

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
CRYPTOBRAVOS)
NATHAN LEWIS)
GRANT RICHARDS)
)
RESPONDENTS)
)
ADMINISTRATIVE ORDER
NO. CD-2020-0019

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power 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, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. CRYPTOBRAVOS. (“CRYPTOBRAVOS”) is an online entity that purports to be an online crypto currency trading and cloud mining company, having a business address of W. Van Buren St 35 Chicago, Illinois 60605. CRYPTOBRAVOS is accessible via the website <http://cryptobravos.com> and may be served through its domain registrar CLOUDFLARE, INC. located at 665 3rd Street #207 San Francisco, California 94107 via abuse+law@cloudflare.com.

2. NATHAN LEWIS (“LEWIS”) at all times relevant, was an agent of CRYPTOBRAVOS. LEWIS may be served through CRYPTOBRAVOS domain registrar CLOUDFLARE, INC. located at 665 3rd Street #207 San Francisco, California 94107 via abuse+law@cloudflare.com.

3. GRANT RICHARDS (“**RICHARDS**”) at all times relevant, was an agent of **CRYPTOBRAVOS**. **RICHARDS** may be served through **CRYPTOBRAVOS** domain registrar CLOUDFLARE, INC. located at 665 3rd Street #207 San Francisco, California 94107 via abuse+law@cloudflare.com.

STATEMENT OF FACTS

4. On August 31, 2020, the Commission Staff received information that **LEWIS**, solicited an Alabama resident to invest in a crypto currency trading platform and data mining operation. **LEWIS** and **RICHARDS** assisted the Alabama resident in making a total investment of \$180,000 from January 2020 to August 2020. The Alabama resident was to receive an undisclosed return on the funds invested.

5. The Alabama resident was provided with a Bitcoin wallet that was maintained by **CRYPTOBRAVOS**. The Alabama resident was told that the company conducted “trades” with the funds held in the Bitcoin wallet. Instead of trading the funds, the company transferred all of the funds invested by the Alabama resident into different Bitcoin wallets and prevented the investor access to the new wallets. **CRYPTOBRAVOS** has suspended all communication with the Alabama resident. As a result, the Alabama resident lost a total of \$180,000 that was invested into **CRYPTOBRAVOS**.

6. A review of the **CRYPTOBRAVOS** website at <http://cryptobravos.com> revealed that the company represents that they are an online crypto currency trading and cloud mining company and their primary business is located at W. Van Buren St 35 Chicago, Illinois 60605. The **CRYPTOBRAVOS** website states that, **CRYPTOBRAVOS**;

“...is the most trusted cryptocurrency exchange on the market.” The website states that their mission *“...is to provide you all needed tools in the Crypto space using the wealth of experience and knowledge that we have obtained in our combined lots of years.”*

7. A review of the files of the Registration Division of the Alabama Securities Commission disclosed no record of registration and/or exemption from registration for the **RESPONDENTS** in the State of Alabama.

8. A review of the Alabama Secretary of State’s online database revealed no record for **CRYPTOBRAVOS** as a domestic or foreign business. A review of the Illinois Secretary of State’s online database had no listing of **CRYPTOBRAVOS** as a business entity and an online

search of the occupancy of W. Van Buren St 35 Chicago, Illinois 60605 revealed no listing for **CRYPTOBRAVOS** as an occupant in the building.

CONCLUSIONS OF LAW

9. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes investment contracts. The crypto trading and data mining offered and made available by **CRYPTOBRAVOS** to the Alabama investor is an investment contract in which the investor provides fiat currency to **CRYPTOBRAVOS** to invest for the purpose of providing monetary return. The scheme involved the investment of money in a common enterprise, with the expectation of profits to be derived from the efforts of others. The investment contract created by the scheme is a security 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." **CRYPTOBRAVOS'** crypto trading and mining scheme created the investment contracts and caused them to be issued and **CRYPTOBRAVOS** is an issuer as defined by the Act.

11. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in the state unless it is registered under the Act, the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered and/or sold by **RESPONDENTS** were neither registered nor exempt from registration in Alabama at the time of solicitation or sale and were offered and sold in violation of the Act.

12. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any dealer or issuer to employ an agent unless the agent is registered, **CRYPTOBRAVOS** employed **LEWIS** and **RICHARDS** as unlicensed agents in violation of the Act.

This Order does not prevent the Alabama Securities 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 **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 15th day of December, 2020.

ALABAMA SECURITIES COMMISSION
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(334) 242-2984
BY:



JOSEPH P. BORG
DIRECTOR

