

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

HORATIU CHARLIE CARAGACEANU
AKA HORATIU CARACEANU, HORATIU
CARA AND CHARLIE CARAGACEANU;
THE SHARK OF WALL STREET; AND
HEDGE4.AI,

Respondents.

**SUMMARY CEASE
AND DESIST ORDER**

Pursuant to the authority granted to Amy Kopleton, Acting Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order (“Order”) against Horatiu Charlie Caragaceanu AKA Horatiu Caraceanu, Horatiu Cara, and Charlie Caragaceanu (“Caragaceanu”); The Shark of Wall Street (“TSWS”); and Hedge4.ai (“Hedge4.ai”) (collectively, “Respondents”).

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

INTRODUCTION

1. Caragaceanu claims to be a resident of San Francisco, California, and the Chief Executive Officer of TSWS. Caragaceanu is also the Chief Executive Officer of Hedge4.ai, an affiliate or branch of TSWS.

2. Since as early as 2019, the Respondents have been minting, offering, and selling

cryptocurrencies and nonfungible tokens (“NFTs”) allegedly tied to artificial intelligence, stock trading, cryptocurrency investing, and gold and diamond mining.

3. Respondents marketed these digital assets as investments that would significantly increase in value, pay lucrative guaranteed returns, and/or generate considerable passive income. However, these digital assets are now valued at or around \$0.00 per token.

4. 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. Respondents claim TruthGPT Coin serves as the “Ultimate AI-Powered Cryptocurrency Investment Advisor” and investors in TruthGPT Coin may earn up to 1,000x their principal investment.

5. Respondents are also promoting Elon Musk AI Token, and 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 visually and audibly depicting Elon Musk favorably endorsing TruthGPT Coin and comparing TruthGPT Coin to ChatGPT.

RESPONDENTS

6. Caragaceanu identifies himself as a resident of San Francisco, California. Based on records obtained, Caragaceanu’s legal address is in Bucharest, Romania at Bulevardul Alexandru Obregia nr 10-14, B110-14 Sc Ap 4 Sector 4, Bucuresti 041735 RO.

7. Caragaceanu is the Chief Executive Officer of TSWS and Hedge4.ai.

8. TSWS and Hedge4.ai are described and marketed on their websites and in their whitepapers 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 tout 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 also tout future plans for charitable donations and mentorships. For example, Hedge4.ai represents that it 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, angels programs.”

12. Respondents are not registered with the Bureau in any capacity.

RESPONDENTS HAVE BEEN USING INTERNET WEBSITES AND SOCIAL MEDIA TO PROMOTE INVESTMENTS TIED TO DIGITAL ASSETS

13. Respondents have promoted 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 (collectively, “Unregistered Securities”).

14. Respondents have been promoting these digital asset investments through internet websites and social media platforms that are accessible to members of the general public, including residents of New Jersey, at the following:

- a. the internet websites for Hedge4.ai (www.hedge4.ai), TSWS (thesharkofwallstreet.app), and a startup gold mining company (www.dng.digital);
- b. the Twitter handles for DNGD Token (@DngToken), Hedge4.ai (@Millionaires0n), and for both Hedge4.ai and TSWS displayed as “HEDGE4.Ai & The Shark” (@Hedge4A);
- c. the Facebook webpages for Hedge4.ai (www.facebook.com.hedge44) and DNGD Token (www.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](https://www.reddit.com/r/hedge4dotai));
- f. YouTube through the channels for Hedge4.ai ([youtube.com/@hedge4ai51](https://www.youtube.com/@hedge4ai51)) and DNGD Token ([youtube.com/@dngtoken9504](https://www.youtube.com/@dngtoken9504));
- g. Instagram through the feed for Hedge4.ai ([instagram.com/hedge4.ai/](https://www.instagram.com/hedge4.ai/));
- h. LinkedIn through the profile for Caragaceanu ([linkedin.com/in/horatiu-charlie-caragaceanu-8965a8205](https://www.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. ERC-20 represents the technical standard for creating Ethereum-based tokens.

16. The contract for the HEDJ Token is 0x956cBE17D4Af9890bC10Ed4153B73cc7eB89B6c3 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. Respondents marketed HEDJ Token by representing to prospective investors it had “50x potential in the DeFi space” and had “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 created the HEJJ Token as a replacement by deploying 999,980,441 HEJJ Tokens on the Binance Smart Chain.

HEJJ TOKEN

19. HEJJ Token is a BEP-20 digital asset deployed on the Binance Smart Chain. BEP-20 represents the technical standard for creating tokens on the Binance Smart Chain.

