

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
WWW.MINE-I.COM,) ADMINISTRATIVE ORDER
) NO. CD-2024-0003
DES TINY, whose identity is otherwise)
unknown, and 3 Other Trading Websites)
Purported to be Established by DES TINY)
And Identified in Exhibit A To This Order)
WWW.MINE-Z.COM,)
LU CAS, whose identity is otherwise)
unknown)
)
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. **WWW.MINE-I.COM (MINE-I)** is an online entity that purports to be a global blockchain asset trading platform with innovative trading technology, analytics, education, and customer service for over 15 years. **MINE-I** is accessible via the aforementioned website and may be served through its domain registrar Hostinger International Ltd. Located at 61 Lordou Vironos str., 6023 Larnaca, Cyprus via compliance@hostinger.com.

2. **DES TINY ("DES TINY")**, whose identity is otherwise unknown, is the owner of **MINE-I** and 3 other blockchain asset trading platforms identified in Exhibit A to this order. **DES TINY** may be served through their domain registrar Hostinger International Ltd. Located at 61 Lordou Vironos str., 6023 Larnaca, Cyprus via compliance@hostinger.com.

3. **WWW.MINE-Z.COM (MINE-Z)** is an online entity that purports to be a global

blockchain asset trading platform with innovative trading technology, analytics, education, and customer service for over 15 years. **MINE-Z** is accessible via the aforementioned website and may be served through its domain registrar Hostinger International Ltd. Located at 61 Lordou Vironos str., 6023 Larnaca, Cyprus via compliance@hostinger.com.

4. **LU CAS** (“**LU CAS**”), whose identity is otherwise unknown, is the owner of **MINE-Z**. **LU CAS** may be served through their domain registrar Hostinger International Ltd. Located at 61 Lordou Vironos str., 6023 Larnaca, Cyprus via compliance@hostinger.com.

STATEMENT OF FACTS

5. On January 6, 2023, a complaint was received by the Commission from an Alabama resident regarding an investment made with a global blockchain asset trading platform. The victim was first contacted on the social media messaging platform LinkedIn, and introduced to an alleged brokerage manager named Jack Zhang (ZHANG). ZHANG then began inquiring about the Alabama resident’s investment experience with the traditional stock market as well as cryptocurrency. ZHANG then touted his company’s successes in cryptocurrency investing by stating the following. *“We do not make long-term investments, but only make short-term investments. This kind of transaction has stable returns, and you can gain returns from long and short positions. We use big data analysis and professional experience to only do short-term and currency-to-currency transactions. Each transaction takes about In 20 minutes, we invested millions of dollars in big data each time. When making an investment, every time we set the investment amount, the profit point, and make a strict stop loss of 15%. We use the winning rate and long-term trading to ensure long-term stable income. Which investment method do you prefer?”* ZHANG then touted his own experience by stating, *“I have been in the financial industry for more than 20 years and cryptocurrency research for 10 years. And has its own research team of more than 30 people. We work with multiple cryptocurrency exchanges.”*

6. The Alabama resident continued to discuss their investment experience and potential future investment strategies with ZHANG and ZHANG advised the Alabama resident, *“A good investor will diversify his investment portfolio, but these stable returns are difficult to obtain profitable returns in this year’s market. A friend of mine withdrew about \$2 million of his 401K*

funds to participate in our investment strategy this year, and has now made at least \$3 million in profit. If he had kept his money in a 401K, he would have lost somewhere between \$300,000 and \$500,000 now, luckily he took my advice. Hopefully, your 401K and your IRA didn't cost you a loss this year. When investing, we will prepare three investment strategies to take you to learn and familiarize yourself with our investment and operations. This will be free, so I will not limit how much money you use. You need to study and analyze our accuracy carefully. When these three studies are over, you need to add funds as we suggest, and we can start a formal cooperation to make a really profitable investment, after you get the investment income, my team and I will get from your net income 30% of the profit is charged as the income of our brokerage team. So we have a mutually beneficial relationship, the more we help you earn, the better our income will be."

