

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10853 / September 25, 2020

SECURITIES EXCHANGE ACT OF 1934
Release No. 89999 / September 25, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-20071

In the Matter of

SOLUTECH, INC. and
NATHAN PITRUZZELLO,

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933 AND SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
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”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against SoluTech, Inc. (“SoluTech”) and Nathan Pitruzzello (“Pitruzzello”) (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (“Offers”) 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V as to Pitruzzello, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. This matter involves the unregistered offer and sale of digital asset securities and fraudulent misrepresentations by SoluTech, a technology start-up company based in New Haven, Connecticut, and Pitruzzello, SoluTech's former Chief Executive Officer ("CEO"), President, and co-founder. From at least April 2018 through March 2019, SoluTech and Pitruzzello continuously offered and sold securities in the form of digital assets called SCRL (later renamed XD) ("SCRL") to fund the development of a blockchain-based platform called the Scroll Network and additional technology products. As part of this process, SoluTech and Pitruzzello conducted an offering of SCRL tokens to investors which included tokens sold as part of an initial coin offering ("ICO"). SoluTech raised approximately \$2.4 million from more than 100 investors, including U.S. residents, through this offering.

2. The SCRL tokens were securities, pursuant to *SEC v. W.J. Howey Co.*, 328 U.S. 293 (1946) and its progeny. A purchaser in the SCRL tokens offering would have had a reasonable expectation of obtaining a future profit based upon SoluTech's and Pitruzzello's efforts, including their development and launch of the Scroll Network and other SoluTech products. SoluTech and Pitruzzello violated Sections 5(a) and 5(c) of the Securities Act by offering and selling these securities without having a registration statement filed or in effect with the Commission or qualifying for an exemption from registration.

3. SoluTech and Pitruzzello also violated the antifraud provisions of the federal securities laws in the course of the company's offering. SoluTech and Pitruzzello recklessly misrepresented to potential investors that SoluTech was generating revenues and had paying clients as well as the capabilities and developmental progress of SoluTech's products. In addition, during an effort in 2019 to sell Series A stock, SoluTech and Pitruzzello recklessly misrepresented to potential investors that other investors had provided term sheets to the company demonstrating their interest in investing in exchange for shares of the company's preferred and capital stock, and circulated those false term sheets to third parties, including potential investors.

Respondents

4. **SoluTech** is a privately owned technology start-up company incorporated in Delaware in 2017 and based in New Haven, Connecticut. It filed an Amended and Restated Certificate of Incorporation in April 2018. Neither SoluTech nor its securities have ever been

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

registered with the Commission in any capacity. SoluTech ceased operations around October 2019 and does not intend to resume operations.

5. **Pitruzzello**, who is 24 years old, is a resident of Connecticut. He was formerly the CEO and President of SoluTech and is the company's largest shareholder. SoluTech terminated Pitruzzello in October 2019. Pitruzzello has never been registered with the Commission in any capacity.

Facts

6. Pitruzzello and several co-founders formed SoluTech in September 2017 while they were students at the University of New Haven. The company sought to address the vulnerabilities associated with storing data on third party servers and the cloud through the use of “data-sharing and blockchain technology development activities.” Its first product, SlideDrive, was intended to be a peer-to-peer file sharing solution that would allow users to send data between devices without the use of a third party server. Another product, the Scroll Network, was intended to be a SoluTech “mainnet”— an immutable blockchain data management solution. When the company ceased operations in October 2019, these products—and others in development by SoluTech—remained incomplete.

Pitruzzello's Role at SoluTech

7. Pitruzzello played an integral role in SoluTech's product development, fundraising efforts, and communications with investors. His role included developing ideas for products, promoting such products, researching the industry, raising money, and communicating with business relationships. He sometimes worked independently, particularly with regard to the development of SoluTech's products, and was frequently the only point of contact between the company and third parties, including advisors, digital asset trading platforms, and investors. Pitruzzello was involved in creating, discussing, and approving content to be posted to the company's website and social media accounts, and he recommended how incoming funds would be recorded in the company's books and records.

8. Pitruzzello was also a key participant in the company's offer and sale of digital asset securities. He was involved in deciding whether an individual was permitted to purchase SCRL tokens, which included responsibility for a purported verification process for accredited investors. He provided token offering content for SoluTech's website and social media accounts and engaged in offering and selling efforts, including holding substantive conversations with potential and actual investors. All of Pitruzzello's conduct described herein was carried out in his capacity as SoluTech's President and CEO.