20. The contract for HEJJ Token is 0x2f1ad6ec7d2da4cd4cf679a781ca376d7f091e30 and it was created on or about February 26, 2021, by 0x930225c1ce5e6e7dc9e345e750ee77ecdf7ef49e at transaction hash 0x8cea1a19baf2b1a6cd7bb42983aa8575bcc5c52d47fbb56dc5e0034d1ed697c4 in block 5210711.

21. Following the migration of HEDJ Token to the Binance Smart Chain and creation of HEJJ Token, Respondents began selling HEJJ Token for \$0.000088 per token. Respondents marketed HEJJ Token by representing to prospective investors their 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 with the following representations:

- a. 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. 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 profit potential 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 BEP-20 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 0x222c3282bc80974d4863d67b60ea1e95b321a425883401e418187d5a1bc65b1

3 in block 9555158.

26. DNGD Token was purportedly tied to a gold and diamond mining company that operated in Africa with Caragaceanu having purportedly served as the Chief Technology Officer for the mining company issuer.

27. Respondents were selling DNGD Token for \$0.07 per token. Investors were purportedly entitled to receive a guaranteed return of 7% to 15% per month, and were purportedly able to stake DNGD Token and earn 30% profit after 30 days, with an average of 30% reward on the 30 days deposit and a promise that the percentage would increase as mining operations accelerated.

28. Respondents were also representing on social media that Caragaceanu would earn profits from DNGD Token and his profits would benefit a token tied to Hedge4.ai. Respondents 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 profit potential 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 BEP-20 digital asset deployed on the Binance Smart Chain.

31. The contract for TSWS Token is 0x0ee3f6d467d85c39d17dda602f4147bc202e3e30 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 representing to prospective investors that they can stake TSWS Token and earn returns of 60% for 30 days (720% APR).

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 and purportedly compensating these clients with “MLM rewards.”

36. Although Respondents have been touting the profit potential of TSWS Token, as of the date of this 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 Token. 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” (the “DNGD NFT”) depicts a web 3.0 wallet holding 8,305 DNGD Token. Respondents most recently listed the DNGD NFT for 1.04 WETH, and purchasers of the DNGD NFT are purportedly entitled to receive 8,305 DNGD Tokens.

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

GPTX Tokens

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

40. GPTX Token is a BEP-20 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 falsely representing to and assuring 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 representing to prospective investors that they will burn and buy back tokens whenever they earn 7x on a startup. Respondents are promoting GPTX Token as having the potential to increase in value 100x.

44. Respondents are also marketing GPTX Token to prospective investors with representations that 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 have been promoting TruthGPT Coin and Elon Musk AI Token.

46. TruthGPT Coin and Elon Musk AI Token are BEP-20 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 February 17, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0x6fc7c47f4808ddbbee75778a16f0023623ea6f8e069f66ac806d5d7765dba922b in block 25744332; and
- b. The contract for Elon Musk AI Token is 0xdd5f47e5ec6773d4c5de1cf591d4466b75406236 and it was created on March 7, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0x078ce4e1a85839b4a644a268be8aff37c9b61bd9f05de2acea9dad4c7ea6949

2 in block 26263072.

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

MARKETING TRUTHGPT COIN, ELON MUSK AI TOKEN, AND GPTX TOKEN

49. Respondents are promoting TruthGPT Coin, Elon Musk AI Token, and GPTX Token through existing internet websites and social media accounts, including the LinkedIn profile for Caragaceanu, the website for Hedge4.ai, the Twitter handle for both 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 (www.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 (TruthGPT Coin).

51. Respondents are representing to prospective investors that TruthGPT Coin is powered by an artificial intelligence platform developed by Elon Musk. Respondents refer 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, and 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 cryptocurrency investment;”
- b. users are able to pose questions through the TruthGPT platform and these questions are answered by Elon Musk AI, which “has been trained on large datasets of cryptocurrency-related information;”
- c. Elon Musk AI “processes and analyzes real-time data from reliable sources to provide users with the most up-to-date recommendations information and recommendations;” 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. Respondents are representing to prospective investors that 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. Despite this claim, Respondents indicate they will prioritize investors 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 also claim that the price of TruthGPT Coin will increase by as much as 1,000 times the current purchase price.

RESPONDENTS ARE CLAIMING ELON MUSK IS ENDORSING TRUTHGPT COIN

57. Respondents have published images of a tweet purportedly 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 on 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 purport to convey his support and/or endorsement of TruthGPT Coin.

RESPONDENTS ARE FALSELY 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: Jaynti Kanani, 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; Changpeng “CZ” Zhao, the founder and CEO of Binance; and Satoshi Nakamoto, identified as the “nickname used by the people or groups known as the creator of Bitcoin.”

