

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

IN THE MATTER OF:

Springcryptoinvest, a/k/a
Springcryptoinvest.com Ltd.

Respondent.

**SUMMARY CEASE AND
DESIST ORDER**

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83 (“Securities Law”) and certain regulations thereunder, and based upon an 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 Springcryptoinvest, a/k/a Springcryptoinvest.com Ltd. (“Springcryptoinvest”).

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

FINDINGS OF FACT

1. Seeking to capitalize on the recent popularity of cryptocurrencies, Springcryptoinvest uses the term “crypto” in its name to offer purported opportunities in various investment packages that claim to pay a guaranteed rate of return of 3% daily, with some packages claiming to pay as much as 20%. In actuality, Springcryptoinvest is fraudulently offering unregistered securities in violation of the Securities Law.

The Respondent

2. Springcryptoinvest conducts its business on the internet, principally by means of a website accessible at www.spring-cryptoinvest.com (“Website”).

3. Springcryptoinvest claims it was incorporated in November 2002 in Liverpool, UK with 04588340 as its registration number. However, United Kingdom registration number 04588340 is assigned to “Europe Business Limited” (“EBL”). EBL’s Director’s Report, dated December 31, 2016, states EBL’s principal activity is the licensing of betting software, not investing or cryptocurrencies. There is no United Kingdom registration number for the name “Springcryptoinvest.”

4. Springcryptoinvest also holds itself out as being “officially registered in USA on November 2002” without any further explanation.

5. Springcryptoinvest is not registered with the Bureau as a broker-dealer or in any capacity.

The Springcryptoinvest Website

6. The Website is accessible to the general public, including residents of New Jersey.

7. Springcryptoinvest claims on the Website to be an “international investment entity” created by professional traders and skilled analysts with “valuable expertise especially in in stock market and extensive practical experiences of combined knowledge and capabilities to allow for participation in the market within a non-risk investment environment.”

8. Springcryptoinvest purports to have 71,000 “Facebook Fans” and 29,000 Twitter followers and the Website has links to Facebook and Twitter. However, the links do not open a

Springcryptoinvest Facebook or Twitter account and it appears Springcryptoinvest does not have these social media pages.

9. The Website's home page asserts that Springcryptoinvest's business activities are regulated by "...USA international regulatory authorities and comply with the most demanding standards of the USA legislation..." but fails to identify which regulatory authorities.

The Springcryptoinvest Securities

10. Springcryptoinvest offers investments to the general public in its various investment packages. These investment packages are securities as defined by N.J.S.A 49:3-49(m). The Springcryptoinvest securities are not registered with the Bureau, nor federally covered, nor exempt from registration.

11. Springcryptoinvest offers three investment packages with varying amounts of purported profit that can be expected over 15 "working" days, which are presented on the Website homepage as:

- a. The "Basic Package" offers a 10% daily profit with a minimum investment of \$250 for a total return of 140%;
- b. The "Business Package" offers a 15% daily profit with a minimum investment of \$1,000 for a total return of 210%; and
- c. The "Professional Package" offers a 20% daily profit with a minimum investment of \$10,000 for a total return of 350%.

12. The Website states:

Basic Package			Business Package			Professional Package		
10% Daily profit for 15 working days			15% Daily profit for 15 working days			20% Daily profit for 15 working days		
Min: \$250	Max: \$999	140% Total Return	Min: \$1000	Max: \$999	210% Total Return	Min: \$10,000	Max: \$50,000	350% Total Return

13. The Website further states:



Up To 10% Daily Profit


Earn up to 10% guaranteed daily profit For 15 business days and get the principal back at maturity date.

14. The Website states that the profit is paid on business days (Monday through Friday) to the investor’s account without any fee or limitation.

15. Springcryptoinvest does not disclose how investors’ funds will be invested to generate the purported profits.

16. Springcryptoinvest claims on the Website to use a “risk control system to ensure that [investor] funds are being handled efficiently and they are getting higher levels of safety.”

17. Springcryptoinvest also claims that an investor’s daily profit is guaranteed “from all sides” through insurance without disclosing the extent of insurance coverage, the insurance underwriter, or the method utilized to guarantee daily profits. The Website states:






Guaranteed Daily Profit

One of our strongest advantages over competitors is that we provide insurance in investing funds and guarantee your profits from all sides.

18. The Website also offers potential investors use of a “Profit Calculator” for each investment package that will compute a daily profit projection and total return on any amount of principal investment. The Website does not indicate that the anticipated profit and return are subject to change. The Website “Investment Plans” page states:

INVESTMENT PLANS

Your profit will be paid on business days to your account which can be withdrawn everyday without any fee or limitation. Principal and earnings are both guaranteed on all sides.

