

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
Horatiu Charlie Caragaceanu)
aka **Horatiu Caraceanu**,)
Horatiu Cara,)
Charlie Caragaceanu) **ADMINISTRATIVE ORDER**
The Shark of Wall Street)
Hedge4.ai) **NO. CD 2023-0008**
)
RESPONDENTS)

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. **Horatiu Charlie Caragaceanu aka Horatiu Caraceanu, Horatiu Cara and Charlie Caragaceanu** ("Caragaceanu") is the Chief Executive Officer of Respondents The Shark of Wall Street ("TSWS") and Hedge4.ai. and purports himself to be a resident of San Francisco, California. Respondent Caragaceanu is also the Chief Executive Officer of Hedge4.ai ("Hedge4.ai"), an affiliate or branch of Respondent TSWS. **Caragaceanu** is being served by registered mail addressed to Bulevardul Alexandru Obregia nr 10-14, Bl10-14 Sc Ap 4 Sector 4, Bucuresti 041735 RO.

2. **The Shark of Wall Street (“TSWS”)** is being served by registered mail addressed to Bulevardul Alexandru Obregia nr 10-14, Bl10-14 Sc Ap 4 Sector 4, Bucuresti 041735 RO.

3. **Hedge4.ai** purportedly acts as an affiliate or branch of **TSWS** and is being served by registered mail addressed to Bulevardul Alexandru Obregia nr 10-14, Bl10-14 Sc Ap 4 Sector 4, Bucuresti 041735 RO.

STATEMENT OF FACTS

4. Since as early as 2019, **Caragaceanu**, **TSWS** and **Hedge4.ai** (collectively the “**Respondents**”) have been minting, offering and selling cryptocurrencies and nonfungible tokens allegedly tied to artificial intelligence, stock trading, cryptocurrency investing, and gold and diamond mining.

5. **Respondents** marketed these digital assets as investments that would significantly increase in value, paid lucrative guaranteed returns and/or generated considerable passive income. However, these digital assets are now valued at or around \$0 per token.

6. In March 2023, **Respondents** began promoting new digital asset investments. These products include TruthGPT Coin, a digital asset purportedly powered by an artificial intelligence model referred to as Elon Musk AI. They are claiming TruthGPT Coin serves as the “Ultimate AI-Powered Cryptocurrency Investment Advisor” and purchasers of TruthGPT Coin may earn up to 1000x their principal investment.”

7. **Respondents** are also promoting Elon Musk AI Token, and they are offering TruthGPT Coin and Elon Musk AI Token through internet websites and social media platforms. The tokens are being marketed in part through avatars that visually and audibly depict Elon Musk favorably endorsing TruthGPT Coin and comparing TruthGPT Coin to ChatGPT.

8. **Respondents** are describing **TSWS** and **Hedge4.ai** as artificial intelligence labs, spy labs, and traders' clubs that act through teams of cryptographers, traders, machine learning programmers and ethical hackers.

9. **Respondents** are purportedly developing an artificial intelligence and machine learning predictor algorithm that can uncover lucrative decentralized finance projects or profitable trading robots.

10. **Respondents** are touting their successes and their plans to secure listings for **TSWS** on the NASDAQ in 2026 and **Hedge4.ai** on the NASDAQ in 2027.

11. **Respondents** are also touting future plans for charitable events and donations.

They are, for example, representing that **Hedge4.ai** plans to begin “[g]iving back parts of [its] profits to reliable charities, mostly towards education for underprivileged children, nursing homes for the elderly and environmental activists” and “[m]entoring and financing young entrepreneurs using our accelerators/ incubators.”

12. The Commission has determined **Respondents** are offering TruthGPT Coin and Elon Musk AI Token as part of a fraudulent securities scheme and the Commission is entering this Order to protect the public from immediate and irreparable harm.

THE USE OF INTERNET WEBSITES
AND SOCIAL MEDIA TO PROMOTE INVESTMENTS TIED TO DIGITAL ASSETS

13. **Respondents** have been promoting various digital asset investments, including DNGToken (“**DNGD Token**”) Hedge4Coin (“**HEDJ Token**”), Hedge4.AI token (“**HEJJ Token**”), The Shark of WallStreet Token (“**TSWS Token**”) and several collections of NFTs.

