

TRAVIS J. ILES
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Texas State Securities Board

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MEMBER

IN THE MATTER OF	§	
BITLES LIMITED AKA Bitle\$; JANIS LACIS; C3	§	Order No. ENF-21-CDO-1836
DATA SERVICES; AND EDWARD CARTER	§	

Bitles Limited AKA Bitle\$

Service by certified mail, return receipt requested, to 27 Old Gloucester Street, London, United Kingdom WC1N 3AX.

Janis Lacis

Service by certified mail, return receipt requested, to 27 Old Gloucester Street, London, United Kingdom WC1N 3AX.

C3 Data Services

Service by certified mail, return receipt requested, to 451 FM 64, Cooper, Texas 75432; and 9085 Tumbleweed Trail, Princeton, Texas 75407.

Edward Carter

Service by certified mail, return receipt requested, to (1) 451 FM 64, Cooper, Texas 75432; (2) P.O. Box 1523, Princeton, Texas 75407; and (3) 9085 Tumbleweed Trail, Princeton, Texas 75407.

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 ("**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

FINDINGS OF FACT

1. Bitles Limited aka Bitle\$ ("**Respondent Bitles**") is incorporated as a private limited company with Companies House, the Registrar of Companies for England and Wales and may be served at its last known address at 27 Old Gloucester Street, London, United Kingdom WC1N 3AX.

2. Janis Lacis ("**Respondent Lacis**") acts as the Director, Chief Developer and Chief Executive Officer of Respondent Bitles and may be served at 27 Old Gloucester Street, London, United Kingdom WC1N 3AX.
3. C3 Data Services ("**Respondent C3 Data Services**"), purports to be a "Zeta Wize, LLC investment company" and may be served at 451 FM 64, Cooper, Texas 75432 and by serving Edward Carter, registered agent of Zeta Wize, LLC, at 9085 Tumbleweed Trail, Princeton, Texas 75407.
4. Edward Carter ("**Respondent Carter**") is Director and Managing Member of Zeta Wize, LLC and may be served at P.O. Box 1523, Princeton, Texas 75407; 451 FM 64, Cooper, Texas 75432; and 9085 Tumbleweed Trail, Princeton, Texas 75407.

OVERVIEW

5. Respondents are engaging in an illegal internet scheme to advertise, hype, and sell fraudulent investments in a cryptocurrency trading program.
6. Respondents Lacis and Bitles are also recruiting sales agents for the purpose of selling the fraudulent cryptocurrency trading investments and these sales agents are promised opulent prizes and a generous monthly income.
7. However, Respondents Lacis and Bitles are not disclosing the source of funds used to pay for the prizes and they are not disclosing their business plans and strategies for paying investors lucrative monthly profits of at least 30%.
8. Respondents are also concealing highly material information, such as the identity of their financial professionals and managers, developers, and technology experts.
9. The Securities Commissioner is entering this Emergency Cease and Desist Order to stop the illegal and fraudulent securities offerings and protect Texans from immediate and irreparable harm.

THE ADVERTISEMENT

10. Respondents C3 Data Services and Carter published an advertisement in the general listing section of the Craigslist.org website targeting Texas residents.
11. The advertisement promoted a developmental blockchain based investment opportunity which uses AI technology to "create incredible wealth" and "generate alternative passive income flows."

12. The advertisement directed potential investors to <https://www.C3Dataservices.net> (the "**C3 Data Services Website**"), a public website maintained by Respondents C3 Data Services and Carter.

THE C3 DATA SERVICES WEBSITE

13. The C3 Data Services Website identifies Respondent C3 Data Services as a Zetawize LLC Investment Company.
14. The C3 Data Services Website makes the following claims:
- A. They employ professional staff consisting of entrepreneurs, MBAs, financial professionals, and certified technology and consulting experts; and
 - B. They have "special expertise in applied crypto technology practices for future wealth building."
15. The C3 Data Services Website also contains a testimonial touting the success of Respondent C3 Data Services' investment offerings.
16. The C3 Data Services Website promotes various investment opportunities, including "AI investment Bots" from Respondent Bitles.
17. It contains hyperlinks to <https://Bitles.eu> (the "**Bitles Website**"), a public website maintained by Respondents Bitles and Lacis.

RESPONDENT BITLES AND THE BITLES WEBSITE

18. Respondent Lacis is the principal of Respondent Bitles, and Respondents Bitles and Lacis claim to employ financial advisors, professional financial managers, traders, and experienced developers located in China, South Korea, and Eastern and Western Europe.
19. Respondents Bitles and Lacis are using the Bitles Website to advertise investments in eight savings plans that use artificial intelligence to trade cryptocurrency.
20. Respondents Bitles and Lacis are describing these savings plans as follows:
- A. The minimum principal deposit is \$20.00 and the maximum principal deposit is \$30,000.00;
 - B. Investor deposits are pooled and traded by the Cryp-Spider AI Algo-Trading System (the "**Cryp-Spider**"), a proprietary algorithmic trading software application capable of trading cryptocurrencies across five cryptocurrency exchanges;

