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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

-against-

**ALI ASIF HAMID,
MICHAEL GIETZ, and
CRISTINE PAGE a/k/a CRISTINA PAGE,**

Defendants.

COMPLAINT

21 Civ. ____ ()

JURY TRIAL DEMANDED

Plaintiff U.S. Securities and Exchange Commission (the “Commission”), Brookfield Place, 200 Vesey Street, Suite 400, New York, New York 10281, alleges as follows for its Complaint against Defendants Ali Asif Hamid (“Hamid”), Michael Gietz (“Gietz”), and Cristine Page a/k/a Cristina Page (“Page”) (collectively, “Defendants”), whose names and last known addresses are set forth below:

- a. Ali Asif Hamid – Truman Avenue, Oakville, Ontario, Canada L6H 1Y6;
- b. Michael Gietz – Smithfield Way, Idaho Falls, Idaho, 83401; and
- c. Cristine Page a/k/a Cristina Page – Columbia Heights, Brooklyn, New York 11201.

SUMMARY

1. Between approximately August 2017 and September 2018, Defendants participated in a fraudulent and unregistered offering (initial coin offering, or “ICO”) of digital asset securities, known during most of the relevant time as BCT Tokens (the “Tokens”). The stated purpose of the ICO was to develop two technologies, both of which ultimately failed: an application called ComplianceGuard to record hedge fund transactions on a blockchain and a Bloomberg-style terminal for trading digital assets. The scheme resulted in at least \$30 million in losses to hundreds of investors in the United States and abroad, who purchased the Tokens in the ICO.

2. On January 17, 2020, the Commission filed a Complaint against Boaz Manor (“Manor”), Edith Pardo (“Pardo”), CG Blockchain, Inc. (“CGB”), and BCT Inc. SEZC (“BCT,” and, together with CGB, the “CGB Entities”) in this District (the “Manor Complaint”).¹ As alleged in the Manor Complaint, Manor, Pardo, and the CGB Entities raised the ICO funds by engaging in a fraudulent scheme and lying to investors about such material matters as Manor’s identity and criminal background, Manor’s and Pardo’s roles in the enterprise, and the composition of the business’s management team.

3. The defendants charged in this action, Hamid, Gietz, and Page, were knowing and substantial participants in the fraudulent scheme. All three Defendants were part of Manor’s inner circle and had leadership roles in the fraudulent ICO. At all relevant times, all three Defendants knew that Manor was a convicted criminal at the center of a widely publicized Canadian hedge fund

¹ SEC v. Manor, et al., 2:20-CV-00597-SRC-CLW (D.N.J.) (Jan. 17, 2020).

collapse, and that he was the head of the CGB Entities. Yet all three Defendants actively participated in the deception of the ICO investors about Manor's identity, background, and role in the enterprise. Among other things, as alleged in more detail below, they helped Manor hide his past by using Manor's chosen alias "Shaun MacDonald" during the ICO, including in interactions with ICO investors, and they helped create and distribute materially misleading ICO marketing materials that omitted any reference either to Manor or to the fictional "MacDonald" and instead touted a purported "executive team" of individuals who, in reality, had no senior managerial authority over the business. Hamid also helped deceive investors about Pardo's role, helping misrepresent her as the sole financial backer and head of the business.

4. The offer and sale of the Tokens, in which Defendants participated, constituted an illegal offer and sale of securities for which no registration statement was filed with the Commission or was then in effect, and to which no exemption from registration applied.

VIOLATIONS

5. By virtue of the foregoing conduct and as alleged further herein, Defendants have violated Sections 5(a) and (c) and 17(a)(1) and (3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)(1), 77q(a)(3)], and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a), (c)].

6. In addition, the Defendants aided and abetted violations by Manor, Pardo, and the CGB Entities of Securities Act Section 17(a) [15 U.S.C. §§ 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

7. Unless Defendants are restrained and enjoined, they will again engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

8. The Commission brings this action pursuant to authority conferred upon it by Securities Act Sections 20(b) and 20(d) [15 U.S.C. §§ 77t(b) and (d)] and Exchange Act Section 21(d) [15 U.S.C. § 78u(d)].