14. Respondents have been promoting these digital asset investments through internet websites and social media platforms, including the following:

- a. The internet websites for **Hedge4.ai** (www.hedge4.ai), **TSWS** (thesharkofwallstreet.app), and a startup gold mining company (dng.digital and dnd.io),
- b. The Twitter handles for DNGD Token (@dngtoken), **Hedge4.ai** (@millionaireso0n), and **Hedge4.ai** and **TSWS** (@hedge4A),
- c. The Facebook webpages for **Hedge4.ai** (facebook.com.hedge44) and DNGDTOKEN (facebook.com/people/DngdToken/100071635725797),
- d. Discord through the server for HEJJ Coin NFT (discord.gg/3mZUrcrYAN),
- e. Reddit through the subreddit for **Hedge4.ai** (r/hedge4dotai),
- f. YouTube through the channels for **Hedge4.ai** (youtube.com/@hedge4ai51) and DNGD Token (youtube.com/@dngtoken9504),
- g. Instagram through the feed for **Hedge4.ai** (at instagram.com/hedge4.ai/),
- h. LinkedIn through the profile for **Caragaceanu** (linkedin.com/in/horatiu-charlie-caragaceanu-8965a8205), and
- i. Telegram through the channels for **TSWS** and **Hedge4.ai** (hedge4) and for DNGD Token (dngtoken).

HEDJ TOKEN

15. HEDJ Token is an ERC-20 digital asset deployed on the Ethereum blockchain.

16. The contract for HEDJ Token is 0x956cBE17D4Af9890bC10Ed4153B

73cc7eB89B6c3, and it was created on or about August 24, 2019, by

0x930225C1ce5E6E7DC9e345E750ee77ECdF7Ef49e at transaction hash
0x8e060634f159a93f0087109af64cd0a8fed7b9864c46fb53397f6c004e14545e in block 8411306.

17. **Respondents** began offering HEDJ Token for \$0.005 per token. They marketed HEDJ Token by telling prospective investors it has “50x potential in the DeFi space” and has “excellent potential to double your money, 10x your money, we can make it 100x or 1000x your money.”

18. In or around February 2021 and March 2021, **Respondents** announced plans to migrate HEDJ Token from the Ethereum Blockchain to the Binance Smart Chain and thereafter deployed 999,980,441 HEJJ Tokens on the Binance Smart Chain.

HEJJ TOKEN

19. HEJJ Token is a BEP20 digital asset deployed on the Binance Smart Chain.

20. The contract for HEJJ Token is 0x2f1ad6Ec7D2Da4cd4CF679a 781cA376d7f091e30 and it was created on or about February 26, 2021, by 0x930225C1ce5E6E7DC9e345E750ee77ECdF7Ef49e at transaction hash 0x8cea1a19baf2b1a6cd7bb42983aa8575bcc5c52d47fbb56dc5e0034d1ed697c4 in block 5210711.

21. Not long after the migration to the Binance Smart Chain, **Respondents** began selling HEJJ Token for \$0.000088 per token. They marketed HEJJ Token by telling prospective investors its team is “creating projects all around the world for crypto start-ups, generating franchise income (consultancy fees) that is reinvested in HEJJ” and that the token is tied to a “money making machine Artificial Intelligence Lab.”

22. **Respondents** have also been promoting HEJJ Token as an investment that will generate lucrative profits, and they have been describing these lucrative profits as follows:

- a. They have been representing that HEJJ Token “has the potential to go 1000x. Not 100x. Not just 100x. It’s 1000x” and that “it can go 100x just because we’re expecting some money from venture capitalists from California from Silicon Valley,” and
- b. They have been representing that investors can stake HEJJ Token and earn returns of 167% per month, 1000% per year, 2000% per year, or more.

23. Although **Respondents** have been touting the lucrative profitability of HEJJ Token, as of the date of this Order, the fair market value of HEJJ Token is \$0.00.