- C. The Cryp-Spider is controlled by a team of professional crypto analysts;
 - D. It places trades on the most secure exchanges in the world, reducing risk by executing large-scale trading orders favoring liquid and reliable crypto assets;
 - E. It is able to generate a passive income flow for investors by utilizing the artificial intelligence of high-frequency trading bots who have the ability to use more than 25 complementary scalping strategies; and
 - F. The trading lasts for 98 days to 280 days, and the savings plans expire at the end of these terms.
21. The returns derived by trading are purportedly paid to investors as both "standard profits" and "excess profits."
- A. Standard profits are derived from the success of Cryp-Spyder in trading cryptocurrencies, and the Bitles Website claims Cryp-Spyder generates daily returns between 0.3% and 6.0%.
 - B. Excess profits are earned by speculating on an exchange-traded cryptocurrency's value relative to the US Dollar each week. Investors are required to speculate at the time their savings plan is funded, and Respondents claim successful speculation can net returns up to 5.0% per month.
22. Respondents Bitles and Lacis are representing standard profits accrue every day, while excess profits are distributed every Friday.
23. Respondents Bitles and Lacis claim all profits are paid exclusively in Bitles Tokens (aka BTL Tokens).
24. Respondents Bitles and Lacis further claim investors may withdraw BTL Tokens from their Bitles savings plan. However, investors are charged fees of 5% to 10% per withdrawal.

THE BTL TOKENS

25. Respondents Bitles and Lacis plan to issue 888,965,215 BTL Tokens with a value of \$0.450 per token as of March 31, 2021.
26. Respondents Bitles and Lacis are, however, referring to BTL Tokens as "internal tokens" that have utility. Owners can purportedly use BTL Tokens to transact

through the Bitles Website and purchase consumer goods such as sweatshirts, bracelets and keychains.

27. Respondents Bitles and Lacis also claim that BTL Tokens will appreciate in value, and the price may increase by 10% to 60% per month "according to a special algorithm."
28. In addition, Respondents Bitles and Lacis guarantee the BTL Token will realize profits of at least 30% per month.

THE AFFILIATE PROGRAM

29. Respondents Bitles and Lacis are enlisting sales agents, called affiliates, to direct Texas residents to invest in the cryptocurrency trading program.
30. Respondents Bitles and Lacis claim any investor in the Bitles Cryptocurrency Trading Program can become an affiliate.
31. Respondents Bitles and Lacis offer affiliates the opportunity to participate in a seven-day training program, at the completion of which, affiliates can expect to earn at least \$10,000.00 per month through lucrative commissions, bonuses, awards, and luxury prizes, such as a Rolex Watch, Mercedes-Benz E-Class, Rolls-Royce Wraith, Luxury Villa in Dubai, or a Luxury Yacht.
32. Respondents Bitles and Lacis provide affiliates a digital referral link and the necessary marketing materials needed to solicit investments in the Bitles Cryptocurrency Trading Program.

REGISTRATION VIOLATIONS

33. Investments in the cryptocurrency trading program have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas.
34. Respondents have not been registered with the Securities Commissioner as a dealer or agent at any time material hereto.
35. Respondents are recruiting sales agents to offer investments in the cryptocurrency trading program in Texas who are not registered with the Securities Commissioner as dealers or agents.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION RELATING TO THE PRINCIPLES AND MANAGERS

36. In connection with the offer of investments in the cryptocurrency trading program, Respondents Bitles and Lacis are intentionally failing to disclose the following

material facts relating to the financial managers, traders, software developers, and crypto analysts:

- A. The identity, business repute, experience, and qualifications of the financial managers, traders, software developers, and crypto analysts of the cryptocurrency trading program;
 - B. The identity, business repute, experience, and qualifications of the programmers and developers of the Cryp-Spider, including the party or parties who created and coded the software;
 - C. The identity, business repute, experience, and qualifications of the servicers of the Cryp-Spider, including the party or parties responsible for administering, maintaining, and updating the software; and
 - D. The persons or entities who developed the BTL Token, including the number of BTL Tokens owned by these persons or entities, and the number of BTL Tokens owned by the principals of Respondent Bitles.
37. In connection with the offer of investments in the cryptocurrency trading program, Respondents C3 Data Services and Carter are intentionally failing to disclose the identity, business repute, experience, and qualifications of the entrepreneurs, MBAs, financial professionals, and certified technology and consulting experts of Respondent C3 Data Services, and this information constitutes a material fact.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION
ABOUT THE BITLES CRYPTOCURRENCY TRADING PROGRAM

38. In connection with the offer of investments in the cryptocurrency trading program, Respondents Bitles and Lacis are intentionally failing to disclose the following material facts:
- A. The location of the Cryp-Spider;
 - B. The types of cryptocurrencies traded by the Cryp-Spider, as well as a description of these cryptocurrencies and the specific risks associated with these cryptocurrencies;
 - C. The controls limiting access to the Cryp-Spider, as well as the identity of the persons authorized to access the Cryp-Spider;
 - D. The costs associated with the Cryp-Spider, including any ongoing costs for maintaining and updating the software;
 - E. Information relating to defects, glitches, bugs or malfunctions, including information explaining these events may negatively impact the ability to trade cryptocurrencies for a profit;