9. The Commission seeks a final judgment: (a) permanently enjoining Defendants from violating the federal securities laws and rules this Complaint alleges they have violated; (b) ordering Defendants to disgorge any ill-gotten gains they received with prejudgment interest thereon pursuant to Exchange Act Sections 21(d)(5) and (d)(7) [15 U.S.C. §§ 78u(d)(5) and 78u(d)(7)]; (c) ordering Defendants to pay civil money penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)]; and (d) prohibiting Defendants from participating in any offering of digital asset securities or other securities pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)], provided, however, that such injunction shall not prevent them from purchasing or selling securities from their own personal accounts.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this action pursuant to Securities Act Sections 20(b), 20(d) and 22 [15 U.S.C. §§ 77t(b), 77t(d), and 77v] and Exchange Act Sections 21(d) and 27 [15 U.S.C. §§ 78u(d) and 78aa].

11. Defendants, directly and indirectly, have made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

12. Venue is proper in this District pursuant to Securities Act Section 22(a) [15 U.S.C. § 77v(a)] and Exchange Act Section 27(a) [15 U.S.C. § 78aa(a)]. Gietz lived in Edgewater, NJ during some of the relevant time period, and several victims of Defendants' scheme reside in the District of New Jersey.

DEFENDANTS

13. **Hamid**, age 47, is a Canadian citizen whose last known address was in Oakville, Ontario, Canada. Although he did not claim any formal title with the CGB Entities, Hamid was part of the CGB Entities' top leadership from their inception and, among other things, managed the CGB Entities' finances.

14. **Gietz**, age 56, is a resident of Idaho Falls, Idaho. Gietz began working with Manor and Pardo in approximately 2015 as a consultant, and, during the ICO, held himself out as Vice President ("VP") of Corporate Communications and as Communications Director at CGB.

15. **Page**, age 50, is a resident of Brooklyn, New York. Page began working for CGB as a contractor in May 2017 and during the ICO held herself out as VP and then Executive VP for Business Development at CGB.

RELATED INDIVIDUALS AND ENTITIES

16. **Manor**, age 47, is a resident of Toronto, Ontario, Canada, and a dual citizen of Canada and Israel. Manor was the founder of the CGB Entities and at all relevant times controlled all aspects of the CGB Entities' business.

17. In 2010, Manor pleaded guilty in Ontario, Canada, to the crimes of laundering the proceeds of a crime and disobeying an order of a court. Both charges related to the 2005 collapse of the hedge fund firm Portus Group ("Portus"), which Manor had co-founded and managed.

18. At the time of its collapse, Portus was one of the largest hedge funds in Canada. Legal proceedings concerning the fund's collapse and the criminal action against Manor were widely reported by Canadian media outlets.

19. Following his guilty plea, Manor served approximately one year in prison.

20. In 2012, pursuant to a settlement, the Ontario Securities Commission ordered Manor to pay disgorgement of CA\$8.8 million and banned Manor from serving in a number of roles in the securities industry in Ontario.

21. **Pardo**, age 70, is a resident of Bloomfield, New Jersey and an Israeli citizen. Pardo is a licensed attorney in the State of New York. Pardo held the title of director, managing director, and registered agent for the CGB Entities.

22. **CGB**, incorporated in 2016 in New York, at all relevant times had its principal place of business in New York, New York.

23. **BCT**, incorporated in 2018 in the Cayman Islands, at all relevant times had its principal place of business in New York, New York.

BACKGROUND ON DIGITAL TOKENS OR COINS

24. An ICO is a fundraising event in which an entity offers participants a unique “coin” or “token” issued and distributed on a “blockchain,” or cryptographically-secured ledger, in exchange for consideration, often in the form of fiat currency or digital assets, such as cryptocurrency.

25. ICOs are typically announced and promoted through public online channels and promotional events and conferences. To participate, investors are generally required to transfer funds to the issuer’s address, online wallet, payment processor, or other account. During or after the completion of the ICO, the issuer distributes its unique coins or tokens to the participants’ unique addresses on the blockchain. In some instances, the coins or tokens may continue to be offered and sold by the issuer after the ICO has been completed. Often the coins or tokens trade on secondary markets.

FACTS

I. The Fraudulent Offer and Sale of the Tokens to Investors

26. Between August 2017 and September 2018, Manor, operating under the alias “Shaun MacDonald” in order to conceal his criminal past, together with Pardo, the CGB Entities, and other associates, raised at least \$30 million in an ICO through the fraudulent offer and sale of the Tokens to hundreds of investors, including over 200 investors in the United States.