DNGD TOKEN

24. DNGD Token is a BEP20 digital asset deployed on the Binance Smart Chain.
25. The contract for DNGD Token is 0x95EA2148d0697BB6eE54a4E6e9A86466fB8Df498 and it was created on or about July 28, 2021, by 0x3bfc72abCd437Dc8fcbc1dd250cBE19383B9BDCC at transaction hash 0x222c3282bc80974d4863d67b60ea1e95b321a425883401e418187d5a1bc65b13 in block 9555158.
26. DNGD Token is purportedly tied to a gold mining company that operated in Africa and **Caragaceanu** purportedly served as the Chief Technology Officer for issuer.
27. **Respondents** were selling DNGD Token for \$0.07 per token. Purchasers were purportedly entitled to receive a guaranteed return of 7% to 15% per month, and they were purportedly able to stake DNGD Token and earn 30% profit every 30 days.
28. **Respondents** were also representing that **Caragaceanu** would earn profits from DNGD Token, and his profits would benefit a token tied to **Hedge4.ai**. They claimed, for

example, that “with [Caragaceanu’s] profits from this project we will PUMP HEDGE4 token. Trust our team!”

29. Although **Respondents** were touting the lucrative profitability of DNGD Token, as of the date of this Order, the fair market value of DNGD Token is \$0.00.

TSWS TOKEN

30. TSWS Token is a BEP20 digital asset deployed on the Binance Smart Chain.

31. The contract for TSWS Token is 0xeE3F6D467d85C39d17Dda602F4147BC202e3e30, and it was created on or about October 18, 2021, by 0xeFa895e78aF07Ba408eaA39dcF3e757239752D67 at transaction hash 0x78aa70a9f64b0d78f101caded0412a246fd1ead0221aaa91d0006fcd031d1431 in block 11872722.

32. **Respondents** have been describing TSWS Token as a utility coin and claiming ownership is a prerequisite for accessing a trading academy that permits investors to “make money in this recession” by “rid[ing] the panic & trad[ing] like a shark.”

33. **Respondents** have also been telling prospective investors they can stake TSWS Token and earn returns of 60% every 30 days or 720% per year.

34. **Respondents** have been instructing investors to contact TSWS through WhatsApp or its Telegram channel to purchase TSWS Token for 0.02 BUSD per token.

35. **Respondents** have been providing “referral links” that permit clients to refer new investors. They have been purportedly compensating these clients with “MLM rewards.”

36. Although **Respondents** have been touting the lucrative profitability of TSWS Token, as of the date of this Emergency Cease and Desist Order, the fair market value of TSWS Token is \$0.00.

NFT PROJECTS

37. **Respondents** have been promoting the Hedge 4 Collection, a series of NFTs that include the following assets:

- a. The NFT named “100x NFT The Shark of Wall Street 100,000 TSWS tokens. Passive income NFT” (the “TSWS NFT”) depicts a web 3.0 wallet holding 100,000 TSWS Tokens. **Respondents** most recently listed the TSWS NFT for .12 ETH, and purchasers of the TSWS NFT are purportedly entitled to receive 100,000 TSWS Tokens.
- b. The NFT named “Diamonds and Gold to Crypto NFT” (the “DNGD NFT”) depicts a web 3.0 wallet holding 8305 DNGD Token. **Respondents** most recently listed the DNGD NFT for 1.04 RTH, and purchasers of the DNGD NFT are purportedly entitled to receive 8,305 DNGD Tokens.

38. **Respondents** also created other collections and minted various NFTs, including other NFTs tied DNGD Token that tout their potential for “100x growth” and a collection of NFTs named “CharlieDAO.”

GPTX TOKENS

39. Respondents are now promoting GPT Token, also known as GPTX Token.

40. GPTX Token is a BEP20 digital asset deployed on the Binance Smart Chain.

41. The contract for GPTX Token is

0xC4d7B76dc121e67dc4e7E4e32eCC9B5015eba9e3 and the contract was created on or about March 18, 2023, by 0x3bfc72abCd437Dc8fcbc1dd250cBE19383B9BDCC at transaction hash

0x013e2142f563141b82c9cf30989ac6527d3259b351fb96d83e9676b3f3c2a055 in block 26583417.

42. **Respondents** are telling prospective investors that GPTX Token is a utility token and not a security, and that the main utility is earning rewards through staking GPTX Token.

43. **Respondents** are also telling prospective investors that they will burn and buy back tokens whenever they earn 7x on a startup. They are also telling investors GPTX Token has the potential to increase in value 100x.

44. **Respondents** are also marketing GPTX Token by telling prospective investors **Respondents** will “create a similar TV Show like Shark Tank” and their “hub and TV Channel will be setup in Dubai...next year.”

TRUTHGPT COIN AND ELON MUSK AI TOKEN

45. **Respondents** are now promoting TruthGPT Coin and Elon Musk AI Token.