SCRL Token Purchasers Invested Money So That SoluTech Could Fund Its Business

9. SoluTech and Pitruzzello offered and sold SCRL tokens in exchange for U.S. dollars, Tether, Bitcoin, and Ether. Proceeds from SoluTech's sales of tokens were pooled in the company's

bank account. SoluTech needed to raise funds to staff the company and begin developing its products. Proceeds from the company's token sales were used for staffing, product development, marketing, and operating costs.

**SCRL Token Purchasers Reasonably Expected That They Would Profit
From the Efforts of SoluTech**

10. SoluTech and Pitruzzello offered SCRL tokens, which they intended would eventually be usable with the Scroll Network once built. SoluTech and Pitruzzello also offered SCRL tokens in order to raise capital and build a profitable enterprise. SCRL token purchasers reasonably understood that if SoluTech and Pitruzzello were successful in doing so, their tokens would rise in value.

11. Statements made and actions taken by SoluTech and Pitruzzello led investors reasonably to expect profits. This expectation stemmed in part from SoluTech and Pitruzzello referring to and treating the digital asset like a security. SoluTech and Pitruzzello occasionally referred to the token as a security in internal and external correspondence; stated that the token sale was in compliance with U.S. securities laws; referred to prospective token purchasers as "verified purchasers," "qualified purchasers," "institutional" investors, and "accredited" investors; and filed a Notice of Exempt Offering of Securities (Form D) in connection with the offering. Pitruzzello and SoluTech also took steps to have SCRL traded on digital asset trading platforms. Pitruzzello believed that SCRL was being sold as a security at the time of the 2018 token sales, and a signed version of the company's bylaws were amended to state that "[e]ach digital asset issued is convertible as one share of common stock." A site that offers listing, press release, and other services for ICOs described the SCRL token as one that "will grow in distribution and value with the growth of our client base."

12. Additional statements by Pitruzzello and SoluTech demonstrate that investors' expectation of profits was reasonable. For example, a pitch deck shared with potential investors in February and March 2018 stated that "[t]oken holders get paid for holding through Token appreciation." Prior to the conclusion of the company's ICO, the company posted to social media, "This is your last chance to purchase \$SCRL until listed on an exchange!" An August 2018 update on the company's website, drafted by Pitruzzello, stated, "[w]e are continuing to implement new security protocols everyday to help secure SCRL and to protect its value. As we continue to grow, we will solidify value through a definitive means: The Product."

13. The SCRL token also lacked consumptive use and could not be used in connection with SoluTech's products. The SCRL token was intended eventually to be utilized on the Scroll Network to pay for transaction fees processed in the Scroll Network and to cover payments for Scroll-based subscription fees. SCRL token purchasers, however, were unable to use their tokens on the Scroll Network because the Scroll Network was never operational. By April 2018, when investors first purchased tokens in the ICO, SCRL tokens received by ICO investors could not be used on the Scroll Network. On August 1, 2018, SoluTech posted an update to its website, drafted

by Pitruzzello, that listed ten purported “SCRL Utility Functions Confirmed.” As of that date, however, there were no such functions for the SCRL tokens that purchasers received.

14. SCRL purchasers relied on SoluTech’s efforts to create value and a market for SCRL by developing the Scroll Network and other products using token sale proceeds. Investors were entirely passive, as only SoluTech had the ability to build its Scroll Network and related products.

**SoluTech and Pitruzzello Offered and Sold Securities
Without Registration or an Applicable Exemption**

15. Over the one-year period from April 2018 through March 2019, Pitruzzello and SoluTech continuously offered and sold SCRL tokens. In total, SoluTech sold tokens in exchange for approximately \$2.4 million.

16. A portion of the offering was comprised of sales during what SoluTech referred to as an ICO, which began in April 2018 and continued through early June 2018. SoluTech records reveal that as part of the ICO, more than 100 unique addresses transferred approximately 744 Ether to the company, totaling approximately \$442,000. Approximately 47 million tokens were distributed during the ICO to those addresses at a rate of 50,000 SCRL per 1 Ether. The company employed a bonus structure through which purchasers received an additional quantity of tokens. ICO participants included U.S.-based purchasers.

17. SoluTech and Pitruzzello also sold additional SCRL tokens to U.S. investors outside the ICO process, before, during and after the ICO, as part of its ongoing offering that extended until at least March 2019. Company records reflect that SoluTech raised approximately \$1.4 million through sales to these purchasers. Some sales were conducted pursuant to signed token purchase agreements. SoluTech retained some of these investors’ tokens in wallets to ensure that they would not be traded.

