

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:)
)
Swiss Gold Global, Inc. and) **ADMINISTRATIVE ORDER**
Genesis Mining, Ltd.,) **TO CEASE AND DESIST**
)
) **File No. 17021**
Respondents.)

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

WHEREAS, the Division received information regarding alleged activities of Swiss Gold Global, Inc. (“Swiss Gold Global”) and Genesis Mining, Ltd. (“Genesis Mining”) (collectively, the “Respondents”) that, if true, would constitute violations of the Act; and

WHEREAS, based on the information received, the Division determined it was necessary and appropriate to open an investigation pursuant to S.C. Code Ann. § 35-1-602 to ascertain whether the Respondents had violated, were violating, or were about to violate the Act; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings of fact and conclusions of law:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

II. RESPONDENTS

2. Respondent Swiss Gold Global is a Swiss company with a last known address of World Trade Center Level 2, Leutschenbachstrasse 95, 8050 Zürich, Switzerland.
3. Respondent Genesis Mining is a Hong Kong company with a last known address of Chinachem Century Tower, 31/F, 178 Gloucester Road, Wanchai, Hong Kong.
4. Respondent Genesis Mining conducts its primary operations from its facility in

Reykjavík, Iceland.

III. FINDINGS OF FACT

5. Respondent Swiss Gold Global offers various financial opportunities, including investments related to cryptocurrency (e.g., Bitcoin).
6. Specifically, Respondent Swiss Gold Global offers cryptocurrency mining contracts, which are fulfilled by its partner, Respondent Genesis Mining.
7. Respondent Genesis Mining offers mining contracts for six (6) cryptocurrencies: Bitcoin, Dash, Ethereum, Litecoin, Monero, and Zcash, each of which entitles an investor to the same services (individually, a “Mining Contract”; collectively, the “Mining Contracts”).
8. Investors’ investments are pooled, and Respondent Genesis Mining states that it uses the proceeds from investments in Mining Contracts to support its mining activities.
9. In exchange for investing in a Mining Contract, Respondent Genesis Mining engages in a certain amount of computational effort on behalf of the investors. The amount of effort changes relative to the amount of each investor’s investment, but each contract has a two-year term.
10. The computational effort is solely put forth by Respondent Genesis Mining.
11. The computational effort put forth by Respondent Genesis Mining is designed to generate a stream of cryptocurrency units. The value of each cryptocurrency compared to the U.S. dollar varies widely, and the number of cryptocurrency units generated by Respondent Genesis Mining’s effort is based on a variety of factors. However, a fundamental purpose of purchasing a Mining Contract is to generate a profit.
12. The profit ostensibly generated through investing in a Mining Contract is primarily dependent on the efforts of Respondent Genesis Mining.
13. Respondent Swiss Gold Global, through its agents, offers investment opportunities in Mining Contracts to South Carolina residents.
14. At all times relevant to this Order, Respondent Genesis Mining continuously offered investment opportunities in Mining Contracts to South Carolina residents through its website.
15. At no time relevant to the events stated herein was Respondent Swiss Gold Global registered with the Division as a broker-dealer, and no exemption from registration has been claimed by Respondent Swiss Gold Global.

16. At no time relevant to the events stated herein were the securities at issue registered with the Division or federal covered securities, and no exemption from registration has been claimed by the Respondents.

IV. CONCLUSIONS OF LAW

17. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, governs the offer and sale of securities in this State.
18. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts constitute securities, and an investment contract includes an investment of money in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor.
19. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in this State unless that security is a federal covered security, exempt from registration, or registered.
20. The Mining Contracts offered and sold by the Respondents constitute investment contracts and are thus securities as defined by the Act.
21. The securities offered and sold by the Respondents were offered and sold in violation of S.C. Code Ann. § 35-1-301.
22. In connection with the events above, Respondent Swiss Gold Global transacted business in this State as an unregistered broker-dealer in violation of S.C. Code Ann. § 35-1-401(a).
23. In connection with the events above, Respondent Swiss Gold Global employed or associated with an unregistered agent in violation of S.C. Code Ann. § 35-1-402(d).
24. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondents be ordered to cease and desist from engaging in the above-enumerated practices, which constitute violations of the Act, and pay an appropriate civil penalty for their wrongdoing.

V. CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Respondent Swiss Gold Global, Inc. and every successor, affiliate, control person, agent, servant, and employee of Swiss Gold Global, Inc. and every entity owned, operated, or

indirectly or directly controlled by or on behalf of Swiss Gold Global, Inc. **CEASE AND DESIST** from transacting business in this State in violation of the Act;

- b. Respondent Genesis Mining, Ltd. and every successor, affiliate, control person, agent, servant, and employee of Genesis Mining, Ltd. and every entity owned, operated, or indirectly or directly controlled by or on behalf of Genesis Mining, Ltd. **CEASE AND DESIST** from transacting business in this State in violation of the Act;
- c. Respondent Swiss Gold Global, Inc. is permanently barred from participating in any aspect of the securities industry in or from the State of South Carolina; and
- d. Respondent Genesis Mining, Ltd. is permanently barred from participating in any aspect of the securities industry in or from the State of South Carolina.

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. §§ 35-1-604(a)(2) and (3), any exemption from registration with the Division upon which the Respondents may claim to rely under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

Each Respondent is hereby notified that it has the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Tracy Meyers, within thirty (30) days after the date of service of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule the hearing for that Respondent.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If a Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, it shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure by a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and any assessed costs, becoming

final as to that Respondent by operation of law.

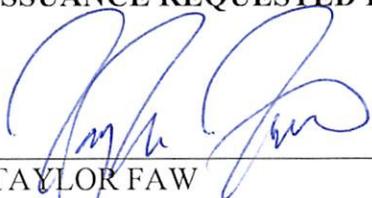
This Order does not prevent the Division or any other law enforcement agency from seeking additional civil or criminal remedies as are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 9th day of March, 2018.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Deputy Securities Commissioner

ISSUANCE REQUESTED BY:



TAYLOR FAW
Assistant Attorney General
Securities Division
Rembert C. Dennis Building
1000 Assembly Street
Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND
AFFIDAVIT OF COMPLIANCE
File Number 17021

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated March 9, 2018, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Swiss Gold Global
World Trade Center Level 2
Leutschenbachstrasse 95
8050 Zurich Switzerland

And

Genesis Mining
Chinachem Century Tower, 31/F
178 Gloucester Road
Wanchai, Hong Kong

Document(s): Administrative Order to Cease and Desist

Mailed March 12, 2018 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: Sandra Matthews
Sandra Matthews
South Carolina Attorney General's Office
Securities Division
Post Office Box 11549
Columbia, SC 29211-1549
(803) 734-3300

Subscribed and sworn to before me on
this 9th day of March, 2018.

James H. Ballinger
Notary Public for South Carolina

My commission expires: 6/29/21



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