46. TruthGPT Coin and Elon Musk AI Token are BEP20 digital assets deployed on the Binance Smart Chain.

47. The contracts for TruthGPT Coin and Elon Musk AI Token are as follows:

a. The contract for TruthGPT Coin is

0xA36aF8252c17F7f57836eCA81Ac9f5636aFaaf74, and it was created on or about February 17, 2023, by

0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash 0x6fc7c47f4808ddbee75778a16f0023623ea6f8e069f66ac806d5d7765dba 922b in block 25744332, and

b. The contract for Elon Musk AI Token is

0xdd5f47e5ec6773d4c5de1cf591d4466b75406236, and it was created in March 2023 by 0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash 0x078ce4e1a85839b4a644a268be8aff37c9b61bd9f05 de2acea9dad4c7ea69492.

48. TruthGPT Coin and Elon Musk AI Token are available from PinkSale and PancakeSwap.

MARKETING TRUTHGPT COIN AND ELON MUSK AI TOKEN

49. **Respondents** are promoting GPTX Token, TruthGPT Coin and Elon Musk AI Token through existing internet websites and social media accounts, including the LinkedIn profile for **Caragaceanu**, the website for **Hedge4.ai**, the Twitter handle for **TSWS** and **Hedge4.ai**, the YouTube channel for **Hedge4.ai** and the Telegram channel for **Hedge4.ai**.

50. TruthGPT Coin and Elon Musk AI Token are also being offered through a new internet website (truthgptc.com) and new social media accounts, including a subreddit (r/truthgptcoin), a YouTube channel (@truthgptcoin), a TikTok handle (@truthgptc), a Twitter handle (@truthgptcoin) and a Medium blog (@truthgptcoin).

51. **Respondents** are telling prospective investors that TruthGPT Coin is powered by an artificial intelligence platform developed by Elon Musk. They are referring to this artificial intelligence platform as Elon Musk AI.

52. Elon Musk AI purportedly interfaces with TruthGPT Coin to create the “Ultimate AI-Powered Cryptocurrency Investment Advisor” that can purportedly provide accurate, reliable real-time analysis of market trends as follows:

- a. TruthGPT Coin offers “a secure and reliable platform for cryptocurrency trading and investment,” while Elon Musk AI provides users with recommendations and ideas for investment,
- b. Users are able to pose questions through the TruthGPT platform. These questions are answered by Elon Musk AI, which “has been trained on large datasets of cryptocurrency-related information,”
- c. Elon Musk AI is constantly learning and evolving, ensuring users receive “the most up-to-date recommendations and insights into cryptocurrency investments,” and
- d. Elon Musk AI performs “crypto analysis” and detects “whether a currency is a scam or not” and can “make price predictions, monitor social media and help... with many other topics.”

53. **Respondents** are marketing Elon Musk AI Token as a token that complements TruthGPT Coin insofar as Elon Musk AI Token is used for advertising and promoting through TruthGPT Coin’s platform.

THE PROFITABILITY OF TRUTHGPT COIN AND ELON MUSK AI TOKEN

54. Investors purportedly profit from their purchase of TruthGPT Coin because all advertising and promotional revenues earned from the TruthGPT Coin platform will be randomly distributed to owners of TruthGPT Coin and Elon Musk AI Token, and prioritize purchasers holding the greatest number of tokens.

55. Investors purportedly profit from their purchase of Elon Musk AI Token because each Elon Musk AI Token is “rewarded with a 5% reward in TruthGPT Coin for every transaction.”

56. **Respondents** are further telling investors the price of TruthGPT Coin will increase by as much as 10,000 times the current purchase price.

RESPONDENTS ARE CLAIMING ELON MUSK IS ENDORSING TRUTHGPT COIN

57. **Respondents** are publishing an image of a tweet purportedly published by Elon Musk from @elonmusk on February 17, 2023. The tweet reads, “What we need is Truth GPT.” **Respondents** are using this tweet to demonstrate that Elon Musk is endorsing TruthGPT Coin.

