

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5059 / October 22, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18873

In the Matter of

TODD ELLIOTT HITT,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Todd Elliott Hitt (“Hitt” 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 him and the subject matter of these proceedings and the findings contained in paragraphs III. 2 and 3, below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Hitt served as the managing member of Kiddar AQ LLC a fund that Hitt advised as to the value of securities and as to the advisability of investing in, purchasing, or selling securities, specifically an investment in the securities of Aquicore, Inc. Hitt, age 53, is a resident of Arlington, Virginia.

2. On October 12, 2018, a final judgment was entered by consent against Hitt permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Todd Elliott Hitt, et al., Civil Action Number 1:18-cv-01262, in the United States District Court for the Eastern District of Virginia.

3. The Commission's complaint alleged that, from 2014 to at least September 2018, Hitt, acting individually and through Kiddar Capital and Kiddar Group, raised at least \$20 million from at least 29 investors to invest in (i) an office building along the Washington, DC-area Metro line; (ii) construction projects for new homes in Northern Virginia; and (iii) a start-up technology venture. According to the complaint, however, he commingled investor monies and proceeds from the projects and transferred funds to and from the Relief Defendants, misappropriated investor funds to support his extravagant lifestyle, and made Ponzi-style payments to prior investors. The Commission's complaint also alleged that in connection with the offer and sale, Hitt and Kiddar Capital falsely stated they would provide a general partnership investment of \$6 million and raise an additional \$6 million from co-investors. According to the complaint, in fact, Hitt and Kiddar Capital put none of their own money into the deal. The complaint also alleged that in the spring of 2016, Hitt and Kiddar Capital raised at least \$2 million from at least five investors for interests in Relief Defendant Kiddar AQ LLC a/k/a Kiddar Aquicore ("Kiddar AQ"), an investment fund managed by Hitt that made a venture capital investment in a start-up business. According to the complaint, however, Defendants invested only \$1 million of the funds raised in the business, keeping the remaining \$1 million for themselves.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Hitt be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary