

TRAVIS J. ILES
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MELISSA TYROCH
MEMBER

IN THE MATTER OF	§	
CRYPTOBASE AKA THE CRYPT-BASE	§	Order No. ENF-20-CDO-1828
AKA CRYPT BASE AND	§	
AARON MAXWELL	§	
	§	

Cryptobase aka The Crypt-Base aka Crypt Base

Service by certified mail, return receipt requested, addressed to (1) Little Forest Road, Bournemouth BH4, United Kingdom; (2) c/o WhoisGuard, Inc. at PO Box 0823-03411, Panama City, Panama; (3) c/o Quijano & Associates at the Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama; and (4) c/o Namecheap, Inc. at 4600 East Washington Street, Suite 405, Phoenix, Arizona 85034.

Aaron Maxwell

Service by certified mail, return receipt requested, addressed to Little Forest Road, Bournemouth BH4, United Kingdom.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1-581-45 (the "**Securities Act**").

The Enforcement Division of the Texas State Securities Board (the "**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

FINDINGS OF FACT

1. Cryptobase aka The Crypt-Base aka Crypt Base ("**Respondent "Cryptobase"**") can be served by certified mail, return receipt requested, addressed to the following parties:
 - A. Respondent Cryptobase at Little Forest Road, Bournemouth BH4, United Kingdom;
 - B. WhoisGuard, Inc., the Registrant, Technical Contact and Administrative Contact for its website, at PO Box 0823-03411, Panama City, Panama, and

through Quijano & Associates at the Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama; and

- C. Namecheap, Inc., the Registrar of its website, at 4600 East Washington Street, Suite 405, Phoenix, Arizona 85034.
2. Aaron Maxwell ("**Respondent Maxwell**") can be served by certified mail, return receipt requested, addressed to Little Forest Road, Bournemouth BH4, United Kingdom.

THE PUBLIC SOLICITATIONS THROUGH REDDIT

3. Respondents Cryptobase and Maxwell (collectively the "Respondents") are soliciting investments in an online forex trading program through www.reddit.com ("Reddit"), a popular social news aggregation, web content rating, and discussion website.
4. Respondent Maxwell, acting as "aaronmaxfxc," is sending private messages to users participating in r/stocks, a forum or "subreddit" hosted by Reddit.
5. Respondent Maxwell is also responding to inquiries from users, including Texas residents.
6. Respondent Maxwell is directing these users to convert their fiat currency to Bitcoin and deposit the Bitcoin in an account at www.crypt-base.com (the "Cryptobase Website"), an online platform maintained by Respondent Cryptobase.

THE CRYPT-BASE WEBSITE

7. The Cryptobase Website is representing Respondent Cryptobase manages investments in a passive trading program that pays returns on a weekly or monthly basis.
8. The Cryptobase Website explains investors can purchase these investments by electing to participate in the Basic Plan for \$300, the Silver Plan for \$2,500, the Gold Plan for \$10,000, and the Platinum Plan for \$100,000.
9. Respondent Maxwell, as an account manager for Respondent Cryptobase, trades on behalf of investors.
10. Investors pay a fee of 13% of profits for the management of their profits.

THE PURPORTED PROFITABILITY OF THE INVESTMENTS

11. Respondent Maxwell is representing that investors will earn "300%-400%+ on a weekly basis depending on the market value and fluctuations."

12. Respondent Maxwell is also representing that they “guarantee more than 500% in returns.”

THE CLAIMS OF REGULATION AND TAXATION

13. Respondent Maxwell is representing Respondents are not required to hold a Texas license to deal in the investments.
14. Respondent Maxwell is also representing a company and registered broker “covers up” for all taxes “attached to... profits,” and as such, investors will not “have any business with the IRS.”

REGISTRATION VIOLATIONS

15. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
16. The Basic, Silver, Gold, and Platinum Plans have not been registered by notification, coordination, or qualification, and no permit has been granted for their sale in Texas.

FRAUD AND THE CONCEALMENT OF MATERIAL BUSINESS INFORMATION

17. In connection with the offer of the Basic, Silver, Gold, and Platinum Plans, Respondents are intentionally failing to disclose their business repute, qualifications and experience, and this information constitutes a material fact.
18. In connection with the offer of the Basic, Silver, Gold, and Platinum Plans, Respondents are intentionally failing to disclose their strategy for trading forex for a profit, and this information constitutes a material fact.
19. In connection with the offer of the Basic, Silver, Gold, and Platinum Plans, Respondents are intentionally failing to disclose Respondent Cryptobase’s assets, liabilities and cash flow, as well as any other financial information that reflects its ability to satisfy the guarantee to investors.

DECEIT AND THE CLAIMS OF REGULATION AND TAXATION

20. In connection with the offer of investments in the Basic, Silver, Gold, and Platinum Plans, Respondent Maxwell is claiming Respondents do not need any type of license to trade or invest in Texas. This statement is materially misleading or otherwise likely to deceive the public because:
 - A. Investors are required to report income or profits earned from the investments as required by federal tax laws;

- B. Investors will be responsible for paying taxes on income or profits earned from the investments as required by federal tax laws; and
- C. Respondent Maxwell is not disclosing the method through which a company or registered broker legally “covers up” investment tax consequences.

FRAUD AND THE CONCEALMENT OF RISKS ASSOCIATED WITH TRADING FOREX

21. In connection with the offer of investments in the Basic, Silver, Gold, and Platinum Plans, Respondents are intentionally failing to disclose the following material facts relating to the risks associated with trading foreign currencies:
- A. Fluctuations in a country’s interest rates may lead to fluctuations in a currency’s value, thereby negatively impacting the ability to close a trade for a profit;
 - B. Macroeconomic statistics, such as inflation, can have a significant impact on forex markets;
 - C. Other capital markets, including stocks, bonds, and commodities markets have strong influences on exchange rates between foreign currencies;
 - D. International trade numbers, such as trade deficits and surpluses, play a vital role in forex markets;
 - E. Fluctuations in the foreign exchange rate between the time of placing a trade and the time of closing a trade may negatively impact the price of forex;
 - F. Leveraging transactions on margin, once called, may lead to substantial losses in excess of initial investments; and
 - G. Political news can be important for forex traders, and unexpected news can negatively impact forex trading.

FRAUD AND THE CONCEALMENT OF THE RISKS ASSOCIATED WITH BITCOIN

22. In connection with the offer of investments the Basic, Silver, Gold, and Platinum Plans, Respondents are intentionally failing to disclose the following material facts relating to the risks associated with bitcoin:
- A. Governments may adopt legislation or regulation that may negatively impact the use, transfer, exchange, or price of bitcoin;

- B. A system or technical failure, or deficient source code, may negatively impact the ability to exchange cryptocurrencies for fiat currencies, as well as the price of cryptocurrencies;
- C. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies;
- D. Bitcoin competes with other cryptocurrencies, and this competition may negatively impact the price of bitcoins; and
- E. Investors will need to monetize their bitcoin, and cryptocurrency exchanges or other parties may charge considerable fees when exchanging bitcoin for fiat currency.

CONCLUSIONS OF LAW

1. The investments in the Basic, Silver, Gold, and Platinum Plans are securities as the term is defined by Section 4.A of the Securities Act.
2. Respondents are violating Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents are violating Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for sale of securities.
5. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
6. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

ORDER

1. It is therefore ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Securities Act.
2. It is further ORDERED Respondents immediately CEASE AND DESIST from acting as a securities dealer or agent in Texas until Respondent is registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Securities Act.

3. It is further ORDERED Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 20th day of November 2020.



TRAVIS J. ILES
Securities Commissioner