 BASIC PACKAGE	 BUSINESS PACKAGE	 PROFESSIONAL PACKAGE
<ul style="list-style-type: none">• The Plan: 10% Daily• Conditions: 15 business days• Total Return: 150% R.O.I• Compounding: No• Min - Max deposit: \$200 - \$999	<ul style="list-style-type: none">• The Plan: 15% Daily• Conditions: 15 business days• Total Return: 210% R.O.I• Compounding: No• Min - Max deposit: \$1,000 - \$4,999	<ul style="list-style-type: none">• The Plan: 20% Daily• Conditions: 15 business days• Total Return: 350% R.O.I• Compounding: No• Min - Max deposit: \$5,000 - \$500,000
PROFIT CALCULATOR	PROFIT CALCULATOR	PROFIT CALCULATOR

19. The Website “Investment Plans” page presents the same packages to investors as those presented on the Website homepage, but with discrepancies in certain of the minimum and maximum investment amounts, and total returns.

20. Despite “Guaranteed Daily Profits,” the Website’s Privacy Policy states that the Website’s information is for illustrative purposes only and investors should seek independent investment advice.

21. In order to invest with Springcryptoinvest, investors must open an online account through the Website. After opening an account, potential investors receive an email thanking them

for signing up and urging the investor to fund the account by purchasing a plan using Bitcoin, Litecoin, or funding the account through payment websites PerfectMoney or Payeer.

The Use of Agents to Offer Securities

22. As part of Springcryptoinvest’s recruiting program, Springcryptoinvest uses “affiliates” to invite new investors to Springcryptoinvests investment program through the use of Springcryptoinvest’s banners or text ads.

23. According to the Website, the “affiliates” do not need to invest with Springcryptoinvest to earn a referral commission, they merely need to open an account.

24. The “Home” page of the Website contains the following picture to describe the “Affiliate Program” and offers up to 8% commission to the “affiliate” from any referral that deposits money into a Springcryptoinvest account. The Website states:



25. Springcryptoinvest “affiliates” are agents as defined by N.J.S.A. 49:3- 49(b). These “affiliates” are not registered as agents with the Bureau or exempt from registration.

26. Springcryptoinvest is using “affiliates” to offer securities in New Jersey who are not registered with the Bureau as agents.

Untrue Statements of Material Facts in the Offer of Springcryptoinvest Securities

27. Springcryptoinvest claims on the Website that it was incorporated in the United Kingdom in November 2002 with 04588340 as its registration number. However, United Kingdom registration number 04588340 is not assigned to Springcryptoinvest, and there is no United Kingdom registration number for the name “Springcryptoinvest.”

Ommission of Material Facts Concerning Springcryptoinvest Securities

28. In connection with the offer of securities in the Springcryptoinvest investment packages, Springcryptoinvest omits the following material facts:

- a. how investor funds are invested;
- b. the identity of Springcryptoinvest’s principals;
- c. Springcryptoinvest’ assets and liabilities, and other financial information;
- d. the risks associated with the securities;
- e. the method of how returns are calculated; and
- f. how the returns are insured against loss.

CONCLUSIONS OF LAW

29. Springcryptoinvest is effecting or attempting to effect transactions in securities for the accounts of others or for its own account without registration in violation of N.J.S.A. 49:3-56.

30. Springcryptoinvest is engaging in fraud in connection with the offer for sale of investment products.

31. In connection with the offer and sale of securities, Springcryptoinvest is 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 to investors, in violation of N.J.S.A. 49:3-52(b).

32. 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 Law.

33. 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.

34. Springcryptoinvest's violations are continuous and ongoing, therefore it is in the public interest that this Order be issued.

ORDER

Therefore, based upon all of the foregoing, it is on this 21st day of May 2018 hereby

ORDERED:

1. Springcryptoinvest and any person, employee, officer, director, entity, or independent contractor controlling Springcryptoinvest, or controlled by Springcryptoinvest, immediately **CEASE AND DESIST** from:

- a. offering for sale any investment in New Jersey until Springcryptoinvest is registered with the Bureau as a broker-dealer or investment adviser;
- b. acting as a broker-dealer or agent in New Jersey until 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 investments 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.

2. 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 Springcryptoinvest.

3. 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 **REVOKED** as to Springcryptoinvest.



Christopher W. Gerold, Chief
New Jersey 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.