

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE:)	
EDUCATOR OF TRUTH, AND HIS OR HER)	
SUCCESSORS, A CORPORATION SOLE, DBA)	
EDUCATIONAL EMPOWERMENT CORP.)	
AND)	DOCKET NO. 23-001-S
MARK LAURENCE DONALD EMERSON)	

STIPULATION AND CONSENT ORDER

WHEREAS, the Vermont Department of Financial Regulation (the “Department”) asserts that Educator of Truth, and His or Her Successors, a corporation sole, d/b/a Educational Empowerment Corp., and Mark Laurence Donald Emerson (collectively, the “Respondents”), have violated the securities laws as set forth below; and

WHEREAS, Respondents and the Department wish to resolve these alleged violations without further administrative proceedings or litigation;

NOW, THEREFORE, Respondents and the Department stipulate and agree to the terms and conditions in this Stipulation and Consent Order.

FINDINGS OF FACTS

1. Educator of Truth, and His or Her Successors, a corporation sole, is a Nevada corporation sole doing business as Educational Empowerment Corporation (“EEC”). EEC’s principal place of business is Austin, Texas.
2. Mark Laurence Donald Emerson is the CEO and co-founder, with his son Jonathan Emerson, of EEC.

3. Respondents conduct their business on the internet, through a website accessible to the general public at: <http://www.algebravictory.org/invest/> (the “Algebra Victory Website”).
4. Respondents are offering securities in an investment vehicle they call Algebra Victory Sacred Investment, via a prospectus that can be accessed online at: <https://algebravictory.org/invest> (the “Prospectus”). The stated purpose of the offering is to fund production and marketing of an online algebra course for home-schooled students called “Algebra Victory.”
5. Prior to March 29, 2023, Respondents claimed that the Algebra Victory securities were offered in Vermont pursuant to the non-profit exemption found at 9 V.S.A. § 5201(7), however, neither the offering nor a request for exemption has been filed with the Department.
6. On March 14, 2023, the Commissioner of Financial Regulation filed an *ex parte* order to cease and desist alleging that Respondents were offering and selling unregistered securities via the Algebra Victory Prospectus.
7. As of March 29, 2023, Respondents complied with the Department’s *ex parte* order to cease and desist offering securities in Vermont by prohibiting the offer or sale of securities to Vermont residents.
8. No Vermont investor has invested in the Algebra Victory offering.
9. The Algebra Victory offering is neither registered in Vermont nor has the Department granted EEC permission for the sale of its securities in Vermont.

10. Respondents did not file or cause to be filed a registration statement with the SEC in connection with the offer and sale of Algebra Victory investments.

DESCRIPTIONS OF VIOLATIONS

11. The Commissioner of Financial Regulation is responsible for administering and enforcing the securities laws of the State of Vermont and is authorized to investigate securities activities to determine compliance with Vermont law and to issue orders imposing administrative penalties, remedial actions, and discipline of a registrant pursuant to 9 V.S.A. §§ 5412 and 5601-14.
12. Pursuant to 9 V.S.A. § 5301, “[i]t is unlawful for a person to offer or sell a security in this State unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under sections 5201 through 5203 of this chapter; or (3) the security is registered under this chapter.”
13. Pursuant to 9 V.S.A. § 5102(28), the term “security” includes notes, investment contracts, evidence of indebtedness, and related types of participation in profit-sharing agreements. Section 5102(28)(D) specifies that the Securities Act’s definition of security includes “an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a ‘common enterprise’ means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.” *Id.* (codifying the definition set forth in *SEC v. W.J. Howey Co.*, 328 U.S. 293 (1946), commonly referred to as the “*Howey test*”).

14. The Algebra Victory investment products offered by Respondents are securities within the meaning of 9 V.S.A. § 5102(28).
15. The Algebra Victory investment products were neither federal covered securities nor registered with the Department nor exempted from registration when Respondents offered or sold them to Vermont investors.
16. Accordingly, Respondents were, prior to their compliance with the *ex parte* cease and desist order, in violation of 9 V.S.A. § 5301.

CONSENT ORDER

17. Respondents have implemented the following corrective actions: Respondents have updated the Algebra Victory Website, the Prospectus, and the online investment form to exclude the offer or sale of the Algebra Victory investment product to Vermont residents.
18. Respondents agree that they will not resume offering or selling the Algebra Victory investment product to Vermont residents unless and until:
 - A. any such offer or sale is properly registered under the Vermont Securities Act; or
 - B. Respondents apply for and receive the non-profit exemption from the Department at least thirty days prior to any solicitation, as required by V.S.R. § 5-4.
19. Respondents agree that the Algebra Victory Website, the Prospectus, and the online investment form will continue to prohibit the offer or sale of the Algebra Victory Product to Vermont residents unless and until:
 - A. any such offer or sale is properly registered under the Vermont Securities Act; or

B. Respondents apply for and receive the non-profit exemption from the Department at least thirty days prior to any solicitation, as required by V.S.R. § 5-4.

20. Respondents agree that they will not sell securities of any kind to Vermont residents without prior approval from the Vermont Department of Financial Regulation to ensure compliance with 9 V.S.A. § 5301.
21. Respondents acknowledge and admit the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.
22. With respect to the facts and violations identified herein, Respondents waive their right to a hearing before the Commissioner or the Commissioner's designee and waive their right to all other administrative or judicial review otherwise available under Vermont law, including the rules of the Vermont Department of Financial Regulation and the provisions of 3 V.S.A., Chapter 25.
23. Respondents, while disagreeing with the Department's legal conclusions, acknowledge that the Findings of Fact are accurate and complete to the best of their knowledge.
24. This Stipulation and Consent Order is entered into solely for the purpose of resolving the violations identified herein, and it is not intended for any other purpose.
25. Respondents understand all terms and conditions in this Stipulation and Consent Order, consent to the entry of this Stipulation and Consent Order, and acknowledge that their consent is given freely and voluntarily and that, except as set forth herein, no promise was made to induce Respondents' consent.
26. Noncompliance with any of the terms and conditions in this Stipulation and Consent Order shall be a violation of a lawful order of the Commissioner and a violation of the

laws of the State of Vermont and may result in additional administrative action and the imposition of injunctive relief, sanctions, and additional penalties pursuant to applicable provisions of Title 8 and 9 of the Vermont Statutes Annotated.

27. Nothing herein shall be construed as limiting the Commissioner's ability to investigate Respondents for violations not resolved herein or to respond to and address any consumer complaints made with regard to Respondents.
28. Nothing herein shall be construed as having relieved, modified, or in any manner affected Respondents' ongoing obligation to comply with all federal, state, or local statutes, rules, and regulations applicable to Respondents.
29. Nothing herein shall be construed as limiting any private right of action a person may have.
30. This Stipulation and Consent Order shall be governed by and construed under the laws of the State of Vermont.

SIGNATURES

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated and agreed to. I certify under the pains and penalties of perjury that I have taken all necessary steps to obtain the authority to bind Respondents to this Stipulation and Consent Order and that I have been duly authorized to enter into this Stipulation and Consent Order on behalf of Respondents.

By: Mark Laurence Donald Emerson
Mark Laurence Donald Emerson

Date: May 5, 2023

In his capacity as an Individual Respondent and as Pro Se Representative of Respondent EEC

The terms and conditions set forth in this Stipulation and Consent Order are hereby stipulated, agreed to, and ordered.

DEPARTMENT OF FINANCIAL REGULATION

By: Kevin J. Gaffney
Kevin J. Gaffney
Commissioner of Financial Regulation
Vermont Department of Financial Regulation

Date: May 5, 2023