

ALABAMA SECURITIES COMMISSION

Post Office Box 304700 Montgomery, Alabama 36130-4700
Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240
Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Internet trading company touting 34,259% profit halted by Alabama Securities Commission

MONTGOMERY, ALABAMA (August 31, 2020) – The Alabama Securities Commission (ASC) barred Asic Bitpro and Elizabeth Cummings from operating in Alabama for fraudulent claims, deceptive advertising, and failing to register with the ASC. Cummings used a popular social media platform to solicit an Alabama resident to invest their COVID-19 economic impact payment. Cummings further encouraged the Alabama resident to collect and pool the COVID-19 economic impact payments received by their church group in the fraudulent scheme.

Bitpro's website (www.asicbitpro.net) and Cumming's social media profile advertise fraudulent cryptocurrency cloud mining plans. The mining plans solicit investors by guaranteeing outrageous rates of return of 7,662% to 34,259%. Neither Bitpro and Cummings nor anyone else can guarantee returns to investors. In this case the amount of the return being promised is an even more obvious reason to hold on to your wallet. The Better Business Bureau (BBB) issued an alert that verified Bitpro as an international fraud scheme.

"Technology buzzwords, such as 'cryptocurrency', 'cloud mining', and 'quantum computing', are often exploited by fraudsters to take advantage of well-meaning investors," said ASC Director Joseph P. Borg. "Start your conversations by asking 'Are you licensed?' and 'Are your products registered?' and then call the ASC to verify."

Alabama law requires that most investment products and professionals register with the ASC. The vital first step when researching a financial professional and product is calling the ASC to confirm their registration. Avoid anyone claiming their investment involves no risk and is guaranteed to make you money. By nature, all investing involves risk because there are no guarantees.

ASC's Con Watch website is updated regularly with postings of individuals and companies that are attempting to defraud the public. If you see or suspect that you fell victim to a COVID-19 related investment scam, report it to COVIDCONS@asc.alabama.gov.

The ASC is Alabama's state government securities regulatory agency. The mission of the ASC is to protect Alabamians from investment fraud and preserve legitimate capital markets in Alabama. To access investor education materials or request a virtual presentation visit the ASC's [website](http://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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**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
ASIC BITPRO)
ELIZABETH CUMMINGS)
)
RESPONDENTS)

**ADMINISTRATIVE ORDER
NO. CD-2020-0016**

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. ASIC BITPRO ("BITPRO") purports to be a cryptocurrency cloud mining company and may be served at the address listed on the company's website, www.asicbitpro.net, which is 144 Louisiana Street, Winnfield, LA 71483, USA. BITPRO may also be contacted through its domain provider at the following address: Klapparstigur 7, 101 Reykjavik, Iceland.

2. ELIZABETH CUMMINGS ("CUMMINGS") purports to be from the Birmingham, Alabama area. CUMMINGS represents herself as an Investment Specialist at BITPRO. CUMMINGS may be served at the address listed on the company's website, www.asicbitpro.net, which is 144 Louisiana Street, Winnfield, LA 71483, USA.

STATEMENT OF FACTS

3. RESPONDENTS attempted to profit off the coronavirus disease 2019 ("COVID-19") global health crisis by soliciting an Alabama resident to invest that Alabama resident's COVID-19 economic impact payment in RESPONDENTS' scheme via a popular social media platform. RESPONDENTS further represented that the Alabama resident could collect COVID-

19 economic impact payments from members of their church group to invest in RESPONDENTS' scheme.

4. Through content delivered to Alabama residents via a popular social media platform, RESPONDENTS guaranteed returns of "7,662% to 34,259% R.O.I. daily/weekly on starting capital." RESPONDENTS also represented that a \$1,000 investment in their scheme would generate a daily return on investment of \$1,196 for seven (7) days. This is a daily investment return of approximately 120% and a total return of approximately 840% on the full seven (7) day investment contract.

5. RESPONDENTS attempted to induce potential investments in the scheme by claiming;

It probably seems to far-fetched to get involved at this time? Not really because with the cloud mining strategy, every investor is entitled to a miner which generates these bitcoins. I will explain..Cloud mining is the process of cryptocurrency mining, utilizing a remote datacenter with shared processing power. Cloud mining enables users to mine bitcoins or without managing the hardware. Asic Bit Pro cloud mining Opp is a verified cloud mining platform which offers Bitcoin enthusiasts or Investors the opportunity to rent or subscribe to our bitcoin miners which are situated in our vatiuous mining rig across the United States and Europe with over 20,000 Bitmain Antminer S17 Pro in each of our rigs...kindly revert if this opportunity interests you.

6. RESPONDENTS referred potential investors to a website, which can be accessed by Alabama investors, at the URL of www.asicbitpro.net. A review of the website at this URL revealed RESPONDENTS claiming;

ASIC BIT PRO IS an International Investment Company in louisiana, USA....(offering) real incomes per day. The funds of our investors are reinvested by our team in the Financial Market & Used to rent machines in our world class mining farms, where we guarantee the payment to all investors with total security and responsibility, which are fundamental to our success over the years...Farm-Mining offers an excellent Referral Commission and multi-level marketing system, which pays commissions of levels (10%).

7. In March 2020, the Better Business Bureau ("BBB") conducted an investigation on BITPRO after receiving a complaint from a consumer. The BBB determined the company was

verified to be a scam victimizing people online with a fake cloud data mining service. The scam works by the scammer promising large returns but fails to disclose a range of hidden fees charged after the initial server rental. This allows the scammer to make the user pay more money to get out of the contract.