58. Animated avatars of Elon Musk also depict him touting TruthGPT Coin, endorsing TruthGPT Coin and comparing TruthGPT Coin to ChatGPT. For example, an animated avatar of Elon Musk published in social media depicts him discussing TruthGPT Coin and audibly stating:

Cryptocurrency trading is one of the most exciting and rapidly evolving markets in the world, and two platforms are leading the charge: TruthGPT Coin and ChatGPT. While both platforms use artificial intelligence technology to provide users with insights and suggestions for investment opportunities. There are key differences between the two that make them stand out. TruthGPT Coin is a secure and reliable platform for trading and investing in cryptocurrencies using an artificial intelligence model called Elon Musk AI... Ultimately, both TruthGPT Coin and ChatGPT offer unique advantages for those looking to navigate the world of cryptocurrency trading...”

59. The website and social media platforms for TruthGPT Coin also show other images of Elon Musk that convey his support and/or endorsement of TruthGPT Coin.

**RESPONDENTS ARE CREATING THE APPEARANCE THAT
OTHER PUBLIC FIGURES ARE PART OF THE TRUTHGPT ECOSYSTEM**

60. The website for TruthGPT Coin contains imagery depicting the likenesses of other public figures, including Jayanti Kanani, the co-founder of Polygon, Emin Gun Sirer, the founder and Chief Executive Officer of Avax, Michael Saylor, the founder and Chairperson of MicroStrategy, Vitalik Buterin, the founder of Ethereum and Changpeng “CZ” Zhao, the founder and CEO of Binance.

61. This website for TruthGPT Coin also contains webpages for each public figure that presents an image of the public figure and displays links to their websites and social media accounts.

62. These webpages purportedly incorporate a communications platform whereby these public figures can follow, be followed by and interact with users.

OTHER NEW TOKENS CREATED BY THE SAME CONTRACT CREATOR

63. As described herein, the contract creator for TruthGPT Token and Elon Musk AI Token is 0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323.

64. Beginning as early as February 21, 2023, the same contract creator created at least seven other BEP20 digital assets deployed on the Binance Smart Chain.

65. These digital assets include FlokiGPT (“FlokiGPT Token”), DBAI (“Doge Based AI Token”), EverTruth (“EverTruthGPT Token”), Illuminati (“Illuminati Token”), BabyTruth (“BabyTruthGPT Token”), CFLOKI (“CEO Floki Inu Token”), and NPCMEME (“NPC Meme Token”), and they are described in greater detail as follows:

a. The contract for FlokiGPT Token is

0x391E69A80388C78e14338b07eb063E56cf44ec8d, and it was created on or

about February 24, 2023, by 0xA1D42Fe38D
417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0xd1dbc301b4ee3c8def5bd89b8695bc677b04116723b66132a2c09432dd
60caf7 in block 25946323,

- b. The contract for Doge Based AI Token, is
0xFF6BD815C657D204A697a40197AE681Ee132a195, and it was created on
or about March 3, 2023, by 0xA1D42Fe38D417c4
6ADb2b7aE8dFcc54e80546323 at transaction hash
0x11aaa3360ab4a45e93a5f55afb64234b50f18e701adeefc3118d05ab1
4b00621 in block 26156214,
- c. The contract for EverTruthGPT Token is
0x326579a20fFE326dd195F9bfB6124e9656245aeB, and it was created on or
about February 21, 2023, by
0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0xb4b6d94fde3efe43b2d4991e12ec1ad222e06778b719615199085c583e
50590c in block 25871499,
- d. The contract for Illuminati Token is
0xE9909A4C296B27fA87363f6CC34D654D2425c3F8, and it was created on
or about February 22, 2023, by
0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0x88bf02c052d7d658f23e2dfce2f0b0d8fd6dc7215c2038ed255867f018
d2818a in block 25893460,

e. The contract for BabyTruthGPT Token is

0xc07aA5C3cD62C1FB1411a97a11edeB09c7286825, and it was created on or about February 24, 2023, by

0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0x27bbd08a444c3c55dd572f8b45d68801900f501b8c9f34fe8e8afc76ed
05cb23 in block 25930248,

f. The contract for CEO Floki Inu Token is

0xAf7545d2e44dEb018AE9ddD8F32C830d45779F33, and it was created on or about February 25, 2023, by
0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0x236918c7f0d43bf206b02ba327978cc2b39226ad137c9af8021c615ee3
ae6477 in block 25978040, and

g. The contract for NPC Meme is

0x6EAD4C4c9fD4ce30576cadb418e365647d5db617, and it was created on or about February 26, 2023, by
0xA1D42Fe38D417c46ADb2b7aE8dFcc54e80546323 at transaction hash
0xcac550d5631b1cb66395df7761e971c0416c6869bef3fedd32d7899213
391ca9 in block 25987261.

