STATE OF NEVADA OFFICE OF THE SECRETARY OF STATE SECURITIES DIVISION

555 EAST WASHINGTON AVE., SUITE 5200 LAS VEGAS, NEVADA 89101

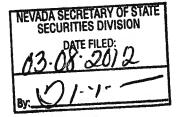
In the Matter of:

BLUE LOTUS INTERNATIONAL, INC., A NEVADA CORPORATION, AND KEVIN KRAUSS; et. al.,

Respondents

ADMINISTRATIVE CONSENT ORDER LIFTING THE SUMMARY ORDER TO CEASE AND DESIST AGAINST KEVIN KRAUSS

File No. <u>I 08-114</u>



TO: Kevin Krauss
350 Harbor Cove Drive, Unit 101
Sparks, NV 89434

WHEREAS, the Administrator of the Securities Division of the Office of the Secretary of State (hereinafter "the Administrator) previously issued a Summary Order to Cease and Desist identifying various Respondents, including KEVIN KRAUSS;

WHEREAS, the Division continued to investigate the subject matter identified in the Summary Order to Cease and Desist;

WHEREAS, KEVIN KRAUSS has cooperated with the Division's investigation by responding to inquiries, and providing documentary evidence;

WHEREAS, KEVIN KRAUSS and the Division have entered into an agreement to resolve the aforementioned investigation and the Summary Order to Cease and Desist dated December 4, 2009, regarding KEVIN KRAUSS only, on the terms specified in this Administrative Consent Order (hereinafter

-1-

1

3

5

6

7 8

9

10

11

12 13

14

15 16

17

18

19 20

21

2223

24

2526

27

28

"Order");

WHEREAS, KEVIN KRAUSS elects to permanently and expressly waive any right to a hearing and appeal under the Nevada Uniform Securities Act (NRS 90.211 et. seq.) and/or seek judicial review under the Nevada Administrative procedures Act with respect to the subject matter of this Order, and this Order; and

WHEREAS, solely for the purpose of terminating the Division's investigation regarding KEVIN KRAUSS and in settlement of the issues contained in the Summary Order to Cease and Desist, and the issues contained in this Order, KEVIN KRAUSS consents to the entry of this Order.

NOW THEREFORE, THE Administrator of the Division, pursuant to the Nevada Uniform Securities Act, hereby enters this Order:

I

FINDINGS OF FACT

- 1. On or about December 4, 2009, the Administrator issued a Summary Order to Cease and Desist ("Summary Order") pursuant to the Nevada Uniform Securities Act, specifically pursuant to NRS 90.310, 90.460, 90.630, and 90.820. The Division ordered, inter alia, that the Respondents identified in that Summary Order, including KEVIN KRAUSS, to Cease and Desist from offering securities until they were registered and the sellers of the same were licensed. The Summary Order also required that the Respondents Cease and Desist from violating NRS 90.570.
- 2. The Division sent Notice of the Summary Order to Cease and Desist to Mr. Krauss, via Certified Mail, regarding his right to request a hearing on the matters set forth in the Summary Order within forty-five (45) days of the receipt of said Notice. The Notice was returned and marked "refused" and Mr. Krauss did not request a hearing within the forty-five day period.
- 3. Subsequent to the filing of the Summary Order, KEVIN KRAUSS has cooperated with the Division in its investigation; and through his testimony, and through other credible evidence, the Division makes the following findings:
 - a. During relevant time periods, Blue Lotus International Inc. continued to list KEVIN KRAUSS as an officer of the corporation, including with the Nevada Secretary of State,

after KEVIN KRAUSS insisted he be removed as an officer;

- b. KEVIN KRAUSS did not personally speak to nor make representations to the complainant when the complainant was solicited to invest in the Blue Lotus International, Inc. investment.; and
- c. A subsequent analysis of certain bank records supports KEVIN KRAUSS' position that he did not personally receive any of the complainant's investment money.

II

CONCLUSIONS OF LAW

- 4. The Division has jurisdiction over this matter pursuant to the Nevada Uniform Securities Act.
- 5. The Division finds the following relief appropriate and in the public interest.

Ш

<u>ORDER</u>

On the Basis of the Statement of Facts, Conclusions of Law, and Respondent's consent to the entry of this Order,

IT IS HEREBY ORDERED:

That the Summary Order to Cease and Desist issued on or about December 4, 2009 in the above identified matter is hereby lifted against KEVIN KRAUSS, Nunc Pro Tunc, and only KEVIN KRAUSS, and KEVIN KRAUSS is not subjected to the burdens imposed therein.

This Administrative Consent Order is limited in scope to the narrow confines of the Summary Order.

This Administrative Consent Order shall not be considered nor construed as granting permission to allow KEVIN KRAUSS to violate any law set forth in the Summary Order; and, this Administrative Consent Order shall not be considered nor be construed to amend, alter nor modify the Summary Order to Cease and Desist against any other Respondent.

///

27 ||/

-117

| | ı | |
|----|---|----|
| 1 | | |
| 2 | | t. |
| 3 | | S |
| 4 | |] |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | _ |
| 13 | | (|
| 14 | | n |
| 15 | | |
| 16 | | S |
| 17 | | Γ |
| 18 | | |
| 19 | | |
| 20 | | İI |
| 21 | | C |
| 22 | | |
| 23 | | (|

24

25

26

27

28

> BY ORDER OF THE ADMINISTRATOR SECURITIES DIVISION OFFICE OF THE SECRETARY OF STATE

DIANA J. FOLEY Administrator

CONSENT TO ENTRY OF ADMINISTRATIVE CONSENT ORDER

KEVIN KRAUSS hereby acknowledges that he has been served with a copy of this Administrative Consent Order ("Order"), has read the foregoing Order, is aware of his rights to a hearing and appeal in this matter, and has waived the same.

KEVIN KRAUSS admits the jurisdiction of the Securities Division of the Office of the Secretary of State, State of Nevada ("the Division") and consents to entry of this Order by the Administrator of the Division as settlement of the issues contained in this Order.

KEVIN KRAUSS states that no promise of any kind or nature, other than the consideration set forth in the Order, was made to them to induce them to enter into this Order and that they have entered into this Order voluntarily.

DATED this 5 day of March, 2012.

KEVIN KRAUSS

Subscribed and sworn to before me
On this 151 Adaylof MRGA 2012.

Notary Public, in and for the County of State of News

MARISSA HALEY
Notary Public-State of Nevada
APPT. NO. 05-97462-2
My App. Expires March 28, 2014