

1 of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a) and 10b-5(c)
2 thereunder, 17 C.F.R. §§ 240.10b-5(a) and 240.10b-5(c).

3 **THIRD CLAIM FOR RELIEF**

4 **Fraud in the Offer or Sale of Securities**

5 **Violations of Section 17(a)(2) of the Securities Act**

6 **(Against All Defendants)**

7 152. The SEC realleges and incorporates by reference paragraphs 1
8 through 143 above.

9 153. Defendants Blockvest and Ringgold obtained money or property by
10 means of material misrepresentations and omissions to investors and prospective
11 investors regarding Blockvest's ICO. Defendants misrepresented that the ICO was
12 "registered" with or "approved" by the SEC even though defendants were not
13 registered in any capacity with the SEC or in any way "approved." Defendants
14 also misrepresented the regulatory status of the ICO, BIG, and Blockvest's
15 management with respect to the CFTC and NFA, and continued to do so even after
16 the NFA issued Blockvest a cease-and-desist letter. Defendants also
17 misrepresented that Blockvest had an affiliation with Deloitte, which it did not
18 have. Defendants have obtained at least \$2.5 million of investor funds, and/or the
19 investment in 9 million BLV tokens, through their misstatements and omissions.
20 Defendants made these statements knowingly or recklessly, and without exercising
21 the reasonable duty of care as to whether they were false.

22 154. By engaging in the conduct described above, each of the defendants,
23 directly or indirectly, in the offer or sale of securities, and by the use of means or
24 instruments of transportation or communication in interstate commerce or by use
25 of the mails directly or indirectly, with knowingly, recklessly, or negligently
26 without exercising the reasonable duty of care, obtained money or property by
27 means of untrue statements of a material fact or by omitting to state a material fact

1 necessary in order to make the statements made, in light of the circumstances
2 under which they were made, not misleading.

3 155. By engaging in the conduct described above, defendants Blockvest
4 and Ringgold violated, and unless enjoined will continue to violate, Section
5 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

6 **FOURTH CLAIM FOR RELIEF**

7 **Fraud in the Offer or Sale of Securities**

8 **Violations of Section 17(a)(1) and 17(a)(3) of the Securities Act**

9 **(Against All Defendants)**

10 156. The SEC realleges and incorporates by reference paragraphs 1
11 through 143 above.

12 157. Defendants Blockvest and Ringgold participated in activities with the
13 principal purpose and effect of creating a false appearance regarding Blockvest and
14 its ICO. Specifically, they create the false appearance that an investment in the
15 Blockvest ICO is safe and legitimate by perpetuating the illusion that the offering
16 has been registered with and approved by regulators, often using the SEC seal in
17 Blockvest's promotional materials. Ringgold also created the BEC, a purported
18 regulatory agency, to promote Blockvest online and at conferences using the BEC,
19 giving the false appearance that Blockvest and its ICO have some legitimacy.

20 158. By engaging in the conduct described above, each of the defendants,
21 directly or indirectly, in the offer or sale of securities, and by the use of means or
22 instruments of transportation or communication in interstate commerce or by use
23 of the mails directly or indirectly: knowingly or recklessly employed devices,
24 schemes, or artifices to defraud; and negligently without exercising the reasonable
25 duty of care engaged in transactions, practices, or courses of business which
26 operated or would operate as a fraud or deceit upon the purchaser.

27 159. By engaging in the conduct described above, defendants Blockvest
28

1 and Ringgold violated, and unless enjoined will continue to violate, Sections
2 17(a)(1) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1) and 77q(a)(3).

3 **FIFTH CLAIM FOR RELIEF**

4 **Unregistered Offer and Sale of Securities**

5 **Violations of Sections 5(a) and 5(c) of the Securities Act**

6 **(Against All Defendants)**

7 160. The SEC realleges and incorporates by reference paragraphs 1
8 through 143 above.

9 161. Defendants Blockvest and Ringgold directly or indirectly offered and
10 sold Blockvest's BLV securities in offerings that are not registered with the SEC
11 and that are not subject to a valid exemption to registration.

12 162. By engaging in the conduct described above, defendants Blockvest
13 and Ringgold, directly or indirectly, singly or in concert with others, have made
14 use of the means or instruments of transportation or communication in interstate
15 commerce, or of the mails, to offer to sell or to sell securities, or carried or caused
16 to be carried through the mails or in interstate commerce, by means or instruments
17 of transportation, securities for the purpose of sale or for delivery after sale, when
18 no registration statement had been filed or was in effect as to such securities, and
19 when no exemption from registration was applicable.

20 163. By engaging in the conduct described above, defendants Blockvest
21 and Ringgold violated, and unless enjoined will continue to violate, Sections 5(a)
22 and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c)

23 **PRAYER FOR RELIEF**

24 WHEREFORE, the SEC respectfully requests that the Court:

25 **I.**

26 Issue findings of fact and conclusions of law that the defendants committed the
27 alleged violations.

1 **II.**

2 Issue orders, in forms consistent with Rule 65(d) of the Federal Rules of Civil
3 Procedure, temporarily, preliminarily, and permanently enjoining defendants
4 Blockvest and Ringgold and their officers, agents, servants, employees and attorneys,
5 and those persons in active concert or participation with any of them, who receive
6 actual notice of the judgment by personal service or otherwise, and each of them,
7 from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b)
8 of the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §
9 240.10b-5], and Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e].

10 **III.**

11 Issue orders, in forms consistent with Rule 65(d) of the Federal Rules of Civil
12 Procedure, temporarily, preliminarily, and permanently enjoining defendant Ringgold
13 and his agents, servants, employees, attorneys, and those persons in active concert or
14 participation with him, who receive actual notice of this Order, by personal service or
15 otherwise, and each of them, from directly or indirectly participating in the offer or
16 sale of any securities, including but not limited to any digital securities, and from
17 making any misrepresentations or omissions about SEC or other regulatory approval
18 in connection with the offer or sale of any securities, including but not limited to any
19 digital securities.

20 **IV.**

21 Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining
22 order and a preliminary injunction freezing the assets of defendants Blockvest and
23 Ringgold, requiring accountings from each of the defendants, prohibiting each of the
24 defendants from destroying documents, and granting expedited discovery.

25 **V.**

26 Order defendants Blockvest and Ringgold to disgorge all funds received from
27 their illegal conduct, together with prejudgment interest thereon.

1 **VI.**

2 Order defendants Blockvest and Ringgold to pay civil penalties under Section
3 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
4 Act [15 U.S.C. § 78u(d)(3)].

5 **VII.**

6 Retain jurisdiction of this action in accordance with the principles of equity
7 and the Federal Rules of Civil Procedure in order to implement and carry out the
8 terms of all orders and decrees that may be entered, or to entertain any suitable
9 application or motion for additional relief within the jurisdiction of this Court.

10 **VIII.**

11 Grant such other and further relief as this Court may determine to be just and
12 necessary.

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15 Dated: October 2, 2018

Respectfully submitted,

16 /s/ Amy Jane Longo

17 Amy J. Longo

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20 Securities and Exchange Commission
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