

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,

CONSENT ORDER TO CEASE AND
DESIST

MARK ALAN HOPE,

Respondents.

DFI Case No. S-233622 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. MARK ALAN HOPE (“Hope”) is an adult male with a last known address of 4114 Mandan Cres, Madison, WI 53711. At all times material, Hope was the founder, President and Chief Executive Officer of Pegasus Sustainability Solutions, Inc. (“Pegasus”), a Delaware corporation which connected individuals or businesses in need of waste disposal and remediation services with vendors who ultimately provided these services.

Conduct

2. At no time has Hope ever been registered with the Division in any capacity.
3. Between approximately December 2013 through approximately October 2014, Hope offered and sold shares of Series B Preferred Stock in Pegasus totaling approximately \$1,020,000.00 to at least 13 investors. In exchange for the investors’ investment funds, investors received from Hope and Pegasus documents, including but not limited to: a Stock Purchase Agreement and an Investors’ Rights Agreement.

4. Between approximately February 2015 through approximately December 2015, Hope offered and sold shares of Series C Preferred Stock in Pegasus totaling approximately \$1,398,438.00 to at least 18 investors. In exchange for the investors' investment funds, investors received from Hope and Pegasus documents, including but not limited to: a Confidential Private Offering Term Sheet, a Subscription Agreement, and an investor suitability questionnaire.
5. Between approximately March 2016 to approximately May 2016, Hope offered and sold shares of Series D Preferred Stock and warrants in Pegasus totaling approximately \$2,800,060.19 to at least 2 investors. In exchange for the investors' investment funds, investors received from Hope and Pegasus documents, including but not limited to: a Stock Purchase Agreement.
6. On September 15, 1995, Hope voluntarily filed for bankruptcy in the U.S. Bankruptcy Court for the Northern District of Texas (Dallas).
7. Hope and Pegasus falsely represented to investors in the Series B and D Stock Purchase Agreements that "To the Company's knowledge, none of the Key Employees or directors of the Company has been (a) subject to voluntary or involuntary petition under the federal bankruptcy laws or any state insolvency law or the appointment of a receiver, fiscal agent or similar officer by a court for his business or property." Hope had in fact been subject to voluntary petition under the federal bankruptcy laws in 1995.
8. Hope's wife, Jolie D. Hope, Vice President and Managing Director of The Pegasus Group, Inc., an Illinois Corporation, entered into a Fee Agreement for Contingency Search with Hope and Pegasus on or about January 1, 2014. Subsequently, Jolie D. Hope, Managing Director of "Asymmetric" a/k/a Asymmetric Applications Group Inc., a Wisconsin Corporation, entered into a Fee Agreement for Contingency Search with Pegasus on or about March 1, 2016.
9. Hope and Pegasus falsely represented to investors in the Series B and D Stock Purchase Agreements that "None of the Company's directors, officers or employees, or any members of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to the Company or have any (ii) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship..." In fact, Jolie D. Hope and her Companies were consultants of Pegasus, and received compensation from Pegasus.
10. Hope and Pegasus falsely represented to investors in the Series C Confidential Private Offering Term Sheet the following:
 - a. "We are not currently subject to any pending legal proceedings, nor to our knowledge, any threatened legal proceedings."

11. Hope and Pegasus falsely represented to investors in the Series D Stock Purchase Agreement the following:
- a. Litigation. Except as set forth in Subsection 2.7 of the Disclosure Schedule, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened (i) against the Company or any officer, director or Key Employee of the Company arising out of their employment or board relationship with the Company, (ii) to the Company's knowledge, that questions the validity of the Transaction Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Agreements; or (iii) to the Company's knowledge, that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
12. Contrary to the representations set forth in Series C Confidential Private Offering Term Sheet and Series D Preferred Stock Purchase Agreement and its schedules set forth above, Hope failed to disclose all pending and threatened litigation, and all claims, actions, suits, proceedings, arbitrations, complaints, charges or investigations that would reasonably be expected to have either individually or in the aggregate a material adverse effect. See Exhibit 1.