61. The website for TruthGPT Coin also contains webpages for each public figure that presents an image for 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. The contract creator for TruthGPT Token and Elon Musk AI Token has the wallet address 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323.

64. Beginning as early as February 21, 2023, the same contract creator’s wallet address created at least seven other BEP-20 digital assets deployed on the Binance Smart Chain.

65. These digital assets include EverTruth (“EverTruthGPT Token”), illuminati (“Illuminati Token”), BabyTruthGpt (“BabyTruthGPT Token”), FlokiGPT (“FlokiGPT Token”), CFLOKI (“CEO FLOKI INU Token”), NPC Meme (“NPCMEME Token”), and DBAI (“Doge Based AI Token”), which are described in greater detail as follows:

- a. the contract for EverTruthGPT Token is 0x326579a20ffe326dd195f9fb6124e9656245aeb and it was created on or about February 21, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0xb4b6d94fde3efe43b2d4991e12ec1ad222e06778b719615199085c583e50590c in block 25871499;
- b. the contract for Illuminati Token is 0xe9909a4c296b27fa87363f6cc34d654d2425c3f8 and it was created on or about February 22, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0x88bf02c052d7d658f23e2dfce2f0b0d8fd6dc7215c2038ed255867f018d2818a in block 25893460;
- c. the contract for BabyTruthGPT Token is 0xc07aa5c3cd62c1fb1411a97a11edeb09c7286825 and it was created on or about February 24, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash at transaction hash 0x27bbd08a444c3c55dd572f8b45d68801900f501b8c9f34fe8e8afc76ed05cb23 in block 25930248;
- d. the contract for FlokiGPT Token is 0x391e69a80388c78e14338b07eb063e56cf44ec8d and it was created on or about February 24, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0xd1dbc301b4ee3c8def5bd89b8695bc677b04116723b66132a2c09432dd60caf7 in block 25946323;
- e. the contract for CEO FLOKI INU Token is 0xaf7545d2e44deb018ae9ddd8f32c830d45779f33 and it was created on or about February 25, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0x236918c7f0d43bf206b02ba327978cc2b39226ad137c9af8021c615ee3ae6477 in block 25978040;
- f. the contract for NPCMEME Token is 0x6ead4c4c9fd4ce30576cadb418e365647d5db617 and it was created on or about February 26, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0xcac550d5631b1cb66395df7761e971c0416c6869bef3fedd32d7899213391ca9 in block 25987261; and
- g. the contract for Doge Based AI Token, is 0xff6bd815c657d204a697a40197ae681ee132a195 and it was created on or about March 3, 2023, by 0xa1d42fe38d417c46adb2b7ae8dfcc54e80546323 at transaction hash 0x11aaa3360ab4a45e93a5f55afb64234b50f18e701adeefc3118d05ab14b00621 in block 26156214.

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

- a. Illuminati Token is being marketed through a website accessible at www.illuminati.co that describes the asset as representing “ownership in a multi-dex yield farming fund on Cronos Chain;”
- b. FlokiGPT Token is being marketed through an internet website accessible at www.flokiapt.ai as an “AI-powered trading bot” and also on Twitter (@flokiapt); and
- c. Doge Based AI Token is being marketed through a website accessible at www.dogebasedai.com as a decentralized application that serves as a “smart investment bot” and provides yield farming and staking.

OMMISIONS OF MATERIAL FACTS IN THE OFFER OF THE UNREGISTERED SECURITIES

67. In connection with the offer of the Unregistered Securities, Respondents failed to disclose material facts relating to the education, business repute, qualifications, and experience of Caragaceanu.

68. In connection with the offer of Unregistered Securities, Respondents failed to disclose material facts relating to the business repute, qualifications, and experience of TSWS and Hedge4.ai.

69. In connection with the offer of the Unregistered Securities, Respondents failed to disclose material facts relating to the location of their operations, including the:

- a. country of residence for Caragaceanu;
- b. mailing address for the offices of Hedge4.ai and TSWS, as well as the mailing address for the primary office for Caragaceanu; and
- c. 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.

70. In connection with the offer of Unregistered Securities, Respondents failed to disclose material facts relating to financial information for TSWS and Hedge4.ai, including their assets,

liabilities, and revenue.

71. Respondents are advertising to investors their plans to secure listings for TSWS on the NASDAQ stock exchange in 2026 and Hedge4.ai on the NASDAQ in 2027. These are untrue statements of material facts or omissions 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, because Respondents have not disclosed any plans to satisfy criteria for listing shares on the NASDAQ, including standards relating to earnings, cash flow, revenue, and/or asset valuation.

**UNTRUE OR MATERIALLY MISLEADING STATEMENTS OF MATERIAL FACTS
ABOUT OTHER INVESTMENTS AND THE TRADING ACADEMY**

72. In connection with the offer of the Unregistered Securities, Respondents failed to disclose material facts relating to the profitability of digital assets previously offered and sold as investments, including:

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

73. In connection with the offer of the Unregistered Securities, Respondents failed to disclose material facts relating to the success of their trading academy and the profitability of their recommendations.

UNTRUE OR MATERIALLY MISLEADING STATEMENTS AND OMMISIONS OF MATERIAL FACTS REGARDING THE ELON MUSK AI

74. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to the identities, business repute, qualifications, and experience of the team responsible for developing Elon Musk AI.

75. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to the cost of developing and updating Elon Musk AI.

76. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to the following risks associated with Elon Musk AI, including:

- 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 or 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.

77. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to the accuracy and reliability of Elon Musk AI.

UNTRUE OR MATERIALLY MISLEADING STATEMENTS OF MATERIAL FACTS ABOUT THE ENDORSEMENT BY ELON MUSK AND THE DEALINGS WITH PUBLIC FIGURES

78. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to their purported relationship with Elon Musk, including:

- 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.

79. In connection with the offer of TruthGPT Coin and Elon Musk AI Token, Respondents failed to disclose material facts relating to their purported relationship with public figures, including Jaynti Kanani, Emin Gun Sirer, Michael Saylor, Vitalik Buterin, Changpeng “CZ” Zhao, and Satoshi Nakamoto, including:

- 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.

OMMISIONS OF MATERIAL FACTS REGARDING THE RISKS ASSOCIATED WITH INVESTMENTS TIED TO DIGITAL ASSETS

80. In connection with the offer of the Unregistered Securities, Respondents failed to disclose material facts relating to the risks associated with investments tied to digital assets, including that:

- 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 negatively impact 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. the Unregistered Securities, 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 Unregistered Securities.

UNTRUE OR MATERIALLY MISLEADING STATEMENTS OF MATERIAL FACTS RELATING TO REGULATION

81. Respondents are representing and assuring prospective investors of GPTX Token that it is a utility coin and not a security coin, and this is an untrue statement of material fact that is misleading because GPTX Token is subject to regulation as a security in New Jersey.

UNTRUE OR MATERIALLY MISLEADING STATEMENTS OF MATERIAL FACTS ABOUT THE AUDIT

82. Respondents are representing to prospective investors of GPTX Token that the contract for GPTX Token was audited. These are untrue statements of material facts or omissions 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, 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 summarizes the findings.

CONCLUSIONS OF LAW

83. The Unregistered Securities are securities as defined in N.J.S.A. 49:3-49(m).

84. Respondents are offering securities that are neither registered with the Bureau, nor “federally covered,” nor exempt from registration, in violation of N.J.S.A. 49:3-60.

85. TSWS and Hedge4.ai are effecting or attempting to effect transactions in the

Unregistered Securities for the accounts of others or for their own account without registration as a broker-dealer in violation of N.J.S.A. 49:3-56.

86. Caragaceanu is acting as an agent, as defined by N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in securities from or in New Jersey, without being registered by the Bureau, in violation of N.J.S.A. 49:3-56(a).

87. In connection with the offer, sale, or purchase of securities, Respondents are making materially false and misleading statements and/or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of N.J.S.A. 49:3-52(b).

88. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Securities Law.

89. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

90. Respondents' violations of the Securities Law are continuous and ongoing, therefore it is in the public interest and appropriate that this Order be issued.

CONCLUSION

THEREFORE, it is on this 3rd day of May 2023, **ORDERED** that:

91. Respondents and any person, employee, officer, director, entity, agent, or Respondents' representative, or independent contractor under Respondents' direction or control, immediately **CEASE AND DESIST** from:

a. offering for sale any security, in New Jersey unless the security is registered with the Bureau, or is offered for sale pursuant to an exemption from registration under the

Securities Law;

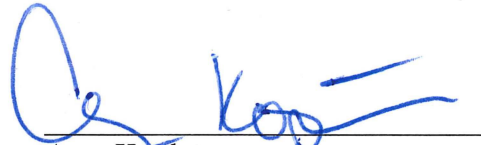
b. acting as broker-dealers or agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law;

c. making material misstatements of fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, in connection with its offer and/or sale of the Unregistered Securities in New Jersey; and

d. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

92. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to Respondents.

93. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to Respondents.



Amy Kopleton
Acting Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i), the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities. Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15-day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.