

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
ULTRA BTC MINING LLC)
 aka, ULTRA MINING)
LAURA BRANCH)
)
RESPONDENTS)

**ADMINISTRATIVE ORDER
NO. CD-2020-0007**

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. ULTRA BTC MINING LLC, aka ULTRA MINING ("ULTRA") is an online entity that purports to be a cryptocurrency cloud mining company, whose CEO and registered agent is David Taylor, with a process service location of 375 N. Stephanie Street, Henderson, Nevada 89014. ULTRA is accessible to Alabama residents via the web address of www.ultramining.io and may be contacted through its email address of support@ultramining.io.

2. LAURA BRANCH ("BRANCH") at all times relevant BRANCH acted as an agent of ULTRA whos only known address is 375 N. Stephanie Street, Henderson, Nevada 89014. BRANCH may be contacted through ULTRA's chat function on ULTRA's website.

STATEMENT OF FACTS

3. On April 1, 2020, the Commission received information from the Texas State Securities Board concerning a purportedly fraudulent cryptocurrency cloud mining scheme being conducted by ULTRA. The Texas State Securities Board is concurrently issuing an Emergency Cease and Desist Order outlining ULTRA's fraudulent representations related to Coronavirus 2019 ("COVID-19") donations as well as inflated investment returns.

4. A review of ULTRA's website at www.ultramining.io revealed representations that the company is a cryptocurrency cloud mining company that mines Bitcoin, Zcash, Ether and Decred. ULTRA claims to provide a modern, high-efficiency platform for rental services for cryptocurrency cloud mining. ULTRA guarantees an internet connection, 24/7 access, operation without interruption, real-time mining monitoring, an easy-to-use secure platform and daily mining outputs.

5. ULTRA is offering an investment opportunity, on their website, in the form of "mining plans" wherein investors invest monetary value in two-year plans for the purpose of mining cryptocurrencies. The mining activities are to be performed or leased by ULTRA and the investment return is based on the "hash rate" purchased. ULTRA represents that investors will benefit from the connection to mining pools.

6. ULTRA is also offering an "Affiliate Program" wherein individuals earn a commission for referring business to the company. BRANCH represents that the investments and the "Affiliate Program" are available to Alabama citizens.

7. A review of the information appearing on ULTRA's website reveals the following material misrepresentations:

a. ULTRA provides an earnings calculator on their website. The Commission utilized the earnings simulator on ULTRA's website to simulate investment returns of approximately 105% per annum and determined that such projections are unrealistic based on any reasonable investment assumptions, unsustainable, and are per se fraudulent. Further examination of the calculator revealed that the only variable in the calculation is the "hash rate" to be purchased and that the calculation

provides a similar investment return regardless of the amount of “hash rate” purchased.

b. As a clear inducement to encourage investors to invest with ULTRA, ULTRA placed an unsubstantiated claim on their website that they had donated \$100,000 to UNICEF to fight COVID-19. ULTRA told an agent of the Texas State Securities Board, whom they believed to be an interested investor, that they planned to donate more money to fight COVID-19. In the responses to the agent of the Texas State Securities Board, ULTRA used broken English, reminiscent of classic fraud schemes.

8. A review of the registration and licensing files of the Commission revealed no registration or license for ULTRA in any capacity as of April 1, 2020. A review of the registration and licensing files of the Commission further revealed no registration or license for BRANCH in any capacity. Additionally, no registration by qualification, notification, or coordination was identified in the files of the Commission for the investment contracts currently offered to Alabama citizens through the publicly available ULTRA website.

CONCLUSIONS OF LAW

9. 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 ULTRA to Alabama citizens wherein investors invest monetary value in a cryptocurrency cloud mining scheme and from which profits would be derived from the cryptocurrency cloud mining efforts of ULTRA, are securities as defined by the Act.

10. 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.” ULTRA is representing itself to be issuing securities in the form of investment contracts and is an issuer as defined by the Act.

11. 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. BRANCH represents ULTRA, an issuer, in attempting to effect [MJ1] the sale of securities, the investment contracts called “mining plans”, and is an agent as defined by the Act.

12. 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 the sale of securities unless that person is registered. ULTRA employed BRANCH, an unregistered agent, to assist in effecting the sale of securities on behalf of ULTRA, the “mining plans”, in violation of the Act. BRANCH acted as an agent of ULTRA while not registered as such with the Commission in violation of the Act.

13. 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. ULTRA and BRANCH 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.

14. 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. ULTRA and BRANCH 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 100% per annum and used representations of charitable contributions relating to the ongoing COVID-19 crisis as inducements to investors in violation of the Act.

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

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 activity 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 8TH day of APRIL 2020.



ALABAMA SECURITIES COMMISSION
P.O. Box 304700
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(334) 242-2984
BY:

A handwritten signature in black ink, appearing to read "Edwin L. Reed", is written over a horizontal line.

Edwin L. Reed
Deputy Director