aggravating factor for culpability).

2. Respondent has not made any efforts to remedy its past violations and ensure future compliance.

To make a compelling showing of future compliance, Respondent must demonstrate that it has implemented concrete and effective measures to ameliorate the cause of its filing failures. *See Phlo Corp.*, Exchange Act Release No. 55562, 2007 WL 966943, *16 (Mar. 30, 2007). Respondent asserts that the primary basis for its filing failures is its inability to engage a qualified auditor with experience in AI technologies and valuation, a cause that has not been ameliorated as evidenced by the fact that Respondent's delinquencies have persisted.

3. Respondent has not provided credible assurances as to future compliance.

Respondent's likelihood of future violations can be inferred from a single past violation, including the very violation that led to the enforcement action. *See KPMG Peat Marwick LLP*, Exchange Act Release No. 44050, 2001 SEC LEXIS 422 at *21- 22 (Mar. 8, 2001). An issuer's failure to meet self-imposed deadlines for curing past deficiencies also undermines the credibility of its assurances of future compliance. *Am. Stellar Energy, Inc. (n/k/a Tara Gold)*, Exchange Act Release No. 64897, 2011 WL 2783483, at *4 (July 18, 2011) (assurances of future compliance were not credible were issuer "failed to adhere to the schedules that the company itself set"). Here, Respondent allowed six delinquencies to accrue before the OIP issued. Respondent then told the Commission that it was committed to curing its delinquencies, but, in the nine months since it pledged to become current, has not done so and has committed additional filing failures. Respondent's pledge to become current is not credible.

C. Revocation is necessary and appropriate for investor protection.

The undisputed evidence on all five *Gateway* factors establishes that revocation is necessary and appropriate for the protection of investors. In considering the appropriate remedy, the Commission seeks to protect future investors from trading in securities of an issuer, such as

Respondent, that has failed to provide information required for an informed investment decision. “Revocation is a prospective remedy and is imposed based on [the Commission’s] concern about protecting future investors in the company.” *Citizens Capital Corp.*, 2012 WL 2499350 at *8. Investor protection also takes into account “the broader systemic harm” that follows from registrants who fail to comply with reporting requirements. *Absolute Potential, Inc.*, 2014 WL 1338256 at *7. By imposing a sanction significant enough to deter other issuers from engaging in similar conduct, the Commission protects current and prospective investors of all public filers. *See Advanced Life Sciences Holdings, Inc.*, Exchange Act Release No. 81253, 2017 WL 3214455, *6 (July 28, 2017). The protective purposes served by revocation require that remedy here.

IV. CONCLUSION

For the reasons set forth above, the undisputed facts establish that Respondent has violated the reporting requirements of the Exchange Act and that a sanction of revocation is appropriate and necessary for the protection of investors. Accordingly, the Division requests that the Commission grant the Division’s Motion for Summary Disposition and that the Commission revoke the registrations of each class of Respondent’s securities registered under Section 12 of the Exchange Act.

Dated: June 23, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true copy of the Division of Enforcement's Motion for Summary Disposition, the supporting brief, and the supporting exhibits to be served on June 23, 2025, in the manner indicated below:

By Email Service

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