B. Conclusions of Law

Legal Authority and Jurisdiction

33. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
34. Pegasus Sustainability Solutions, Inc. is an "issuer" as defined under Wis. Stat. § 551.102(17).
35. The Pegasus Series B, C and D preferred stock and warrants are securities as defined by Wis. Stat. § 551.102(28).
36. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to make an 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.

Violations

37. Through the conduct described above, Mark Hope, in connection with the offer and sale of securities to investors, directly and indirectly, made untrue statements of

material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Wis. Stat. § 551.501(2).

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following order and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- a) IT IS ORDERED that for a period of one year from the date of issuance of this Order, Respondent MARK HOPE, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of MARK HOPE, shall cease and desist from making or causing to be made any offers or sales of securities in or from Wisconsin.
- b) IT IS FURTHER ORDERED that Respondent MARK HOPE, his successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of MARK HOPE, are prohibited from violating Wis. Stat. § 551.501 or successor statute.
- c) IT IS FURTHER ORDERED that Respondent MARK HOPE, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of MARK HOPE, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by MARK HOPE.
- d) IT IS FURTHER ORDERED that Respondent MARK HOPE, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of MARK HOPE, shall provide a copy of this Consent Order to any prospective Wisconsin investors.
- e) PLEASE TAKE NOTICE that the orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

- f) IT IS FURTHER ORDERED that this Order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to DFI-Sec. 8.06, Wis. Admin. Code. This order shall also be served upon the office of the Administrator pursuant to Wis. Stat. § 551.611.

- g) PLEASE TAKE NOTICE that if service is by certified mail, then the date of service of this Order is the date it is placed in the mail. If the order is personally served then the date of service is the date personal service is completed.
- h) PLEASE TAKE NOTICE that any willful violation of an order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

C. Notifications

- i) PLEASE TAKE NOTICE that this Order consented to by Respondent restricts Respondent from transacting securities business in the State of Wisconsin pursuant to the terms of the orders issued pursuant to Wis. Stat. § 551.604(2).
- j) PLEASE TAKE FURTHER NOTICE that this Order is effective on the date it is issued. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, and effective on this 25th day of August, 2020.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
North Tower, 4th Floor
Madison, Wisconsin 53705

EXHIBIT 1

Case Name
Cycle Chem, Inc. v. Pegasus Sustainability Solutions, Inc.; Superior Court of New Jersey Case No. DC-002713-16
Safety Kleen Systems, Inc. v. Pegasus Sustainability Solutions, Inc.; State of Massachusetts, Wrentham District Court Case No. 1657CV080
Park Bank v. Pegasus Sustainability Solutions, Inc. et al al; State of Wisconsin, Dane County Case No. 2015CV003032
Pegasus Sustainability Solutions, Inc. v. Global Merchants Cash, Inc.; New York State Supreme Court, Civil Branch Case No. 600015-2015
Office Pro Inc. v. Pegasus Sustainability Solutions, Inc.; State of Wisconsin, Rock County Case No. 2016CV000080
BLT Contracting, LLC v. Pegasus Sustainability Solutions, Inc.; State of Pennsylvania, Court of Common Pleas of Allegheny County Case No. AR 16- 000723
Environmental Management, Inc. v. Pegasus Sustainability Solutions, Inc.; United States District Court for the Western District of Oklahoma Case No. CIV-16-234-W
Garner Environmental Services, Inc. v. Pegasus Sustainability Solutions, Inc.; State of Texas, Harris County Case No. CV8100049064
Pegasus Sustainability Solutions, Inc. v. IBIS Capital Group, LLC; State of New York, Rockland County Supreme Court, Civil Division Case No. 034607/2015

Yellowstone Capital, LLC v. Pegasus Sustainability Solutions, Inc.; State of New York,
Westchester County Supreme Court, Civil Division Case No. 068827/2015