18. SoluTech records reflect that it raised an additional approximately \$500,000 by selling tokens directly to at least one digital asset trading platform in exchange for Ether.

19. SoluTech and Pitruzzello sought to create a market for SCRL tokens by communicating with digital asset trading platforms to have the token traded on such platforms beginning in May 2018. In June 2018, the tokens began trading on online trading platforms.

20. SoluTech and Pitruzzello advertised the token offering on the company’s website and social media platforms in 2018 and engaged in a general solicitation of public interest in the offering during that time. SoluTech and Pitruzzello took no measures to restrict U.S.-based purchasers from accessing information about the token offering.

21. SoluTech and Pitruzzello failed to verify the accreditation status of the vast majority of SCRL token purchasers. SoluTech and Pitruzzello did not take reasonable steps to verify the

accredited status of almost all purchasers in the ICO portion of the offering. No attempt was made to verify whether international investors were accredited, and Pitruzzello and the company also made no attempt to verify whether individuals' reported countries of residence were accurate. In some instances, U.S.-based investors were denied the ability to purchase in the company's "know your customer" ("KYC") process that was part of the ICO, but reapplied listing a different country of residence and were approved. Nor did SoluTech and Pitruzzello verify the accreditation status of all purchasers who purchased SCRL tokens outside the ICO process. Pitruzzello merely assumed such individuals were accredited.

22. On May 21, 2018, SoluTech filed with the Commission a Form D Notice of Exempt Offering of Securities, signed by Pitruzzello, for its "blockchain token," claiming an exemption under Rule 506(c) of Regulation D. The information contained in the Form D was inaccurate in several respects. For example, although the token sales began in at least April 2018, the "date of First Sale" was listed as May 12, 2018, purportedly "the first date that the accredited investor purchased the tokens."

23. SoluTech did not register the offer and sale of SCRL tokens as a securities offering with the Commission, nor did the offer and sale of SCRL tokens satisfy any exemption from registration under the federal securities laws.

**False and Misleading Statements
about SoluTech's Clients and Revenues**

24. Pitruzzello, acting in his capacity as SoluTech's CEO, falsely represented to investors that SoluTech had paying clients and was generating revenues. For example, Pitruzzello sent a profit and loss spreadsheet in February 2019 to an individual, through an intermediary, that purported to show "straight revenues" and included a total of \$1.6 million in income. This individual shortly thereafter invested over \$200,000 in exchange for tokens. Pitruzzello informed another investor, after his initial investment, that the company was working with clients, and this investor later invested at least an additional \$200,000 in the company in exchange for tokens. Pitruzzello wrote in May 2018 emails to potential investors that SoluTech is "currently generating revenues," and that "[w]e are currently generating \$100,000 monthly from our first enterprise client." Pitruzzello also made misrepresentations to existing SCRL token holders about the company's revenues and clients, informing one investor that the company had ten clients and was generating \$50,000 to \$100,000 in revenue a month.

25. At all times during SoluTech's offering, however, SoluTech had no paying clients and no revenues. Company bank records do not reflect incoming transfers from the entities Pitruzzello referred to as clients, and entries attributed to those entities in the company's books and records were actually payments for token purchases. The purported "enterprise client" also denied making payments to or working with SoluTech.

26. Pitruzzello also falsely claimed to a potential investor that the company was generating revenues through the use of a blockchain protocol, sending a profit and loss spreadsheet to this investor in July 2019 that reflected income from supposed “Protocol Usage.”

27. Pitruzzello also had no factual basis to conclude that incoming payments had come from purported clients of the company. Indeed, he referenced the company’s lack of revenues in internal correspondence in March 2019. Moreover, in connection with a large wire transfer into the company’s bank account in April 2018 that Pitruzzello did not recognize, Pitruzzello assumed, without additional investigation, that it came from a purported client of the company and directed the funds be recorded as revenue in the company’s books and records.

28. Pitruzzello knew, or was reckless in not knowing, that his statements regarding clients and revenues were false and misleading. Pitruzzello determined how to record incoming funds in the company’s books and records and recommended to others whether to recognize revenue. SoluTech and Pitruzzello simply classified any funds received outside of a contractual token sale as revenue.