66. Although many of these tokens are not yet being marketed through internet websites, social media or other platforms, Doge Based AI Token, FlokiGPT Token and Illuminati Token are being promoted as follows:

a. Doge Based AI Token is being marketed through a website accessible at dogebasedai.com, Telegram through [dogebasedaigroup](https://t.me/dogebasedaigroup), and Medium at

dogebasedai as a decentralized application that serves as a “smart investment bot” and provides yield farming and staking,

- b. FlokiGPT Token is being marketed through an internet website accessible at flokigpt.ai, Telegram through flokigpt_ai and Twitter through @flokigpt as an AI-powered trading bot, and
- c. Illuminati Token is being marketed through a website accessible at illuminati.com that describes the asset as representing "ownership in a multi-dex yield farming fund on Cronos Chain."

REGISTRATION VIOLATIONS

67. DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Alabama.

68. **Respondents** have not been registered with the Commission as dealers or agents at any time material hereto.

FRAUD AND DECEPTION AND THE CONCEALMENT OF OPERATIONAL INFORMATION

69. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** are intentionally failing to disclose the education, business repute, qualifications and experience of **Caragaceanu**, and this information constitutes material facts.

70. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** are intentionally failing to disclose the business repute, qualifications and experience of **TSWS** and **Hedge4.ai**, and this information constitutes material facts.

71. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** are intentionally failing to disclose the following material facts relating to the location of their operations:

- a. The country of residence for **Caragaceanu**,
- b. The mailing address for the offices of **Hedge4.ai** and **TSWS**, as well as the mailing address for the primary office for **Caragaceanu**, and
- c. The country where **Hedge.ai** and **TSWS** are incorporated or organized, if any, as well as the agency or agencies where they filed for incorporation or organization, if any.

72. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** are intentionally failing to disclose financial information for **TSWS** and **Hedge4.ai**, including their assets, liabilities and revenue, and this information constitutes material facts.

73. As described herein, **Respondents** are telling investors they plan to secure listings for **TSWS** on the NASDAQ in 2026 and **Hedge4.ai** on the NASDAQ in 2027. These statements are materially misleading or otherwise likely to deceive the public because **Respondents** are not

disclosing any plans to satisfy criteria for listing shares on the NASDAQ, including standards relating to earnings, cash flow, revenue and/or asset valuation.

FRAUD AND THE CONCEALMENT
OF INFORMATION ABOUT OTHER INVESTMENTS AND THE TRADING
ACADEMY

74. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** intentionally failed to disclose the following material facts relating to the profitability of digital assets they previously offered and sold as investments, including:

- a. That the contract for HEDJ Token was created on or about August 24, 2019, **Respondents** were offering HEDJ Token for \$0.05 per HEDJ Token, and the fair market value of HEDJ Token is now \$0.00,
- b. That the contract for HEJJ Token was created on or about February 26, 2021, **Respondents** were offering HEJJ Token for \$0.000088 per HEJJ Token, and the fair market value of HEJJ Token is now \$0.00,
- c. That the contract for DNGD Token was created on or about July 28, 2021, **Respondents** were offering DNGD Token for \$0.07 per DNGD Token, and the fair market value of DNGD Token is now \$0.00, and
- d. That the contract for TSWS Token was created on or about October 18, 2021, **Respondents** were offering TSWS Token for 0.02 BUSD per TSWS Token, and the fair market value of TSWS Token is now \$0.00.

75. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein,

Respondents are intentionally failing to disclose the success of their trading academy and the profitability of their recommendations.

FRAUD AND ELON MUSK AI

76. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the identities, business repute, qualifications, and experience of the team responsible for developing Elon Musk AI, and this information constitutes material facts.

77. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the cost of developing and updating Elon Musk AI, and this information constitutes material facts.

78. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the following risks associated with Elon Musk AI, and these risks constitute material facts:

- a. Deficiencies in the coding of artificial intelligence platforms may negatively impact the ability to use the platforms and the reliability of their output,
- b. A hacking incident of malicious act may negatively impact the ability to use artificial intelligence platforms and the reliability of their output, and
- c. Artificial intelligence platforms compete with other artificial intelligence platforms, and this competition may negatively impact demand for a particular artificial intelligence platform.

79. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the accuracy and reliability of Elon Musk AI, and this information constitutes material facts.

**FRAUD AND THE
ENDORSEMENT BY ELON MUSK AND THE DEALINGS WITH PUBLIC FIGURES**

80. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the following material information relating to their purported relationship with Elon Musk:

- a. Any contracts or financial obligations arising from the use of the likeness of Elon Musk and his purported endorsement of TruthGPT Coin, and
- b. Any contracts or financial obligations arising from the use of the artificial intelligence platform referred to as Elon Musk AI.

81. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, **Respondents** are intentionally failing to disclose the following material facts relating to their purported relationship with public figures, including Jayanti Kanani, Emin Gun Sirer, Michael Saylor, Vitalik Buterin, and Changpeng “CZ” Zhao:

- a. Any contracts or financial obligations arising from dealings with said public figures, and
- b. Any plans for said public figures to interact with users through the TruthGPT platform.

FRAUD AND THE RISKS
ASSOCIATED WITH INVESTMENTS TIED TO DIGITAL ASSETS

82. In connection with the offer of DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, GPTX Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein, **Respondents** are intentionally failing to disclose the following material facts relating to the risks associated with investments tied to digital assets:

- a. Governments may adopt legislation or enact regulations that negatively impact the use, transfer, exchange or price of digital assets,
- b. The value of digital assets may be volatile, and the price of a digital asset as it relates to fiat currency may decrease over a short period of time, resulting in significant loss to the owners of digital assets,
- c. A technical failure or deficient source code may have a negative impact and the ability to stake, trade or exchange digital assets,
- d. A hacking incident or malicious attack may negatively impact the profitability of investments tied to digital assets,
- e. A slashing event may reduce the quantity of staked assets and negatively impact the profitability of investments tied to digital assets, and
- f. DNGD Token, HEDJ Token, HEJJ Token, TSWS Token, TruthGPT Coin, Elon Musk AI Token and the NFTs described herein compete with other digital assets marketed as investments and/or that generate passive returns, and this competition may negatively impact price and liquidity of said tokens.

MISLEADING STATEMENTS RELATING TO REGULATION

83. **Respondents** are telling prospective purchasers of GPTX Token that it is a utility coin and not a security coin, and this statement is materially misleading or otherwise likely to deceive the public because GPTX Token is regulated as a security in Alabama.

MISLEADING STATEMENTS ABOUT THE AUDIT

84. **Respondents** are telling prospective purchasers of GPTX Token that the contract for GPTX Token was audited. These statements are materially misleading or otherwise likely to deceive the public because Respondents are not identifying the firm that conducted the audit, describing the qualifications and experience of the auditing firm, detailing the scope of the audit or the methodology used by the auditing firm, or providing a report that summarizing the findings.

CONCLUSIONS OF LAW

85. Pursuant to Section 8-6-2(2), Code of Alabama, 1975, the definition of “agent” includes any individual who represents a dealer or issuer in effecting or attempting to effect sales of securities. By attempting to effect sales of securities to Alabama Investors, **Respondents** acted as an “agent” as defined by the Act.

86. Pursuant to Section 8-6-2(10), Code of Alabama, 1975, the definition of a “security” includes investment contracts. The securities offered by **Respondents** require the investment of cryptocurrency from investors who expect profits to be derived from the efforts of **Respondents** and are securities as defined by the Act.

87. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for any person to transact business as an agent unless he is registered under the Act. **Respondents** acted as an agent while not registered with the Commission in violation of the Act.

88. Pursuant to Section 8-6-4, Code of Alabama, 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or subject to a perfected exemption from registration under the Act. The securities offered by **Respondents** are neither registered nor subject to a perfected exemption from registration and are being offered and sold to Alabama investors in violation of the Act.

89. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. **Respondents** are making offers for the sale of securities containing statements that are materially misleading or otherwise likely to deceive the public in violation of the Act. This Order is appropriate in the public interest for the protection of investors 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 may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, though either administrative adjudication, failure of the **Respondents** to make a timely request for 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 **Respondents**, an additional administrative assessment for investigative costs arising from the investigation of the violations described herein against **Respondents**, and a permanent order to bar **Respondents** from participation in any securities-related industry in the State of Alabama.

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

Entered at Montgomery, Alabama, this 3rd day of May, 2023.

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

BY:



AMANDA L SENN
DIRECTOR

