

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
) ADMINISTRATIVE ORDER
WWW.FALCOSXST.VIP aka COINFALCON,) NO. CD-2024-0009
WWW.FAICVAVC.VIP aka COINFALCON,)
RAY JASA CHI, whose identity)
 is otherwise unknown,)
WWW.BITCSPIL.VIP aka BITCHEN,)
WWW.BITCOXRR.VIP aka BITCHEN,)
LES TRIEU, 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.FALCOSXST.VIP** is an online entity marketed as a global blockchain asset trading platform with innovative trading technology, analytics, education, customer service, and in operation for the past seven years.
2. **WWW.FAICVAVC.VIP** is an online entity marketed as a global blockchain asset trading platform with innovative trading technology, analytics, education, customer service, and in operation for the past seven years.
3. **RESPONDENT** websites **WWW.FALCOSXST.VIP** and **WWW.FAICVAVC.VIP** are collectively known as **COINFALCON**. **COINFALCON** may be served through its domain registrar NameSilo located at 8825 N. 23rd Ave., Suite 100, Phoenix, Arizona 85021 via legal@namesilo.com.

4. **RAY JASA CHI**, whose identity is otherwise unknown, is the owner of **COINFALCON**. **RAY JASA CHI** may be served through their domain registrar NameSilo located at 8825 N. 23rd Ave., Suite 100, Phoenix, Arizona 85021 via legal@namesilo.com.

5. **WWW.BITCSPIL.VIP** is an online entity marketed as a global blockchain asset trading platform with innovative trading technology, analytics, education, customer service, and in operation for the past seven years.

6. **WWW.BITCOXRR.VIP** is an online entity marketed as a global blockchain asset trading platform with innovative trading technology, analytics, education, customer service, and in operation for the past seven years.

7. **RESPONDENT** websites **WWW.BITCSPIL.VIP** and **WWW.BITCOXRR.VIP** are collectively known as **BITCHEN**. **BITCHEN** may be served through its domain registrar NameSilo located at 8825 N. 23rd Ave., Suite 100, Phoenix, Arizona 85021 via legal@namesilo.com.

8. **LES TRIEU**, whose identity is otherwise unknown, is the owner of **BITCHEN**. **LES TRIEU** may be served through their domain registrar NameSilo located at 8825 N. 23rd Ave., Suite 100, Phoenix, Arizona 85021 via legal@namesilo.com.

STATEMENT OF FACTS

9. On August 22, 2023, a complaint was received by the Commission from an Alabama resident regarding an investment made with global blockchain asset trading platform websites known to the resident as **COINFALCON** and **BITCHEN**. The resident was concerned their investment of approximately \$300,000 was lost and they may be a victim of a cryptocurrency investment fraud scheme.

10. In May 2023, the victim was contacted via a text message from an individual who self-identified as AILEEN GIXAN LI (LI). The text exchange was friendly, resulting in the victim and LI continuing to communicate. LI claimed to be a Chinese immigrant now residing and owning a business in New York City. Following their initial text and verbal exchanges, LI discussed the valuable tips they provided to a few close friends involved in short-term cryptocurrency trading. LI offered their assistance to the victim if they wished to learn how to profit in the cryptocurrency trading market. The victim agreed to the idea and LI recommended the victim start off with a small investment to better understand the trading experience.

11. The victim provided LI \$200.00 to make an initial purchase of cryptocurrency for the victim's benefit. LI provided directions to the victim on how to download and install the Crypto.com application to the victim's cell phone. Subsequently, LI provided directions to download other apps to include the Coinbase, Defi Wallet, BITSTAMP and imToken apps to convert U.S. Dollars to virtual currency.

12. Following the victim's initial investment, LI encouraged the victim to consider increasing their investment portfolio by opening a short-term trade account with **COINFALCON**. LI touted **COINFALCON**'s success as a cryptocurrency trading platform. In both verbal conversations and text messages, LI provided the victim promises of guaranteed income and growth of their savings if the victim would merely follow LI's advice and execute cryptocurrency trades using the **COINFALCON** platform. **COINFALCON** facilitates timely trades with proprietary algorithms and leading market research to bolster profits exceeding the market for account holders. **COINFALCON** accounts require each account holder to initiate their account with an initial investment of cryptocurrency. LI told the victim they would be in control of their investment portfolio within the **COINFALCON** platform to include transparent views of each trade and the victim's account balance. At any point, the victim would be able to retrieve their principal investment and any earnings garnered through trades and enhanced cryptocurrency values.

13. In June 2023, the victim agreed to an investment of \$9,500.00 for cryptocurrency trading purposes. The funds were wired by the victim from their personal bank account to Crypto.com to acquire the necessary cryptocurrency for trade. LI directed the victim to **COINFALCON** domain addresses, <https://WWW.FALCOSXST.VIP> and <https://WWW.FAICVAVC.VIP>, to download the **COINFALCON** App to victim's cell phone. Based on LI's instructions, the victim created an account at **COINFALCON** and funded the account with the cryptocurrency purchased from Crypto.com. LI requested the victim provide screenshot images from their cell phone reflecting each deposit/transaction submitted by the victim using the **COINFALCON** App. LI then instructed the victim on how to trade their cryptocurrency balance within the **COINFALCON** App.

14. The trades initiated by the victim generated immediate profits for the victim as reflected in the victim's **COINFALCON** account. LI encouraged the victim to fund their **COINFALCON** account with more cryptocurrency to further grow the victim's account balance. The victim completed two additional wires in the amounts of \$25,000 and \$45,000 to acquire additional cryptocurrency from Crypto.com for deposit to the victim's **COINFALCON** account. These deposits pushed the victim's unrealized **COINFALCON** account balance to well over a million dollars.

15. In July 2023, LI continued to encourage the victim to deposit additional funds in **COINFALCON** and mentioned a forthcoming trading opportunity for the victim to significantly increase their wealth portfolio. Based on LI's advice, the victim borrowed \$150,000 from their 401K Thrift Savings account to purchase Ethereum cryptocurrency for deposit to their trading account. LI provided the victim instructions to transition their **COINFALCON** account profile to the **BITCHEN** platform based on a merger of the two trading platforms. LI then instructed the victim to the **BITCHEN** domain addresses, <https://WWW.BITCSPIL.VIP> and <https://WWW.BITCOXRR.VIP>, to download the **BITCHEN** App to the victim's cell phone.

16. By following LI's instructions, the victim successfully transitioned their account profile to the **BITCHEN** site. LI then directed the victim to transfer the newly acquired Ethereum cryptocurrency previously obtained with the \$150,000 wire transfer to the **BITCHEN**

platform to support new trades. As previously instructed, the victim was directed by LI to send LI screenshot images of each transaction from the victim's mobile phone. Over the course of the fraudulent scheme, the victim completed four wire transfers totaling \$229,500 drawn from the victim's savings and their 401K Thrift Savings account.

17. Over a three-month period, the victim's alleged trading account balance grew to well over \$3 million dollars as reflected on the **BITCHEN** platform. However, when trying to make a withdrawal of \$150,000 from his **BITCHEN** account to repay the funds the victim borrowed from his 401K Thrift Savings account, the victim received the following message sent by luishill1995@gmail.com: *"Hello, dear CoinFalcon customers. Your **295 account withdraws 200,000 USDT on July 27, 2023, and the node detects that your account is at risk. According to the current risk control environment, in order to ensure the safety of your funds, you need to contact the online customer service within the specified time to provide your ID card and contact information and pay an equivalent amount of cash (200,000 USDT) as capital verification funds to verify the safety of your account. After the risk verification is passed, the verification funds will be returned to your trading account in the form of USDT. Account withdrawals have not been processed at this time. In order to protect the safety of your account funds, our company hopes that you can submit the deposit as soon as possible to complete the withdrawal. If your account problem cannot be solved within three days, our company will freeze your account and the funds in the account, this is to ensure the safety of your account and the funds in the account. If you have any questions, please contact online customer service. wish you a happy life!"*

18. The victim contacted the customer service line and was told by an unknown individual any withdrawal from their trading account could only be processed with the deposit of capital verification funds in the amount of \$200,000. Absent this deposit, the victim's account would remain frozen. When the victim complained to LI, LI encouraged the victim to seek a loan or another form of short-term credit financing to be able to pay the capital verification fee. Following numerous attempts by the victim to withdraw funds from their trading account, the victim realized the investment program was likely a fraudulent scheme orchestrated by LI and others.

19. Legal process served during the investigation identified the owner of **COINFALCON** as username “paisley2373” with an email of paisley2373@outlook.com and a subscriber name of **RAY JASA CHI**. Legal process revealed the owner of **BITCHEN** as username “ndjshtt” with an email of ndjshtt@outlook.com and a subscriber name of **LES TRIEU**.

20. On February 22, 2024, a review of the registration files of the Alabama Securities Commission revealed no registration for the **RESPONDENTS** in any capacity.

CONCLUSIONS OF LAW

21. 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.

22. 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 registered nor exempt with the state, in violation of the Act.

23. Pursuant to section 8-6-17(a)(1), 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 1st day of March, 2024.



ALABAMA SECURITIES COMMISSION
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BY:

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

Amanda L. Senn
Director