8. A review of the registration files of the Commission revealed no registration for RESPONDENTS in any capacity as of August 25, 2020. As of this date, no registration, notice filing, or exemption has been perfected for the investment contracts offered by RESPONDENTS.

9. A review of the Alabama Secretary of State's online database revealed no record for BITPRO as a domestic or foreign business registered in Alabama. A review of the Louisiana Secretary of State's online database revealed no record for BITPRO as a domestic or foreign business registered in Louisiana

CONCLUSIONS OF LAW

10. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes an investment contract. The "mining plans" offered and made available from BITPRO to Alabama citizens in which investors invest monetary value in a cryptocurrency mining scheme from which profits would be derived from the crypto-mining efforts of BITPRO are securities as defined by the Act.

11. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of "issuer" includes "every person who proposes to issue, has issued, or shall hereafter issue any security." BITPRO is representing itself to be issuing securities in the form of investment contracts and is an issuer as defined by the Act.

12. Pursuant to Section 8-6-2(2), Code of Alabama 1975, the definition of an "agent" includes any individual who represents a dealer or issuer in attempting to affect the sale of a security. CUMMINGS represents BITPRO, an issuer, in attempting to affect the sale of securities, the investment contracts called "mining plans", and is an agent as defined by the Act.

13. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this State as a dealer or agent for securities unless such person is registered under the Act. Additionally, it is unlawful to employ any person as an agent for sale of securities unless that person is registered. BITPRO employed CUMMINGS, an unregistered agent, to assist in effecting sales of securities, the "mining plans", on behalf of BITPRO in violation of the Act. CUMMINGS acted as an agent of BITPRO while not registered as such with the Commission in violation of the Act.

14. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer any security in this state unless it is registered under the Act or is subject to a perfected exemption from registration. BITPRO and CUMMINGS offered a security to an Alabama citizen while that security was not registered, nor subject to a perfected exemption from registration in violation of the Act.

15. Pursuant to Section 8-6-17(a)(1), Code of Alabama 1975, it is unlawful for any person, in connection with the offer of a security, to employ any device, scheme, or artifice to defraud. BITPRO and CUMMINGS employed a scheme or artifice to defraud through the offer of securities, the "mining plans", in which they represented that investment returns would be in excess of 7,000% per annum and offered guaranteed returns without any reasonable basis in violation of the Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for a hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on the RESPONDENTS, an additional administrative assessment for investigative cost

arising from the investigation of the violation(s) described herein against the RESPONDENTS, and a permanent order to bar the RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that the **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 28TH day of August 2020.

ALABAMA SECURITIES COMMISSION
P.O. Box 304700
Montgomery, AL 36130-4700
(334) 242-2984
BY:



A handwritten signature in black ink, appearing to read "Edwin L. Reed", written in a cursive style.

Edwin L. Reed
Deputy Director

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
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ASIC BITPRO)
ELIZABETH CUMMINGS)
)
RESPONDENTS)

**ADMINISTRATIVE ORDER
NO. CD-2020-0016**

TO: ASIC BITPRO
144 Louisiana Street.
Winnfield LA 71483

NOTICE OF RIGHT TO A HEARING

THE ORDER TO CEASE AND DESIST WHICH THIS NOTICE IS ATTACHED, MADE A PART THEREOF AND INCORPORATED THEREIN, IS IMPORTANT AND YOU SHOULD READ IT IN ITS ENTIRETY. You may request a public hearing before the Alabama Securities Commission concerning this Order by making a written request directed to the Commission pursuant to Section 8-6-32, Code of Alabama 1975. Please direct your request to the Commission as follows:

Alabama Securities Commission
ATTENTION: LEGAL DEPARTMENT
445 Dexter Avenue, Suite 12000
Montgomery, Alabama 36130-4700

IF A WRITTEN REQUEST FOR A HEARING BEFORE THE ALABAMA SECURITIES COMMISSION IS NOT SUBMITTED WITHIN 28 DAYS AFTER RECEIPT OF THIS ORDER, THIS ORDER SHALL CONSTITUTE A FINAL ORDER OF THE COMMISSION. In lieu of a formal hearing, you may request an informal meeting with the Director or the Commission staff to resolve the matter. You will not waive your rights to a formal hearing. The Commission staff requests that you submit a verified statement, setting forth full details concerning your activities giving rise to this Order, no matter whether you are requesting a formal hearing, an informal meeting, or just desire to provide your side of the

matter.

Please identify yourself as a Respondent and refer to the Order number when requesting a hearing, informal meeting, or otherwise corresponding with the Commission staff concerning this matter.

Appeals from any final Order of the Commission shall be made to the Circuit Court of Montgomery County, Alabama.

Done, this the 28TH day of AUGUST, 2020.

A handwritten signature in black ink, appearing to read "EQ 2 Reed". The signature is written in a cursive, somewhat stylized font.

Edwin Reed
Deputy Director

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
ASIC BITPRO)
ELIZABETH CUMMINGS)
)
RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD-2020-0016

TO: ELIZABETH CUMMINGS
C/O ASIC BITPRO
144 Louisiana Street.
Winnfield LA 71483

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matter.

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Done, this the 28TH day of AUGUST, 2020.

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Edwin Reed
Deputy Director