27. At first, the Tokens were marketed based on the plan to develop a blockchain-based hedge fund compliance technology called ComplianceGuard.

28. By approximately mid-November 2017, the business strategy shifted to the development of the “Blockchain Terminal” (the “Terminal”), a device for trading in and retrieving information about various types of digital assets, styled after the Bloomberg terminal.

29. As alleged in detail in the Manor Complaint, in selling the Tokens, Manor, Pardo, and the CGB Entities lied to prospective investors about multiple material aspects of the enterprise.

30. Among other things, they falsely:

- a. held out Manor as the fictional “Shaun MacDonald,” and portrayed him as a consultant to Pardo;
- b. held out Pardo as the sole financial backer and managing partner in charge of the business; and
- c. held out a group of paid contractors with no senior managerial control over the business as the business’s “executive team.”

31. In reality:

- a. Manor, a convicted criminal, controlled the business;
- b. Pardo was neither the sole investor in the CGB Entities nor ran the enterprise; and
- c. both Pardo and the purported “executive team” were used as fronts to conceal Manor’s leadership role.

32. As alleged in the Manor Complaint, Manor, Pardo, and the CGB Entities knew or recklessly disregarded that these representations to investors were materially false or misleading.

33. As alleged in the Manor Complaint, Manor, Pardo, and the CGB Entities engaged in deceptive devices to perpetuate these lies, including, among other things, funneling the CGB Entities' funds through bank accounts to which Pardo was a signatory and touting the credentials of the purported "executive team" in the ICO marketing materials.

II. Defendants Helped Deceive Token Investors

34. Defendants Hamid, Gietz, and Page were part of Manor's inner circle; knew the truth about Manor's identity, background, and role in the business; and played active roles in the fraudulent offer and sale of the Tokens, as alleged below.

A. Hamid

35. Hamid had known Manor since at least 2005, when he worked for Manor at Portus.

36. After Manor's imprisonment for Portus-related crimes, and at least as early as 2015, Hamid began working with Manor and Pardo on the business that would ultimately become the CGB Entities.

37. At all relevant times, Hamid knew Manor's identity and criminal history.

38. By at least 2015, Hamid also knew that Manor had a practice of using aliases to conceal his identity and criminal background in business dealings for the business that would become the CGB Entities.

39. During the fraudulent offer and sale of the Tokens alleged herein, Hamid was part of the CGB Entities' senior leadership, reporting directly to Manor; managed all of the CGB Entities' financial and accounting matters; and played a senior leadership role in the administration of the ICO.

40. Among other things, Hamid:

- a. drafted various Token purchase agreements and received and kept track of executed copies of those agreements;
- b. managed the receipt and disposition of investor funds, including following up with investors about outstanding payments;
- c. directed the allocation and distribution of Tokens to investors;

- d. drafted and assisted in negotiating contracts with ICO advisors, many of whom were also investors and who helped plan and implement the ICO, including by soliciting other investors; and
- e. drafted and assisted in negotiating contracts with consultants and contractors whom the CGB Entities hired to promote the ICO.

41. Hamid deceived ICO investors and helped Manor, Pardo, and the CGB Entities deceive ICO investors by, among other things:

- a. using Manor's "MacDonald" alias in communications with investors and ICO advisors and not disclosing to them either Manor's identity or his criminal background; and
- b. participating in the preparation and review before distribution to investors of the materially misleading ICO marketing materials that omitted any reference to either Manor, or the fictional "MacDonald," or Hamid himself, and instead falsely touted as the purported "executive team" a group of contractors who exercised no senior managerial control over the the business.

42. For example, Hamid copied the fictional "MacDonald" on the following emails:

- a. an email to two key ICO financial advisors enclosing consulting and advisory agreements on February 5, 2018; and
- b. an email to an ICO advisor regarding the terms for a token purchase agreement on May 22, 2018.

43. In another example, on June 29, 2018, Hamid sent an email to a potential investor, copying "MacDonald," in which Hamid offered to the investor discounted Tokens based on the investor's potential contribution amount and noted that another employee of the CGB Entities would "set up a demo meeting for you, with Shaun and myself."

