

ALABAMA SECURITIES COMMISSION
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CRYPTO-CURRENCY INVESTOR ALERT: Securities Commission Issues Five Cease and Desist Orders to Protect Investors.

MONTGOMERY, ALABAMA (March 20, 2019) - The Alabama Securities Commission (ASC) issued emergency Cease and Desist Orders against five crypto-currency entities selling illegal investment contracts to Alabama citizens posing as Initial Coin Offers (ICO).

ASC Director Joseph P. Borg indicated that the Commission has taken this action in the public interest for the protection of Alabama investors. The suspected businesses have been ordered to immediately cease and desist from sales of any securities (ICOs) in the State of Alabama.

ASC claims that **POTPONS, Inc., FUNDSOPTIONS, AWAX, LTD, YSIGN AND GOSSAMER** have been misleading potential clients with false statements, material misrepresentations and material omissions relating to the sale of their investment contracts.

FUNDSOPTIONS is an internet-based company from Arkansas City, Kansas. The **FUNDSOPTIONS** website and marketing materials make the outrageous claims that "After receiving your deposit, our expert analyst will place index and crypto trade of your invested amount and return you will up to an extra 85% of the money you invested". **FUNDSOPTIONS** marketing materials falsely claim to offer investors and clients Transparency, Ease of Trading, Hedging, Constant Trading Opportunities, and Ability to Liquidate at any time. In May 2018, an Alabama resident established an online account with **FUNDSOPTIONS**. An Alabama resident attempted to purchase Bitcoin through **FUNDSOPTIONS** and after making a deposit, the Alabama Investor has been unable to make contact with a **FUNDSOPTIONS** representative, nor has the Alabama resident received any type of distribution, interest payment or a return of their funds.

AWAX, LTD "AWAX" is an active United Kingdom private limited company registrant with Companies House, having registered offices in London England. Andrej Peciorin is represented as the Founder and Chief Executive Officer and Magnus Larsson as the Chief Operating Officer on the **AWAX** website. **AWAX** is seeking to raise a soft target of \$15 million USD and a hard target of \$200 million in a Pre-ICO event beginning in November 2018 and an ICO event in January 2019. **AWAX** is falsely "guaranteeing 20% bonus for investors during the PRE-ICO and a 10% bonus for investors who have invested during the ICO stage."

POTPONS, INC. "POTPONS" is a registered Arkansas for profit corporation with David Reeves being represented on the **POTPONS** website as the Chief Executive Officer. The ASC received a complaint from and Alabama resident. The resident stated that Reeves, during a phone conversation, offered to sell a quantity of **POTPONS** Coins and made the false claim to the resident that the purchase should be made soon because the value was about to "go up". Reeves also falsely stated told the resident he could use the coins to purchase marijuana from participating merchants.

GOSSAMER “**GOS**” is an internet based ICO and according to the **GOS** website, 25,860,000,000 **GOS** Coins were to be issued and “No future coins will ever be minted or mined.” No information was made available on the website nor in the offering materials as to the physical location of **GOS**, contact information or officers/employees of the company.

YSIGN is a St. Julian, Malta corporation. **YSIGN** began an online marketing campaign via Reuters Editorial News online portal, advertising **YSIGN** outrageously stated it was a “new messaging application aiming to revolutionize modern communications and to announce a token generation event.” The advertisement was intended at raising capital through an ICO, of their proprietary digital currency YSN token, which would be based on the Ethereum Network.

Unverified statements of profitability and growth by out of state corporations who sell securities in the State of Alabama which are not registered or regulated by Alabama, offer no protections for investors and are highly speculative. At this time ASC has issued 14 Cease and Desist Orders involving crypto-currency as part of its initiative to protect investors.

While not every ICO or crypto-currency related investment is fraud, it is important for individuals purchasing these products to realize they are highly speculative and very often based outside the United States and are rarely regulated. If you choose to invest in this type of business, do your own research and due diligence and be aware of the risk.

To view the five administrative orders in their entirety, go to: www.asc.alabama.gov; click the Enforcement tab and then Administrative Actions.

“Be cautious when dealing with promoters who claim their ICO offering is exempt from securities registration but do not ask about your income, net worth or level of investing sophistication,” Director Borg said. “Do your homework and contact the ASC with any concerns *before* parting with your hard-earned money – afterwards may be too late.”

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