False and Misleading Statements about SoluTech’s Products

29. At the time SoluTech ceased operations in October 2019, all of its products—SlideDrive, the Scroll Network, and others—either remained incomplete or did not exist as conceptualized. The Scroll Network, meaning SoluTech’s own blockchain mainnet, never existed. Instead, the company utilized the Ethereum network.

30. SoluTech and Pitruzzello, however, referred to the Scroll Network mainnet publicly as though it already existed or its completion was imminent. In May 2018, Pitruzzello wrote to a potential investor, “We currently have one enterprise client using our Test Net and intend to fork everything to our Main Net within the coming months.” A June 2018 update posted to SoluTech’s website stated, “Scroll’s MainNet will be released in the coming months.” A June 2018 tweet from SoluTech stated, “Tomorrow we will be integrating our SCRL20 Standard into existing \$SCRL Tokens to prepare for our MainNet launch!!” A September 2018 email from Pitruzzello to a trading platform stated, “The Scroll Network is an Enterprise compatible Blockchain MainNet.” A September 2018 tweet from SoluTech stated, “Check out this live demo of SlideDrive here at [Technology Conference], the first dapp on the Scroll mainnet!” SoluTech’s website also contained references to the Scroll Network as a mainnet. All of these statements were materially false or misleading because the Scroll Network was never operational and was never a mainnet.

31. Pitruzzello also shared factually inaccurate statements regarding the Scroll Network’s functionality and status with the company’s legal counsel for inclusion in a January 2019 memorandum (“Memorandum”) that was sent to digital asset trading platforms. Pitruzzello reviewed the Memorandum before it was shared with third parties and signed a certificate as to its accuracy. The Memorandum stated that “[a]t the time of the Token Sale, the Scroll Network platform was 90 percent completed.” This statement was untrue. According to Pitruzzello, the 90 percent figure was “not an accurate metric.” The Memorandum also stated that the SCRL token was “fully functional”

“at the time of the Token Sale” and that “clients” were “actively” using the Scroll Network’s test net. These statements were materially misleading. According to Pitruzzello, the “token didn’t have much use” at this time, and the tokens ICO purchasers received were unable to be used on the purported Scroll Network test net.

32. Pitruzzello also publicized inaccurate information regarding the capabilities and development of SlideDrive. At a technology conference in September 2018, while the offering was ongoing, Pitruzzello stated during a filmed product demonstration later posted to a video streaming application that, subject to further testing, “this is just a proof of concept of being able to move documents and stuff like that,” and also stated “we can move larger amounts of data.” He also informed a potential investor at this conference that SlideDrive could move 181 gigabytes of data. Pitruzzello’s statements were misleading because, in fact, SlideDrive was then unable to move those quantities of data in a commercially reasonable period of time. Pitruzzello also made misleading statements to investors regarding the state of development of SoluTech’s products.

33. Pitruzzello knew, or was reckless in not knowing, that the foregoing statements regarding the company’s products were materially inaccurate. Because he spearheaded the Scroll Network’s development, Pitruzzello understood that the product “never came to pass.” Additionally, in his role as SoluTech’s CEO, Pitruzzello was aware of the development status of SoluTech’s products and knew that they were not fully operational.

**Misrepresentations of Investors’ Interest in SoluTech
in Series A Solicitations**

34. SoluTech and Pitruzzello also attempted to raise funds through an offering of Series A stock. In the spring of 2019, Pitruzzello shared term sheets with potential investors, purporting to demonstrate specific investors’ interest in investing in SoluTech in exchange for shares of the company’s preferred and capital stock. Pitruzzello’s transmission of these term sheets, which named specific investors, investment amounts, valuation amounts, and the relevant securities, indicated that the named investors were interested in investing in the company. Pitruzzello is listed as the author in several term sheets naming specific investors. Other company personnel also sent term sheets naming specific investors to third parties.

35. In fact, however, the investors named in the term sheets had not demonstrated an interest in investing the amounts specified in the term sheets at the time they were sent to third parties and potential investors. And Pitruzzello knew, or was reckless in not knowing, that the information in the term sheets was false. SoluTech ultimately did not raise any Series A funds.

Violations

36. Section 5(a) of the Securities Act states that “[u]nless a registration statement is in effect as to a security, it shall be unlawful for any person, directly or indirectly, (1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or (2) to carry or

cause to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale.” Section 5(c) of the Securities Act states that “[i]t shall be unlawful for any person, directly or indirectly, to make 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 through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to such security[.]”