44. Hamid knew or recklessly disregarded that the use of the "MacDonald" alias in investor and other ICO-related communications and the listing of the purported "executive team" included in the ICO marketing materials were materially false or misleading.

45. Hamid also helped deceive investors about Pardo's role in the CGB Entities' business by supporting Manor's and Pardo's false claims that Pardo was (1) the sole financial backer

of the CGB Entities; (2) had invested millions of her own funds in the business; and (3) as the CGB Entities' director or managing director, had the final say in all major business decisions.

46. As the manager of the CGB Entities' finances from their inception, as well as the person with access to the CGB Entities' financial records and a member of the CGB Entities' senior leadership, Hamid at all relevant times knew or recklessly disregarded that what investors were told about Pardo's role in the business was false, and that, in reality:

- a. it was Manor and his close family members, and not Pardo, who had provided the initial capital to launch the CGB Entities; and
- b. it was Manor, and not Pardo or the purported "executive team" touted in the ICO marketing materials, who was in charge at the CGB Entities.

47. In March 2018, when one of the members of the purported "executive team" expressed a concern about excessive spending and lack of financial transparency at the CGB Entities, Hamid prepared a spreadsheet that falsely showed a purported \$3 million investment in CGB by the fictitious "Edith Pardo Family Office."

48. The spreadsheet also substantially understated the amount of the ICO proceeds spent as of that date and inaccurately described the nature of those expenditures.

49. Hamid knew or recklessly disregarded that the information in the spreadsheet was materially false or misleading.

50. Hamid sent the spreadsheet to the "executive team" member and to a key ICO advisor.

51. After being presented with this false information, the "executive team" member and the ICO advisor continued to market the ICO to investors.

52. Hamid also prepared key ICO-related agreements – including Token purchase agreements and advisory agreements with consultants who were retained to help market the ICO – that presented Pardo as the signatory for, and officer or director of, the CGB Entities.

53. Hamid knew or recklessly disregarded that these statements about Pardo's role were materially misleading and were among the deceptive devices that the CGB Entities used to conceal Manor's true role as the head of the enterprise.

54. Among other things, Hamid's false or misleading statements about Pardo's role lent credibility to the CGB Entities' business and fundraising efforts, while also helping divert investor scrutiny from the fictional "MacDonald."

55. Hamid was compensated for his contributions to the fraudulent fund-raising, both in cash and in Tokens.

B. Gietz

56. At all relevant times, Gietz was aware of Manor's background and criminal history.

57. Gietz began working for Manor and Pardo no later than August 2015.

58. Gietz had become aware of Manor's true identity by September 2016 at the latest, when he referred to Manor by his real name in an internal CGB document.

59. Gietz also knew by approximately September 2016 of Manor's use of aliases to conceal his identity and criminal background in business dealings for the business that would become the CGB Entities.

60. On November 11, 2016, Manor circulated an email to Gietz, as well as Hamid and other associates, announcing that henceforth his operative alias would be "Shaun MacDonald," and that this alias should be used in all communications.

61. In July 2017, shortly before the start of the ICO, in anticipation of upcoming fundraising for the CGB Entities, Gietz, together with Page, drafted a fictional biography for "Shaun MacDonald" and posted it on the website of a public relations firm that Pardo claimed to own.

62. The fictional biography that Gietz and Page drafted for "Shaun MacDonald" falsely stated that "MacDonald" was the public relations firm's vice president of business development;

that he had “been a contractor for security technology start-ups for over 10 years”; and that he had “coordinated the pre-employment process for technology and security start-ups and growing companies.” It made no mention of Manor’s hedge fund experience at Portus or of his criminal history.

63. Gietz understood that the purpose of the false biography was to hide Manor’s criminal past from potential investors. In Skype messages between Gietz and Page about the biography, Page noted that “the possibility of funding [was] gaining steam,” that they did not “want any red flags out there,” and that they needed to “take care of those years.”

64. The website to which the fictional biography was posted, the only public source of information on the fictional “MacDonald,” was accessible to potential and actual investors in the ICO.

65. During the fraudulent offer and sale of the Tokens alleged herein, Gietz played a central role in the administration of the ICO and in the CGB Entities’ communications with prospective and past investors.

