

Operation Cryptosweep

 nasaa.org/regulatory-activity/enforcement-legal-activity/operation-cryptosweep

In April 2018, NASAA organized a task force of its member state and provincial securities regulators to begin a coordinated series of investigations into ICOs and cryptocurrency-related investment products. Regulators identified many cryptocurrency-related products and as part of its work, the task force identified hundreds of ICOs in the final stages of preparation before being launched to the public. These pending ICOs were advertised and listed on ICO aggregation sites to attract investor interest. Many have been examined and some were determined to warrant further investigation. A number of these investigations are ongoing and others resulted in enforcement actions.

NASAA members from more than 40 jurisdictions throughout North America participated in “Operation Cryptosweep,” which to date has resulted in more than 200 inquiries and investigations and nearly 50 enforcement actions related to ICOs or cryptocurrencies since the beginning of May. NASAA members are conducting additional investigations that may result in additional enforcement actions.

RESPONDENT	AGENCY	ACTION	NOTES
Adosia LLC	North Carolina Secretary of State – Securities Division	<u>Consent Order</u>	Unregistered Securities Offering by Unregistered Dealers
Antivolatility Coin, ZZZ Coin, Power Invest Group, Frank Bernier, William Bolduc	Autorité des marchés financiers (AMF) – QUEBEC (CANADA)	Cease & Desist Order	Registration Violations
Baltic Fund	Office of Missouri Secretary of State Securities Division	<u>Order to Cease & Desist and Order to Show Cause</u>	Offering and Selling Unregistered, Non-Exempt Securities; Making an Untrue Statement, Omitting to State Material Facts or Engaging in an Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of Securities
BC Holdings and Investments LLC	Texas State Securities Board	<u>Cease & Desist Order</u>	Registration Violations; Fraud and Misleading/Deceptive Statements
Bionic	Indiana Office of the Secretary of State, Securities Division	<u>Cease & Desist Order</u>	Registration Violations
Bionic Coin	Colorado Division of Securities	Cease & Desist Order	Solicitation of Unregistered Securities

Bitcoin Trading & Cloud Mining Limited AKA BTCRUSH, Jaylon Cross, Bruce Rodgeron, Robin Lozinski and Thomas A. Johnson	Texas State Securities Board	<u>Emergency Cease & Desist Order</u>	Registration violations; Fraud in connection with the offer of investments in the cloud-based cryptocurrency mining program; misleading and deceptive statements
Blue Vase Mining	Massachusetts Securities Division	<u>Consent Order</u>	Selling unregistered or non-exempt securities
Broad Investments, LLC, and Guoyong Liu	Colorado Division of Securities	<u>Cease & Desist Order and Order to Show Cause</u>	Sale of unregistered securities
Browsers Lab, LLC	Maryland Office of the Attorney General, Securities Division	<u>Summary Order to Cease and Desist and Order to Show Cause</u>	Offer and Sale of Unregistered Securities; Acting as an Unregistered Broker-Dealer or Agent; Employment of Unregistered Agent for Sale of Securities; Material Misrepresentation or Omission
Bullcoin Foundation a/k/a/ Bullcoin Gold	New Jersey Bureau of Securities, Office of the New Jersey Attorney General	<u>Summary Cease & Desist Order</u>	Registration Violations; Omissions of Material Facts in Connection With The Offer Of Securities
Chain Group Escrow Service	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
Cryptocashback c/o Kapsus Technologies Ltd.	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
DasCoin	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
Digitalticks	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
Disciplina*	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration <i>*(RESOLVED per regulator)</i>
Doctailor	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
Extrabit Ltd; Mack Deacon	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts

Forex EA & Bitcoin Investment LLC AKA My Forex EA & Bitcoin Investment LLC AKA My Forex EA, James Butcher and Richard Dunn	Texas State Securities Board	<u>Emergency Cease & Desist Order</u>	Registration violations; Fraud in connection with the offer of investments in the forex and cryptocurrency mining program; misleading and deceptive statements
Global Pay Net (aka GLPN Coin, CPN Token)	Colorado Securities Commission	Cease & Desist Order	Solicitation of Unregistered Securities
Hashkon Inc.	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
Krios	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
LevelNet	Vermont Department of Financial Regulation	<u>Cease & Desist Order</u>	Registration Violations; Deceptive Advertising
Leverage	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
Linda Healthcare Corporation Co. and Arturo Devesa	Colorado Division of Securities	<u>Cease & Desist Order and Order to Show Cause</u>	Sale of Unregistered Securities
Mintage Mining	Texas State Securities Board	<u>Cease & Desist Order</u>	Registration Violations; Fraud and Misleading/Deceptive Statements
NUI Social	Texas State Securities Board	<u>Cease & Desist Order</u>	Registration Violations; Fraud and Misleading/Deceptive Statements
Platinum Coin; Roman Dinkevich; Sergei Cherepanov, Vladimir Gorshkov, Andrey Malevanchuk, Roman Terekhin	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
Plexcoin	Autorité des marchés financiers (AMF) – QUEBEC (CANADA)	<u>Cease & Desist Order</u>	
Pooltrade; Harold Theron	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
Power Mining Pool	North Carolina Secretary of State – Securities Division	<u>Permanent Cease and Desist Order</u>	Unregistered securities offering

Roaring Investments	Pennsylvania Department of Banking and Securities	<u>Cease & Desist Order</u>	Registration Violations
ShipChain, Inc.*	Office of the South Carolina Attorney General, Securities Division	<u>Administrative Cease & Desist Order</u>	* <i>ORDER WITHDRAWN</i>
Sigil Platform*	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration *(<i>RESOLVED per regulator</i>)
Social Membership Network Holding LLC	Texas State Securities Board	<u>Cease & Desist Order</u>	Registration Violations; Fraud and Misleading/Deceptive Statements
Springcryptoinvest a/k/a Springcryptoinvest.com Ltd.	New Jersey Bureau of Securities, Office of the New Jersey Attorney General	<u>Summary Cease & Desist Order</u>	Registration Violations; Omissions of Material Facts in Connection With The Offer Of Securities
Sybrellabs Ltd. (aka CryptoARB)	Colorado Securities Commission	Cease & Desist Order	Solicitation of Unregistered Securities
Symatri LLC	Texas State Securities Board	<u>Cease & Desist Order</u>	Registration Violations; Fraud and Misleading/Deceptive Statements
Taklimakan Network	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration
ThinkCoin*	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration *(<i>RESOLVED per regulator</i>)
Trident d/b/a Trident Crypto Index Fund	New Jersey Bureau of Securities, Office of the New Jersey Attorney General	<u>Summary Cease & Desist Order</u>	Registration violations; Omissions of Material Facts in Connection With The Offer Of Securities
Tripbit*	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration *(<i>RESOLVED per regulator</i>)
Ubcoin*	British Columbia Securities Commission	Cease & Desist Letter	Potentially offering or promoting securities without registration *(<i>RESOLVED per regulator</i>)
USI-Tech	Ohio Department of Commerce – Division of Securities	<u>Administrative Cease & Desist (Notice Order)</u>	Registration violations; Omissions of Material Facts in Connection With The Offer Of Securities; False Representation of a Material or Relevant Fact

Wind Wide Coin Inc. AKA WWC Inc., Charles Roman, Fred Andrew and John Anny	Texas State Securities Board	<u>Emergency Cease & Desist Order</u>	Registration violations; Fraud in connection with the offer of investments in the cryptocurrency mining program; misleading and deceptive statements
Zanfau Ltd.	Alabama Securities Commission	<u>Cease & Desist Order</u>	Offer and Sale of Unregistered Securities; Omission of Material Facts
ADDITIONAL ACTIVITIES	AGENCY	ACTIVITY	
Binance Limited	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	
BLOK	Nova Scotia Securities Commission	<u>Investor Alert</u>	
bitFlyer USA, Inc.	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	
Bitstamp USA Inc.	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	
Bittrex, Inc.	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	
Circle Internet Financial Limited (Poloniex LLC)	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	
Coinbase, Inc.	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>	

Elite Way Developments LLP	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
Gate Technology Incorporated	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
Gemini Trust Company	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
Huobi Global Limited	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
iFinex Inc. (Bitfinex)	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
itBit Trust Company	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>
Orca Alliance	Nova Scotia Securities Commission	<u>Investor Alert</u>
Payward, Inc. (Kraken)	The Investor Protection Bureau of the Office of the New York State Attorney General	<u>Information Demand Letter</u>