

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
BYBITEXCOIN.COM) **ADMINISTRATIVE ORDER**
) **NO. CD-2022-00**¹⁶
RESPONDENT)

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, 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:

RESPONDENT

1. BYBITEXCOIN.COM. ("BYBITEX") is an online entity that purports to be a crypto currency trading company, having an unknown business address. BYBITEX is accessible via the website www.bybitexcoin.com and may be served through its U.S. domain registrar NAME.COM. located at 414 14th Street #200 Denver, CO 80202 via abuse@name.com.

STATEMENT OF FACTS

2. On May 19, 2022, the Commission Staff received information that an individual who identified herself as "Kelly," solicited an Alabama resident to invest in the cryptocurrency trading platform, BYBITEX. Kelly assisted the Alabama resident in making investments totaling \$15,000 between December 2021 to April 2022. Kelly told the Alabama resident to expect a return on the funds invested.

3. The Alabama resident was instructed to transfer funds to a BYBITEX cryptocurrency wallet. Kelly told the Alabama resident that she was conducting "trades" with the funds that the Alabama resident transferred to BYBITEX. Kelly informed the Alabama resident

that the trades that she conducted on his behalf would generate a profit. **BYBITEX**, through its website, led the Alabama resident to believe that they would be able to make withdrawals through **BYBITEX** from the profits made from the trades. After attempting to withdraw funds from the **BYBITEX** website, the Alabama resident was informed by **BYBITEX** that approximately \$18,000 in taxes must be paid within 10 business days to withdraw the balance in the **BYBITEX** wallet. And if payment was not received within the 10 days, all funds in the **BYBITEX** wallet would be lost. The **BYBITEX** website was ultimately shut down which caused the Alabama resident to lose the entire investment.

4. 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 **RESPONDENT** in the State of Alabama.

5. A review of the Alabama Secretary of State's online database revealed no record for **BYBITEX** as a domestic or foreign business.

CONCLUSIONS OF LAW

6. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a "security" includes investment contracts. The crypto trading and data mining interests offered and sold by **BYBITEX** to the Alabama investor in which monetary value was invested in the common enterprise of crypto currency trading and mining with such common enterprise expected to yield profits derived from the efforts of **BYBITEX** are investment contracts and are securities as defined by the Act.

7. 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." **BYBITEX** issued investment contracts in the form of crypto trading and data mining interests and is an issuer as defined by the Act.

8. 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 sold by the **RESPONDENT** 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.

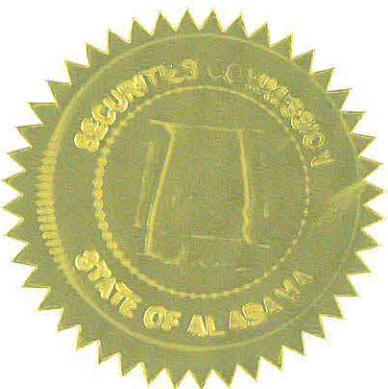
This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act.

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 **RESPONDENT** to make a timely request for a hearing, or default of the **RESPONDENT**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT**. Such sanctions may include, *inter alia*, an administrative assessment imposed on the **RESPONDENT**, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against the **RESPONDENT**, and a permanent order to bar the **RESPONDENT** from participation in any securities related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENT** 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 5th day of August, 2022.



ALABAMA SECURITIES COMMISSION
445 Dexter Avenue, Suite 12000
Montgomery, AL 36104
(334) 242-2984
BY:

A handwritten signature in black ink, appearing to read "Amanda Senn".

AMANDA L. SENN
CHIEF DEPUTY DIRECTOR