Knight Capital Funding II, LLC v. Pegasus Sustainability Solutions, Inc.; State of Florida,
Miami-Dade County Case No. 2015-027221-CA-01

Pegasus Sustainability Solutions, Inc. v. Yellowstone Capital, LLC; New York State
Supreme Court Case No. 600017- 2015

Pegasus Sustainability Solutions, Inc. v. NH Environmental, Inc.; State of Wisconsin,
Dane County Case No.
2014SC007308

Pegasus Sustainability Solutions, Inc. v. Northwestern, Inc.; State of California, Los
Angeles County Superior Court Case No. 16NO3996

Pegasus Sustainability Solutions, Inc. v. Standley Beyer and Moern Teck; State of Illinois,
Jo Davies County Circuit Court Case No. 1650190

Pegasus Sustainability Solutions, Inc. v. Bair Island Mini Storage; State of California, San
Mateo County Superior Court Case No. 16CLJ02881

Pegasus Sustainability Solutions, Inc. v. Del Mar Solutions; State of Florida, Orange
County Case No. 2016-C4-00- 3958-0

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,

WAIVER AND CONSENT
TO ORDER

MARK ALAN HOPE,

Respondent.

DFI Case No. S-233622 (EX)

The undersigned Respondent, MARK ALAN HOPE, individually, having decided not to contest the issuance of the attached Consent Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Consent Order. Respondent reserves all defenses for any proceedings not covered by the attached Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, and other conditions as described in the attached Consent Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Consent Order. However, if Respondent fails to comply with any term or condition of the Consent Order, the Division reserves all rights under applicable law to enforce the Consent Order.

The undersigned Respondent understands and agrees that the attached Consent Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin except as allowed and described by the terms of the Consent Order.

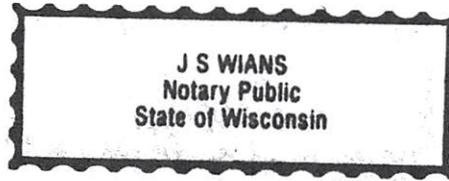
The undersigned Respondent understands the Consent Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

Mark Alan Hope
MARK ALAN HOPE

State of Wisconsin)
County of Dane)
Subscribed before me this
25 day of August, 2020.

J S Wians
Notary Public

My commission is permanent/expires May 1 2024





State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Kathy Blumenfeld, Secretary

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

- 1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Mark Alan Hope at his last known address of 4114 Mandan Cres, Madison, WI 53711:
i. A copy of the Consent Order to Cease and Desist, Exhibit 1, and Waiver and Consent to Order, DFI Case No. S-233622 (EX); and
ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

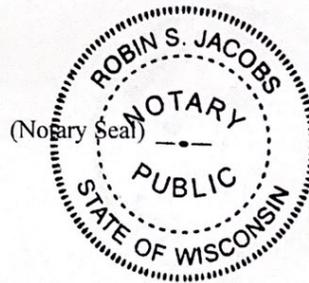
Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 27th day of August, 2020.

Roni Green
Notary Public, State of Wisconsin
My commission is permanent.





State of Wisconsin

Department of Financial Institutions

Tony Evers, Governor

Kathy Blumenfeld, Secretary

AFFIDAVIT OF SERVICE AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)) ss. COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

- 1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities. 2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent Mark Alan Hope's counsel Attorney Ted Waskowski at his last known business address of P.O. Box 1784, Madison, WI 53701-1784: i. A copy of the Consent Order to Cease and Desist, Exhibit I, and Waiver and Consent to Order, DFI Case No. S-233622 (EX); and ii. A copy of this Affidavit of Service. 3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi KATHERINE CLEMENTI

State of Wisconsin Department of Financial Institutions Division of Securities

Subscribed and sworn to before me

This 27th day of August, 2020.

Robin Jacobs Notary Public, State of Wisconsin My commission is permanent.

(Notary Seal)