- F. The risk attackers may use viruses, malware or other techniques to hack systems or otherwise gain access to cryptocurrencies; and
 - G. The security system used to protect the Cryp-Spider, including the use of security systems to prevent or deter cyberattacks and to prevent unauthorized access by third-parties.
39. In connection with the offer of investments in the cryptocurrency trading program, Respondents are intentionally failing to disclose material facts relating to the prior investors of the cryptocurrency trading program, including voluminous investor complaints published on a consumer review website. The investor complaints allege Respondents Bitles and Lacis are blocking investors from accessing their accounts, are not providing customer support, and will not allow investors to withdraw their investment funds, and this information constitutes a material fact.

**FRAUD AND THE ABILITY TO PAY
RETURNS, COMMISSIONS, AND BONUSES**

40. In connection with the offer of investments in the cryptocurrency trading program, Respondents Bitles and Lacis are intentionally failing to disclose material facts relating to the payment of profits, including but not limited to:
- A. The source of funds that will be used to pay investors returns of at least 30% per month; and
 - B. The source of funds that will be used to pay affiliates at least \$10,000.00 per month.

**FRAUD AND DECEPTION AND THE RISKS ASSOCIATED
WITH THE BITLES CRYPTOCURRENCY TRADING PROGRAM**

41. Respondents are representing the Cryp-Spider trades on the most secure exchanges in the world and minimizes risk by monitoring the trading which is materially misleading or otherwise likely to deceive the public because they are not disclosing the significant risks associated with trading virtual currencies.

FRAUD REGARDING THE RISKS ASSOCIATED WITH BTL TOKENS

42. Respondents Bitles and Lacis are representing BTL token is increasing in value an average of 10% to 60% per month, which is materially misleading or otherwise likely to deceive the public because Respondent Bitles and Respondent Lacis are not disclosing the risks associated with investors purchasing and owning BTL Tokens, and these risks include but are not limited to the following:
- A. BTL Token is in competition with other virtual currencies and this competition may negatively impact the price of BTL Tokens;

- B. Governments may adopt legislation or regulation that may negatively impact the use, transfer and exchange, or price of cryptocurrencies and the BTL Token; and
- C. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies, including the BTL Token.

FRAUD RELATING TO THE VALUE OF BTL TOKENS

- 43. In connection with the offer of investments in the Bitles Cryptocurrency Trading Program, Respondents Bitles and Lacis are representing the value of BTL Tokens increases between 10% and 60% per month “according to a special algorithm,” however they are intentionally failing to disclose the following material facts:
 - A. The strategies and parameters behind the development of the special algorithm;
 - B. The ability, success and/or failure of the special algorithm to successfully value the BTL Token; and
 - C. The identity, business repute and qualifications of the individual(s) who created the special algorithm.
- 44. Respondents Bitles and Lacis tout the increasing value, passive income and lucrative returns that can be derived from BTL Tokens, which is materially misleading or likely to deceive the public because Respondents Bitles and Lacis acknowledge the following:
 - A. BTL Token is merely an internal token exclusive to the Bitles platform;
 - B. BTL Token has no real market value, and
 - C. BTL Token is not currently traded on any of the cryptocurrency exchanges.

FRAUD AND THE FAKE TESTIMONIALS

- 45. Respondents C3 Data Services and Carter provide a testimonial touting the success of their business repute and investments. These statements are materially misleading and likely to deceive the public because the photo purportedly depicting the individual providing the testimonial is a stock photo.

DECEPTION AND THE USE OF AFFILIATES AND FINANCIAL ADVISORS

- 46. Respondents Bitles and Lacis are promising to pay commissions and bonuses to existing investors who refer new clients. These representations are materially

misleading or otherwise likely to deceive the public because Respondents Bitles and Lacis are offering investments in the cryptocurrency trading program in Texas not disclosing the following information:

- A. Persons who offer and sell securities in Texas, including investments in the cryptocurrency trading program, who are not registered as dealers or agents and who do not qualify for an exemption violate Section 12 of the Securities Act; and
 - B. Persons who offer and sell investments in the cryptocurrency trading program in Texas are offering unregistered securities in violation of Section 7 of the Securities Act.
47. Respondents Bitles and Lacis are representing they employ financial advisors to assist in investing in the cryptocurrency trading program, which is materially misleading or otherwise likely to deceive the public because Respondents are offering investments in the cryptocurrency trading program in Texas and are not registered with the State Securities Board or otherwise exempt from registration.

CONCLUSIONS OF LAW

1. The investment in the cryptocurrency trading program is a security 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. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
7. The forgoing 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 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 16th day of April, 2021.



TRAVIS J. ILES
Securities Commissioner