

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

COIN-CAPITALINVESTMENT.COM

RESPONDENT

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**ADMINISTRATIVE ORDER
NO. CD-2024-0004**

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:

RESPONDENT

1. **WWW.COIN-CAPITALINVESTMENT.COM (COIN-CAPITAL)** is an online entity that purports to be a cryptocurrency investment firm with a purported business address of 14 Kensington Road, Ardsley, NY 10502. **COIN-CAPITAL** is accessible via the aforementioned website and may be served through its domain registrar **ATK DOMAIN BILGI TEKNOLOJILERI AS** via hukuk@atakdomain.com.

STATEMENT OF FACTS

2. On July 26, 2023, a complaint was received by the Commission from an Alabama resident regarding an investment made with an online cryptocurrency trading platform named **COIN-CAPITAL**. The victim was first contacted on a social media messaging platform by being tagged in a post about cryptocurrency by someone she was friends with. Unbeknownst to the Alabama resident, the friend's social media account had been hacked and someone was using their account to solicit investors. The Alabama resident responded to the tag to see if her friend had meant to tag them. The friend responded by stating, *"I did mean to post it. Crypto is the perfect retirement plan and best stream of income and it has also helped countless families and folks*

become financially settled and debt free with this opportunity.” The Alabama resident stated, “We are in the midst of selling our home. We are wanting to use about 10-15k for investment. Will that be a good start for this?” The friend stated, “You do not need to be a crypto enthusiast to begin investing. With this opportunity I present, you can monitor your trades although they are automatically carried out for you by experts. You don’t have to be glued to your phone or computer to earn. I like to compare it to a stock exchange. However, instead of trading stocks in our exchange, people trade crypto against other cryptocurrencies and assets in real time! Crypto is very volatile and its volatility makes it even more profitable. There are zero risks in this. The crypto group I work with have hundreds of professional traders who stick the discipline of profitability. We trade the financial market with your capital ensuring profit and no losses.”

3. At the friend’s advice, the Alabama resident set up what they believed to be a crypto currency trading account at **COIN-CAPITAL**. The Alabama resident sent cryptocurrency to their newly created **COIN-CAPITAL** account on four separate occasions in June and July of 2023. The Alabama resident sent approximately \$21,936.00 U.S. dollar worth of cryptocurrency in the form of Bitcoin (BTC) to the following wallet addresses at **COIN-CAPITAL**:

- BTC: bc1qjqmlsjjfx6l5fqch36nnxy7k0wkegvhjdrwhe7
- BTC: bc1qwrmnkhelru3kw00kaz5qszzszgz4xnnlf3pnehr
- BTC: 1Mtb4d1pK19h5oxrgBejiJbxpEyfsPcPnM

4. As the Alabama resident invested additional funds, they inquired about commissions for the work the friend was doing for them. The friend stated the Alabama resident would be “*charged a 5% fee of your overall monthly crypto earnings which also covers account maintenance and tax fee.*” After the Alabama resident’s investment account increased in earnings, they decided to make withdrawals and were advised they must pay a 20% commission that was meant to pay the federal taxes. In addition, the Alabama resident was advised they must pay the commission upfront and out of their own pocket and not out of the earnings. 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.

5. On December 13, 2023, a review of the registration files of the Alabama Securities Commission revealed no registration for the **RESPONDENT** in any capacity.

CONCLUSIONS OF LAW

6. 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 **RESPONDENT** require the investment of money in the investment program managed by **RESPONDENT** from which the investor expected profits to be derived from the efforts of **RESPONDENT** and therefore, are securities as defined by the Act.

7. 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. **RESPONDENT** 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. **RESPONDENT** 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. **RESPONDENT** 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 **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 **RESPONDENT**, an additional administrative assessment for investigative costs arising from the investigation of the violations described herein against **RESPONDENT**, and a permanent order to bar **RESPONDENT** from participation in any securities-related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENT 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
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BY:



Amanda L. Senn
Director

