

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
NuID, INC.) **ADMINISTRATIVE**
WILLIAM LOCKE BROWN) **ORDER NO. CD-2025-0016**
)
RESPONDENTS)

CEASE AND DESIST ORDER

The Alabama Securities Commission (“Commission”), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act (“Act”), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. **WILLIAM LOCKE BROWN (“BROWN”)** is an individual who at all relevant times resided in Birmingham, Alabama.
2. **NuID, INC. (“NuID”)** is a corporation organized in Delaware on April 19, 2017, and registered in Alabama on January 1, 2021. **NuID**’s principal place of business was Seattle, Washington. **BROWN** is the Chief Executive Officer of **NuID**.

STATEMENT OF FACTS

3. The Commission was notified of an Alabama investor who invested \$200,000 into **NuID**, a company which offered Series (1, 2, 3) Seed Preferred Stock (“Seed-1 stock” and “Seed-2 stock”). In July 2017 the investor purchased \$50,000 worth of Seed-2 stock at \$2.48 per share; in December 2018 the investor purchased \$150,000 worth of Seed-1 stock at \$3.10 per share. The investor claimed they received neither updated financial documentation from **NuID** (despite numerous requests for this information) nor any return on investment.

4. The Commission opened an investigation, which determined that at least twenty-four (24) Alabama residents invested approximately \$1,290,000 into **NuID** from April 2017 through September 2022.

5. **NuID** was a security company that developed authentication technology. **NuID** purportedly utilized blockchain technology to secure and distribute personal information for authentication purposes in an effort to eliminate the need for stored passwords.

6. In approximately April 2021, **NuID** reported to investors that it changed its product focus to a cryptocurrency/NFT-non-fungible token (“NFT”), with a tentative launch date of May 2022. **BROWN** represented directly and indirectly to investors that their funds would be used for the NFT instead of the original authentication product, while failing to disclose that in fact **BROWN** was utilizing some investor funds for his personal expenses.

7. Alabama investors were unaware of any issues with their investment until their failed attempts to receive requested financial documentation and tax information from **NuID** and/or **BROWN**.

8. A review of files of the Registration Division of the Alabama Securities Commission was conducted on Friday, February 24, 2023, disclosing no record of registration for **BROWN** or **NuID** as a broker dealer agent, investment adviser, or investment adviser representative in the State of Alabama.

9. The review also disclosed that on January 15, 2019, **NuID** notified the Commission that **NuID** would be offering securities pursuant to a claimed exemption from registration pursuant to Rule 506(b) of Regulation D, 17 C.F.R. § 230.506(b). However, **BROWN**, individually and as a representative of **NuID**, had been soliciting investments from Alabama residents beginning in 2017 without providing the required notice to the Commission.

CONCLUSIONS OF LAW

10. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of “security” includes, in part, “stock.” The shares of **NuID** Series-1 and Series-2 stock offered to Alabama residents are securities as defined by the Act.

11. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of an “issuer” includes every person who proposes to issue or has issued any security. **NuID**, by issuing shares of its Series-1 and Series-2 stock, is an issuer as defined by the Act.

12. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in Alabama as an agent for securities unless that person is registered under the Act. **BROWN**, by offering and selling shares of the **NuID** Series-1 and Series-2 stock, acted as an agent in Alabama without having been registered with the Commission, in violation of the Act.

13. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. **NuID** and **BROWN** offered and sold shares of **NuID** Series-1 and Series-2 stock, which were neither registered nor subject to a perfected exemption from registration, in violation of the Act.

14. Pursuant to Section 8-6-17(a)(2), Code of Alabama 1975, it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to 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 the light of the circumstances in which they were made, not misleading. **BROWN** represented to investors that their funds would be used for an NFT instead of the original authentication product, while failing to disclose that **BROWN** was utilizing some investor funds for his personal expenses, in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, *inter alia*, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violations described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities-related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 14 day of May, 2025.

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BY: *Amanda*
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Director