

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF
HYDROGREEN INC.

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CONSENT ORDER

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

HYDROGREEN INC. ("HYDROGREEN") whose address of record is 25758 472nd Ave, Renner, SD 57055, is a corporation based in the state of South Dakota

HYDROGREEN is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation into their Securities related activities in South Dakota;

The Division has alleged the following:

- 1) HYDROGREEN filed their Form D and Notice of Exemption with the Division on January 29, 2018;
- 2) In reviewing the filings and related documents, it was discovered that HYDROGREEN sold and solicited securities in South Dakota prior to HYDROGREEN filing for a From D and Notice of Exemption, in violation of SDCL § 47-31B-301 and ARSD 20:08:07:03.02;
- 3) The above-cited conduct may be grounds for the denial, suspension, and revocation of HYDROGREEN's registration and the issuance of a monetary penalty of up to \$10,000 per violation, pursuant to SDCL §§ 47-31B-306 and 47-31B-604;

HYDROGREEN is aware of and understand the nature of the charges and have been informed that they have the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order, agree to the waiver of these rights;

By the execution of this Consent Order and the payment of a penalty pursuant to this Consent Order, HYDROGREEN neither admits to nor denies any violations of the laws of the State of South Dakota;

In return for HYDROGREEN agreeing to the provisions of this Consent Order, the Division agrees not to proceed to a formal hearing and agrees that this Consent Order will constitute an informal disposition of this matter pursuant to SDCL § 1-26-20;

HYDROGREEN agrees to a monetary penalty in the amount of \$4,000 pursuant to SDCL § 47-31B-604, in lieu of contesting this matter formally; and

HYDROGREEN agrees to give all investors who are residents of South Dakota who purchased shares in HYDROGREEN before the company filed its form D with the state of South Dakota, the option to rescind any and all funds invested in the company;

HYDROGREEN further agree to conduct themselves in accordance with the securities laws and regulations of the State of South Dakota; and

HYDROGREEN further agree that this Consent Order may be considered for the purpose of determining an appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that HYDROGREEN will pay a monetary penalty in the amount of \$4,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that HYDROGREEN will abide by the agreements made by them in this Consent Order; and it is further

ORDERED that this consent order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of SDCL 47-31B; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

Dated at Pierre, South Dakota this 17th day of August, 2018.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of HYDROGREEN, represents that they understand the terms of this Consent Order and the waiver of their due process rights and voluntarily enter into this Consent Order.

Dated this 30 day of JULY, 2018.



Signature of Authorized Representative

DEHL GROHS
Printed Name

CEO
Title