7. ZHANG then offered to get the Alabama resident started by stating the following, "*I will arrange an investment strategy that works for you. When we do investment, we use two different exchanges to complete, one exchange is used to buy cryptocurrencies and withdraw income, and the other is a professional investment platform for investment and profit. When withdrawing your profits, the exchange does not treat your profits as investment income, which is not taxable under the IRS. So our short-term investment is also a reasonable tax avoidance investment.*"

8. The Alabama resident then began liquidating their longstanding traditional securities to fund their newly created Coinbase account with cryptocurrency. ZHANG then instructed the Alabama resident to the domain address, <https://mine-w.com/wap>, to download the MINE mobile application to their phone. The Alabama resident created an account at MINE and began funding it with their newly purchased cryptocurrency from Coinbase. ZHANG instructed the Alabama resident how to allegedly trade using the MINE mobile application and the Alabama resident saw immediate profits. The Alabama resident then began funding their MINE account with more cryptocurrency. During one conversation, ZHANG stated, "*Of course I recommend that you liquidate your 401K and IRA investments into our investment strategy, if you invest \$1 million to participate in our investment, then the funds used each time will be 500,000, and will help you arrange a VIP once a week An investment strategy that guarantees your weekly growth rate of*

more than 50%. You can calculate your profit very well, so you don't have to worry about your taxes and penalties. As your assets grow, your profits will only get higher."

9. The Alabama resident experienced difficulty accessing the domain address for MINE multiple times during their trading experience. The domain would become inoperable, and ZHANG directed the Alabama resident to the domains; www.mine-y.com, www.mine-o.com, and www.mine-w.com.

10. The Alabama resident sent Bitcoin (BTC), Ether (ETH), and Tether (USDT) cryptocurrencies to what they believed to be their MINE account in August and September 2022. Below is a list of the approximate amounts and wallet addresses.

- 7.51973 BTC: 381R4dLAq5tcx5Mpr7d7BEfC6gKwnD2fMC
- 145.30927 ETH: 0xee174b5e16824cb7e7ebaccd1b224f464e0ba17d
- 126,416.81 USDT: 0x4763e9c1052d22ff8580c97eb5edcb5eea534363
0x396d5a9f4b7a8d669f9f470031ba85955fd2b7fe

11. In the following weeks, the Alabama resident's investment account increased in earnings, they needed to make a \$200,000.00 withdrawal to pay a tax liability they incurred due to liquidating their longstanding traditional securities accounts. When the Alabama resident requested the \$200,000.00 withdrawal, they were told their account was frozen due to tax issues within their MINE account. The Alabama resident was advised they must pay out of their own pocket and not out of the earnings in their MINE account. As the Alabama resident continued to attempt to withdraw their funds, they were advised they must pay additional undisclosed fees. The Alabama resident then became skeptical that they were involved in a scam and filed a report with the Commission.

12. On January 2, 2024, a review of the registration files of the Alabama Securities Commission revealed no registration for the **RESPONDENTS** in any capacity.

CONCLUSIONS OF LAW

13. Pursuant to section 8-6-2(10), Code of Alabama, 1975, the definition of a security includes investment contracts and profit-sharing agreements. The investment plans outlined by **RESPONDENTS** require the investment of money in the investment program managed by **RESPONDENTS** from which the investor expected profits to be derived from the efforts of **RESPONDENTS** and therefore, are securities as defined by the Act.

14. Pursuant to section 8-6-2(18), Code of Alabama, 1975, an Investment Adviser is any person who, for compensation, advises others, either directly or indirectly, as to the value of, or the advisability of investing in securities. The definition includes those who manage portfolios or the accounts of other investors. **RESPONDENTS** represented that they managed and traded the account of the investor and therefore, are Investment Advisers as defined in 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 this state unless: (1) it is registered under the Act; (2) the security is exempt from registration under Section 8-6-10; or (3) the transaction is exempt under Section 8-6-11. **RESPONDENTS** sold a security as defined under 8-6-2(10), Code of Alabama 1975, while that security was neither exempt nor registered with the state, in violation of the Act.

9. Pursuant to section 8-6-17(b)(2), Code of Alabama, 1975, it is unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise to employ any device, scheme, or artifice to defraud the other person. **RESPONDENTS** promised excessive returns to investors, reported fictitious account values, and imposed undisclosed fees 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, 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 **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 19th day of January, 2024.

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

BY:



Amanda L. Senn
Director



Exhibit A

www.mine-y.com

www.mine-o.com

www.mine-w.com