37. As a result of the conduct described above, Respondents violated Sections 5(a) and 5(c) of the Securities Act.

38. Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) make it “unlawful for any person, directly or indirectly” “(a) [t]o employ any device, scheme, or artifice to defraud” or “(c) [t]o engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.” Rule 10b-5(b) makes it unlawful for any person “[t]o make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading,” “in connection with the purchase or sale of any security.”

39. Sections 17(a)(1) and (a)(3) of the Securities Act make it “unlawful for any person in the offer or sale of any securities” “to employ any device, scheme, or artifice to defraud” or “to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.” Section 17(a)(2) of the Securities Act makes it “unlawful for any person in the offer or sale of any securities” “to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”

40. As a result of the conduct described above, SoluTech violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Pitruzzello violated Sections 17(a)(1) and 17(a)(3) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Pitruzzello knew or was reckless in not knowing that the statements he made regarding SoluTech were materially false and misleading. Pitruzzello’s scienter may be imputed to SoluTech. *See, e.g., SEC v. China Northeast Petroleum Holdings Ltd.*, 27 F. Supp. 3d 379, 390 (S.D.N.Y. 2014) (imputing CEO’s intent to corporation).

Undertakings

41. Pitruzzello has undertaken to:

- a. Refrain from participating, directly or indirectly, in any offering of any digital asset security, provided, however, that such undertaking shall not prevent Pitruzzello from purchasing or selling digital asset securities for his own personal account.

42. SoluTech has undertaken to:
- a. Take all reasonable steps to issue requests to remove SCRL from any further trading on all digital asset trading platforms where SoluTech is aware SCRL is trading, including any that SoluTech previously contacted to request trading of SCRL, and publish notice of such requests on SoluTech's website and social media channels, in a form not unacceptable to Commission staff, within 10 days of the date of this Order;
 - b. Take all reasonable steps to destroy all SCRL in its custody, possession, or control within 30 days of the date of this Order;
 - c. Take all reasonable steps to publish notice of the Order on SoluTech's website and social media channels, in a form not unacceptable to Commission staff, within 10 days of the date of this Order; and
 - d. Certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondents agree to provide such evidence. The certification and supporting material shall be submitted to Jeffrey Weiss, Assistant Director, Division of Enforcement, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

Disgorgement

43. In determining to accept SoluTech's Offer of Settlement and forego disgorgement, the Commission considered SoluTech's current financial condition, including that the company is insolvent and has ceased its business operations.

SoluTech's Cooperation

44. In determining to accept SoluTech's Offer of Settlement, and not to impose a civil penalty, the Commission considered SoluTech's decision to self-report and its extensive cooperation with the staff's subsequent investigation, including making witnesses available on a voluntary basis.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondents cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Pitruzzello shall comply with the undertaking enumerated in Paragraph 41a above, and SoluTech shall comply with the undertakings enumerated in Paragraphs 42a, 42b, and 42c, and 42d above.

C. Pitruzzello shall pay civil penalties 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:

1. Within sixty (60) days of the entry of this Order, Pitruzzello will pay \$2,500;
2. Within three hundred sixty five (365) days of the entry of this Order, Pitruzzello will pay \$4,500;
3. Within five hundred forty (540) days of the entry of this Order, Pitruzzello will pay \$4,500;
4. Within seven hundred thirty (730) days of the entry of this Order, Pitruzzello will pay \$4,500;
5. Within nine hundred (900) days of the entry of this Order, Pitruzzello will pay \$4,500; and
6. Within one thousand ninety five days (1,095) days of the entry of this Order, Pitruzzello will pay \$4,500.

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, Pitruzzello shall contact the staff of the Commission for the amount due. If Pitruzzello 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.

D. Payment must be made in one of the following ways:

- (1) Pitruzzello may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Pitruzzello 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) Pitruzzello 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 Pitruzzello 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 Anita Bandy, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-6561.

E. 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, Pitruzzello agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Pitruzzello's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Pitruzzello agrees that he 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 Pitruzzello 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.

F. SoluTech acknowledges that the Commission is not imposing a civil penalty based upon its cooperation in a Commission investigation. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that SoluTech knowingly provided materially false or misleading information or materials to the Commission, or in a related proceeding, the Division may, at its sole discretion and with prior notice to SoluTech, petition the Commission to reopen this matter and seek an order directing that the SoluTech pay a civil money penalty. SoluTech may contest by way of defense in any resulting administrative proceeding whether they knowingly provided materially false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Pitruzzello, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Pitruzzello under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Pitruzzello of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary