

TRAVIS J. ILES  
SECURITIES COMMISSIONER



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## Texas State Securities Board

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MEMBER

KENNY KONCABA  
MEMBER

ROBERT BELT  
MEMBER

MELISSA TYROCH  
MEMBER

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IN THE MATTER OF §  
LIQUID GOLD TRUST, LIQUIDITY CARD SOLUTION §  
LLC, LIQUIDITY GLOBAL CARD SOLUTION (PTY) § Order No. ENF-20-CDO-1817  
LTD, AND LANCE ANGUS JERRARD §

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### LIQUID GOLD TRUST

1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa  
8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196  
21781 Ventura Boulevard No. 44A, Woodland Hills, California 91364  
1910 Thomes Avenue, Chyenne, Wyoming 82001

### LIQUIDITY CARD SOLUTION LLC

1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa  
8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196  
21781 Ventura Boulevard No. 44A, Woodland Hills, California 91364  
1910 Thomes Avenue, Chyenne, Wyoming 82001  
c/o its registered agent in Wyoming, InCorp Services, Inc., at 1910 Thomes Avenue,  
Cheyenne, Wyoming 82001

### LIQUIDITY GLOBAL CARD SOLUTION (PTY) LTD

1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa  
8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196  
21781 Ventura Boulevard No. 44A, Woodland Hills, California 91364  
1910 Thomes Avenue, Chyenne, Wyoming 82001

### LANCE ANGUS JERRARD

1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa  
8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196  
21781 Ventura Boulevard No. 44A, Woodland Hills, California 91364  
1910 Thomes Avenue, Chyenne, Wyoming 82001

## EMERGENCY CEASE AND DESIST ORDER

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

The Enforcement Division of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find that:

## FINDINGS OF FACT

1. Liquid Gold Trust ("Respondent Liquid Gold Trust") can be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California; 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196.
2. Liquidity Card Solution LLC ("Respondent Liquidity Card Solution") can be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California; 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196. It can also be served through its registered agent in Wyoming, InCorp Services, Inc., at 1910 Thomes Avenue, Cheyenne, Wyoming 82001.
3. Liquidity Global Card Solution (PTY) LTD ("Respondent Liquidity Global Card Solution") can be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California; 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196.
4. Lance Angus Jerrard ("Respondent Jerrard") can be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; 1910 Thomes Avenue, Chyenne, Wyoming 82001; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196.

## THE SCHEME

5. Respondent Jerrard is the Chief Executive Officer of Liquid Gold Trust. Respondent Liquid Gold Trust is the parent company of Respondents Liquidity Global Card Solution and Liquidity Card Solution. It claims to deal in loyalty cards, pre-paid cards, payroll and software solutions and blockchain technology.
6. Respondent Jerrard is the founder of Liquidity Global Card Solution, a wholly owned subsidiary of Respondent Liquid Gold Trust, a "legal entity" that purports to engage investors as described herein.
7. Respondent Jerrard is the Member and Chief Executive Officer of Liquidity Card Solution. Respondent Liquidity Card Solution claims to be 21-year-old, debt-free marketing firm responsible for the Global Marketing Campaign described herein.
8. Respondents Liquid Gold Trust, Liquidity Global Card Solution, Liquidity Card Solution and Jarrard (the "Respondents") are engaging in an international scheme to illegally raise capital to develop a cryptocurrency debit card that purportedly ensures cardholders can avoid paying certain taxes.

## THE CRYPTOCURRENCY DEBIT CARD

9. Respondents are promoting the cryptocurrency debit card as a prepaid Mastercard.
10. Respondents are referring to the prepaid Mastercard as the "Liquidity Card."
11. Respondents are describing the Liquidity Card as a traditional debit card that permits clients to purchase goods and services from merchants, withdraw currency from ATMs and transfer funds over the internet.
12. Respondents are, however, representing the Liquidity Card differs from traditional debit cards because it permits cardholders to move profits into an account that works with stablecoins such as USD Coin (USDC), TrueUSD Coin (TUSD) and PAX Coin (PAX).
13. Respondents are explaining the stablecoins permit cardholders to use the Liquidity Card to avoid taxable events as follows:
  - A. Persons using other financial products receive profits paid as cryptocurrencies and then convert the cryptocurrencies to fiat currencies, incurring a taxable event requiring the payment of up to 50 percent of profits; but
  - B. Cardholders using the Liquidity Card may instead hold the profits as stablecoins and use the Liquidity Card to spend the stablecoins without incurring tax liability in most countries.
14. Cardholders must pay a monthly fee of \$12.50 to use the Liquidity Card.

## RESPONDENTS PLAN TO INITIATE A GLOBAL MARKETING CAMPAIGN TO RECRUIT MILLIONS OF CARDHOLDERS

15. Respondents are planning to recruit cardholders through a global marketing campaign that begins in October 2020.
16. They plan to recruit cardholders through online marketing, seminars, workshops, conferences, events and exchange promotions.
17. They are targeting 1 million active cardholders within 24 months and 8 million active cardholders within 36 months.

## RESPONDENTS ARE RAISING CAPITAL FROM THE PUBLIC TO FUND THE GLOBAL MARKETING CAMPAIGN

18. Respondents are now offering investments to raise capital from the public to fund their global marketing campaign.
19. Respondents are offering these investments to the public through social media, including a Facebook webpage, a LinkedIn profile and a Twitter handle.

20. Respondents are also offering these investments to the public through publicly accessible internet websites that include <https://www.lgtmap.com> and <https://www.mypassiveincome.life>.
21. Respondents are further offering these investments to the public through a radio advertisement broadcast on 590 KLBJ AM, a radio station available in and around Austin, Texas.

RESPONDENTS ARE RAISING CAPITAL FROM THE PUBLIC  
THROUGH THE SALE OF PORTIONS IN A GLOBAL PARTNERSHIP

22. Respondents are issuing 8400 "portions" in their Global Project Partnership.
23. Investors, referred to as Global Project Partners, pay \$1150 to purchase one of the 8400 portions of the Global Project Partnership.
24. Respondents thereafter pay investors a passive monthly return derived from cardholder fees calculated as follows:
  - A. Cardholders pay a monthly fee of \$12.50;
  - B. Respondents promise to transfer \$5 of each \$12.50 monthly fee to the Global Project Partnership; and
  - C. The aggregate amount of money transferred to the Global Project Partnership is distributed to investors on a pro rata basis each month.
25. Respondents project they will begin paying returns to investors as follows:
  - A. Assuming the recruitment of around 692,937 active cardholders by the 12th month, investors will receive monthly income of \$412.46 per portion;
  - B. Assuming the recruitment of around 2.55 million active cardholders by the 18th month, investors will receive monthly income of \$1,516.72 per portion; and
  - C. Assuming the recruitment of around 8.41 million cardholders by the 24th month, investors will receive monthly income of \$5,008.62 per portion.

THE GUARANTEE

26. Respondents are telling investors they will receive "guaranteed growing monthly income" and a "100% Money Back Guarantee."
27. Despite the broad representations, the guarantee is limited in scope. Respondents are executing contracts with investors that only entitle investors to a refund if Respondents fail to secure 8 million active cardholders within 36 months of launch.

## THE OFFICES

28. Respondents are publishing photographs of buildings that purport to depict their offices.
29. The photographs of buildings do not depict their offices and instead are stock photographs of office buildings available for purchase on the internet.

## REGISTRATION VIOLATIONS

30. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
31. The portions in the Global Project Partnership have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas.

## FRAUD AND THE CONCEALMENT OF BUSINESS INFORMATION

32. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose the experience, business repute and qualifications of Respondents Liquid Gold Trust, Liquidity Global Card Solution, Liquidity Card Solution, and this information constitutes a material fact.
33. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose the identity, experience and business repute and qualifications of their managers, and this information constitutes a material fact.
34. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose the contracts or agreements, formal or informal, by or among Respondents, including any contracts or agreements for compensating Respondents, and this information constitutes a material fact.

## FRAUD AND THE CONCEALMENT OF THE USE OF FUNDS

35. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose their use of funds, including their use of the aggregate amount of monthly fees, less the \$5.00 per cardholder allocated to the Global Project Partnership, and this information constitutes a material fact.
36. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose their assets, liabilities and other financial information, and this information constitutes a material fact.

## FRAUD AND DECEPTIVE STATEMENTS RELATING TO THE LIQUIDITY CARD

37. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose material facts relating to the issuance of Liquidity Cards, including the parties responsible for and the costs associated with issuing the cards, printing the cards, and customizing the cards and account information.
38. As described herein, Respondents are describing the Liquidity Card as a traditional debit card that permits cardholders to purchase goods and services from merchants, withdraw currency from ATMs and transfer funds over the internet. These statements are materially misleading or otherwise likely to deceive the public because:
  - A. Respondents are not disclosing any limitations on using the Liquidity Card and stablecoins for purchasing goods and services from merchants and transferring funds to third-parties, including limitations due to merchants or third-parties that may not accept this form of payment; and
  - B. Respondents are not disclosing any limitations on using the Liquidity Card and stablecoins to withdraw funds from ATMs, including limitations due to ATMs that may not deal in stablecoins, as well as the fees ATMs may charge for converting stablecoins to fiat currency.

## FRAUD AND THE GLOBAL MARKETING CAMPAIGN

39. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose their strategy for recruiting cardholders through their global marketing campaign and maintaining cardholders after the conclusion of the global marketing campaign, and this information constitutes a material fact.
40. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose the costs associated with recruiting cardholders through their global marketing campaign, and this information constitutes a material fact.

## DECEPTION AND FRAUD AND THE GUARANTEE OF PASSIVE INCOME

41. Respondents are representing investors receive “guaranteed growing monthly income,” and that profitability is guaranteed by a “100% written money back guarantee.” These statements are materially misleading or otherwise likely to deceive the public because:
  - A. The contracts only entitle investors to a refund if Respondents fail to secure 8 million active cardholders within 36 months of launch;

- B. The contracts do not guarantee the payment of monthly income to investors if the number of active cardholders falls below 8 million active cardholders per month after the first 36 months; and
  - C. The contracts do not guarantee the payment of monthly income to investors if cardholders fail to pay their monthly fee to Respondents.
42. Respondents are representing they will use capital raised from investors to pay for a global marketing campaign designed to recruit 8 million cardholders. Respondents are also promising to return principal to investors if the global marketing campaign fails to recruit 8 million cardholders. These statements are materially misleading or otherwise likely to deceive the public because:
- A. Respondents are claiming they will be using principal to pay for the global marketing campaign to recruit 8 million cardholders during the first 36 months;
  - B. If the global marketing campaign fails to recruit 8 million cardholders during the first 36 months, Respondents will have already used principal to pay for costs incurred by the campaign; and
  - C. Respondents are not identifying any assets that can be used to return funds to investors if they use principal to fund the global marketing campaign but fail to recruit 8 million cardholders during the first 36 months.

**MISLEADING AND DECEPTIVE  
STATEMENTS RELATING TO RESPONDENTS' OFFICES**

43. Respondents are publishing images of buildings that purport to be "our offices." These statements are materially misleading or otherwise likely to deceive the public because the photographs are stock photographs available for sale on the internet.

**FRAUD AND THE UNDISCLOSED RISKS ASSOCIATED  
WITH TAXATION OF CRYPTOCURRENCIES AND USE OF STABLECOINS**

44. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose the risk that new legislation or regulations, or the actions of governments, may adversely impact the taxation of cryptocurrencies, thereby negatively impacting the market for the Liquidity Card, and this information constitutes a material fact.
45. In connection with the offer of portions in the Global Project Partnership, Respondents are intentionally failing to disclose material facts relating to the risks associated with stablecoins insofar as these risks may negatively impact market for the Liquidity Card, including the following risks:
- A. The value of stablecoins may vary relative to an asset or currency;

- B. Transactions involving stablecoins are not reversible, and a party sending stablecoins to an address accepts the risk the party may lose access to, or any claim on, the stablecoins;
- C. The developers of stablecoins may reserve the right to block certain addresses when they determine, at their sole discretion, the accounts are associated with illegal activity or activity that violates their user agreements;
- D. Unexpected surges in activity or other operational or technical difficulties may cause interruptions and lead to delays in transferring and redeeming stablecoins;
- E. Attackers may use viruses, malware or other techniques to hack systems and interrupt operations;
- F. New legislation or regulations, or the actions of governments, may adversely impact the tokenization of stablecoins, the value of stablecoins and the ability to use, transfer or redeem stablecoins; and
- G. Any fees associated with the redemption of stablecoins.

### **CONCLUSIONS OF LAW**

1. The portions in the Global Project Partnership 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 have made an offer containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondent's conduct, acts, and practices threaten immediate and irreparable public harm.
7. 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 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 Respondents are registered with the Securities Commissioner or is 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 14<sup>th</sup> day of August, 2020.

  
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TRAVIS J. ILES  
Securities Commissioner

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

**IN THE MATTER OF:** )  
 )  
**LIQUID GOLD TRUST** )  
**LIQUIDITY CARD SOLUTION, LLC** )  
**LIQUIDITY GLOBAL CARD** )  
**SOLUTION (PTY) LTD** )  
**LANCE ANGUS JERRARD** )  
 )  
 )  
**RESPONDENTS** )

**ADMINISTRATIVE ORDER**

**NO. CD-2020-0014**

**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 ("Securities Act") and Title 8, Chapter 7, Code of Alabama 1975, the Alabama Monetary Transmission Act ("Monetary Transmission Act"), upon due consideration of the subject matter hereof, has determined as follows:

**RESPONDENTS**

1. Liquid Gold Trust ("LGT") may be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California. Liquid Gold Trust is the parent company of Liquidity Card Solution LLC and Liquidity Global Card Solution (PTY) LTD. Liquid Gold Trust and its subsidiaries purport to operate offices at the following additional locations: 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196.

2. Liquidity Card Solution LLC ("LCS") may be served through InCorp Services, Inc. at 1910 Thomes Avenue, Cheyenne, Wyoming 82001. Liquidity Card Solution LLC is a subsidiary of LGT. Liquidity Card Solution LLC and its parent company purport to operate offices at the following additional locations: 21781 Ventura Boulevard No. 44A, Woodland Hills, California; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8

Hillside Road, Parktown, Johannesburg, Gauteng, 2196.

3. Liquidity Global Card Solution (PTY) LTD (“LGS”) may be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California. Liquidity Global Card Solution (PTY) LTD is a wholly owned subsidiary of LGT. Liquidity Global Card Solution (PTY) LTD and its parent company purport to operate offices at the following additional locations: 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196.

4. Lance Angus Jerrard (“JERRARD”) may be served at 21781 Ventura Boulevard No. 44A, Woodland Hills, California. JERRARD purports to operate businesses at the following additional addresses: 1910 Thomes Avenue, Cheyenne, Wyoming 82001; 1st Floor, Block B, Metropolitan Part, 8a Hillside Road, Parktown, 2196, South Africa; and 8 Hillside Road, Parktown, Johannesburg, Gauteng, 2196. JERRARD is the Chief Executive Officer of LGT. JERRARD is the Founder and Chief Executive Officer of LCS. JERRARD is the incorporator of LGS.

### **STATEMENT OF FACTS**

5. The Commission received information from the Texas State Securities Board concerning a purportedly fraudulent, global, investment scheme being conducted by JERRARD, LGT, LCS, and LGS (collectively, “RESPONDENTS”). The Texas State Securities Board is concurrently issuing an Emergency Cease and Desist Order outlining the fraudulent representations made by RESPONDENTS.

6. LGT’s website, accessible to Alabama citizens at [www.lgtmap.com](http://www.lgtmap.com), contains documents to solicit investments. These include, or included, an LCS Business Plan, an LCS Draft Agreement, a Detailed Video Business Plan, and an Investment Video. According to these documents, investors, regardless of location, may invest \$1,150.00 in LCS in exchange for a 1/8400 “Portion” of an international “Global Project Partnership” as a “Global Project Partner.” In exchange for their investment, “Global Project Partners” are guaranteed a growing, monthly passive income of up to \$10,000 per month. This guaranteed return on their investment is generated

from a portion of the \$12.50 monthly fee assessed to holders of the “Liquidity Card” which RESPONDENTS promise to transfer to the “Global Project Partnership.” According to these documents, “Global Project Partner” investment funds will be used to pay for a global marketing campaign designed to recruit eight million “Liquidity Card” holders. The “Liquidity Card” is represented to be a prepaid, cryptocurrency, debit card. The “Liquidity Card” is touted as a traditional debit card that permits clients to purchase goods and services from merchants, withdraw cash from ATMs, and transfer funds over the internet. Additionally, the “Liquidity Card” purportedly permits cardholders to move profits into an account that works with stable coins such as USD Coin (USDC), TrueUSD Coin (TUSD) and PAX Coin (PAX). RESPONDENTS represent that “Liquidity Card” holders can transmit monetary value between currency types to avoid taxable events.

7. In numerous advertisements made available electronically by LCS to the public, including residents of Alabama, RESPONDENTS attempt to induce investor participation in their investment and money transmission scheme by referencing the coronavirus disease 2019 (“COVID-19”) global health crisis with representations such as, “Stay financial stress free,” “Make money while you stay at home,” “Help stop the spread of corona virus...[and] still get an income to support your family,” and “Be able to stay at home and still provide for your family.”

8. A review of the registration and licensing files of the Commission revealed no registration or license for RESPONDENTS in any capacity as of August 9, 2020. As of this date, no registration, license, notice filing, or exemption has been perfected for the proportional Global Project Partner interests offered by REPENDENTS.

### CONCLUSIONS OF LAW

9. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of “security” includes investment contracts. The proportional Global Project Partner interests offered, and made available by RESPONDENTS to Alabama citizens, in which investors invest monetary value in the purchase of proportional Global Project Partner interests, from which profits would be derived from the efforts of RESPONDENTS are investment contracts and are securities as defined by the Securities Act.

10. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer any security in this state unless it is registered under the Securities Act or is subject to a perfected exemption from registration. RESPONDENTS, through their website, have and are offering investment contracts, to Alabama citizens while the securities are not registered, nor subject to a perfected exemption from registration, in violation of the Securities Act.

11. Pursuant to Section 8-6-17(a)(1), Code of Alabama 1975, it is unlawful for any person, in connection with the offer of a security, to employ any device, scheme, or artifice to defraud. RESPONDENTS employed a scheme or artifice to defraud through the offer of securities, the investment contracts, in which RESPONDENTS represented that investment returns were guaranteed and worth up to \$10,000.00 per month. RESPONDENTS used unqualified representations in advertisements that investors could earn a passive income and provide for their families during the COVID-19 global health crisis as inducements to invest in RESPONDENTS' investment contracts in violation of the Securities Act.

12. Pursuant to Section 8-7A-2(10), Code of Alabama 1975, the definition of "Money Transmission" includes, selling or issuing payment instruments, stored value, or receiving money or monetary value for transmission. Section 8-7A-2(8) defines monetary value to include virtual or fiat currencies. RESPONDENTS' "Liquidity Card" will be an instrument for the transmission of money and the instruments, as described by RESPONDENTS, will be used for money transmission.

13. Pursuant to Section 8-7A-5, Code of Alabama 1975, a person may not engage in the business of money transmission or hold itself out as a money transmitter, unless it is licensed under the Monetary Transmission Act or meets specific exemptions. RESPONDENTS are not licensed money transmitters or delegates thereof, have not perfected an exemption to licensure, and are purporting to be a money transmitter in violation of the Monetary Transmission Act.

This Order is appropriate in the public interest for the protection of consumers and is consistent with the purposes of the Securities Act and the Monetary Transmission Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Securities Act or the Monetary Transmission 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 the RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against the RESPONDENTS, and a permanent order to bar the RESPONDENTS from participation in any securities or money transmission related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama and from further participating in the monetary transmission business into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 14th day of August 2020.

ALABAMA SECURITIES COMMISSION  
P.O. Box 304700  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:



Edwin L. Reed  
Deputy Director

