

ALABAMA SECURITIES COMMISSION

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ALABAMA SECURITIES COMMISSION PARTICIPATES IN COORDINATED INTERNATIONAL CRYPTO CRACKDOWN

Joseph Borg: "This is just the tip of the iceberg."

MONTGOMERY, ALABAMA (May 21, 2018) – The Alabama Security Commission today announced it has taken enforcement actions in five investigations as part of an international crackdown on fraudulent Initial Coin Offerings (ICOs) and cryptocurrency-related investment products. The sweep is being coordinated by the North American Securities Administrators Association (NASAA), of which Alabama Securities Commission is a member.

As part of "Operation Cryptosweep," the Alabama Securities Commission has issued five Cease and Desist Orders to protect Alabamians. Copies of the Cease and Desist orders may be accessed at the ASC website: www.asc.alabama.gov; go to Enforcement; then Administrative Orders.

The Respondents named below were issued Cease and Desist orders today:

Extrabit Ltd. ("EXB") is an entity that purports to conduct business as a cryptocurrency mining farm 1, by means of the domain name: "extrabit.io" and is accessible via the website: www.extrabit.io. EXB may be served through its domain name registrar NAMECHEAP .COM located at 11400 W. Olympic Blvd, Ste 200, Los Angeles, California 90064, via namecheap.com or at legal@namecheap.com.

LEVERAGE ("LEV") is a technology company that purports to conduct business on the internet by means of the domain name: "Leverageico.com" and is publicly accessible via the internet website: www.leverageico.com. LEV may be served through its website administrator NAMECHEAP, located at 11400 W Olympic Boulevard, suite 200, Los Angeles, California 90302 and via web page www.namecheapgroup.com.

POOL TRADE ("POOLTRADE") is an entity that represents itself as an internet-based business with a domain name: "POOLTRADE.10" and is accessible via the website www.pooltrade.io. POOLTRADE may be served through its website administrator namecheap.com located at 11400 W. Olympic Blvd., Suite 200, Los Angeles, CA 90064 and via website www.namecheap.com.

CHAIN GROUP ESCROW SERVICE ("CGES") is an entity that purports to conduct business as an internet-based escrow company by means of the domain name, "chain.group" and is accessible via the websites: :www.chain.group/4243 and www.chain.group/4823. The websites for CGES indicate that the web administrator is ENOM, LLC, located at 5808 Lake Washington Blvd. NE STE 201, Kirkland, Washington 98033 and via www.enom.com.

Platinum Coin ("PLATINUM") is an entity that represents itself as an internet based business with a domain name "PTINTL.IO" and is accessible via the website: www.ptintl.io. PLATINUM may be served through its domain name registrar www.marcaria.com located at 8345 North West 66 Street, #B1673 Miami, Florida 33195 and via website www.marcaria.com.

"Fraudulent activity involving ICOs and cryptocurrency-related investment products is a significant threat to Main Street investors in Alabama," Joseph Borg, Director of Alabama Securities Commission, said. "Cryptocriminals need to know that the Alabama Securities Commission is committed to swiftly and effectively protecting investors from schemes and scams involving these products."

The Alabama Securities Commission has joined with more than 40 other state and provincial securities regulators in the United States and Canada in “Operation Cryptosweep,” resulting in nearly 70 inquiries and investigations and 35 pending or completed enforcement actions since the beginning of the month. NASAA members are conducting additional investigations into potentially fraudulent conduct that may result in additional enforcement actions. These actions are in addition to more than a dozen enforcement actions previously undertaken by NASAA members regarding these types of products.

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 announced today.

“The actions announced today are just the tip of the iceberg,” Joseph Borg said, noting that NASAA’s task force also found approximately 30,000 crypto-related domain name registrations, the vast majority of which appeared in 2017 and 2018.

A critical component of “Operation Cryptosweep” is raising public awareness of the risks associated with ICOs and cryptocurrency-related investment products. “Not every ICO or cryptocurrency-related investment is fraudulent, but we urge investors to approach any initial coin offering or cryptocurrency-related investment product with extreme caution,” Joseph Borg said.

For more information about ICOs and cryptocurrencies, contact the ASC at 1-800-222-1253: The Alabama Securities Commission also has issued two investor advisories: “What to Know About ICOs” and “Be Cautious of the Crypto Investment Craze.” Both are available on the agency’s website at www.asc.alabama.gov.

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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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