66. Among other things, Gietz:

- a. drafted many of Manor’s and Pardo’s email communications;
- b. oversaw the CGB Entities’ external communications, including email and other correspondence, distribution of ICO marketing materials, and website content;
- c. identified and helped recruit potential ICO investors; and
- d. supervised other CGB Entities’ staff members’ communications with potential and actual investors.

67. In addition to the drafting and publication of the fictional biography of “MacDonald” as alleged in paragraphs 61 through 64 above, Gietz deceived ICO investors and helped Manor, Pardo, and the CGB Entities deceive ICO investors by, among other things:

- a. assisting in the drafting and transmission of emails on Manor’s behalf to potential and actual investors from a “Shaun MacDonald” email address with

- a. “Shaun MacDonald” signature line, without disclosing to them either Manor’s identity or his criminal background;
- b. using Manor’s “MacDonald” alias in his communications with investors and ICO advisors and not disclosing to them either Manor’s identity or his criminal background; and
- c. participating in the preparation and review before their distribution to investors of the materially misleading ICO marketing materials that omitted any reference to either Manor, or the fictional “MacDonald,” or Hamid, and instead falsely touted as the purported “executive team” a group of contractors who had no senior managerial control over the business.

68. For example, on February 21, 2018, Gietz sent an email to a potential investor reassuring him about his investment and stated: “Go ahead and send in your signed SAFT [simple agreement for future tokens] and Shaun will touch base with you soon regarding next steps.”

69. In additional examples of deceptive conduct, Gietz assisted in the drafting and transmission of the following emails from the “Shaun MacDonald” email address:

- a. an email to an ICO advisor negotiating a Token purchase discount on March 7, 2018;
- b. an email to an ICO advisor informing him that the name of the Token had been changed and attaching a Token purchase agreement on September 7, 2017;
- c. emails to investors and advisors attaching advisory and Token purchase agreements on October 17, 2017 and November 30, 2017; and
- d. an email to an investor requesting a list of potential other investors he was referring to the ICO on January 10, 2018.

70. Gietz knew or recklessly disregarded that the fictional biography of “MacDonald” that he and Page drafted and published, as well as the use of the “MacDonald” alias in investor communications and other ICO-related communications and the listing of the purported “executive team” included in the ICO marketing materials were materially false or misleading.

71. Gietz was compensated for his contributions to the fraudulent fund-raising, both in cash and in Tokens.

C. Page

72. Page began to work for Manor and Pardo at the CGB Entities in May 2017.

73. During her entire association with the CGB Entities, Page knew Manor's identity and criminal background and understood that he was using the "MacDonald" alias to conceal his criminal history from investors.

74. As alleged in paragraphs 61 through 64 above, Page worked with Gietz to draft a fictional biography for "Shaun MacDonald" in July 2017, in anticipation of upcoming fundraising for the CGB Entities.

75. During the fraudulent offer and sale of the Tokens alleged herein, Page played a central role in the administration of the ICO and in the CGB Entities' communications with prospective and past investors.

76. Among other things, Page:

- a. was one of the primary points of contact for potential ICO investors;
- b. developed lists of potential investors and ICO advisors;
- c. pitched the ICO to potential advisors and investors through emails and telephone calls;
- d. circulated ICO marketing materials to potential investors; and
- e. participated in meetings and conferences where she promoted the ICO investment to potential and actual investors.

77. Page deceived ICO investors and helped Manor, Pardo, and the CGB Entities deceive ICO investors by, among other things:

- a. using Manor's "MacDonald" alias in communications with investors and ICO advisors, and not disclosing to them either Manor's identity or his criminal background; and
- b. distributing to prospective investors the materially misleading ICO marketing materials that omitted any reference to either Manor, or the fictional "MacDonald," or Hamid, and instead falsely touted as the purported "executive team" a group of contractors who had no senior managerial control over the business.

78. For example, on February 12, 2018, Page sent an email communication to an investor, attaching promotional materials, stating "I'd like to arrange a conversation between you and Shaun."

79. Page knew or recklessly disregarded that the use of the “MacDonald” alias in investor communications and other ICO-related communications and the listing of the purported “executive team” included in the ICO marketing materials were materially false or misleading.

80. Page received Tokens as compensation for her contributions to the fraudulent fundraising.

III. Defendants Participated in an Unregistered Securities Offering

81. At all relevant times, both in 2017 and in 2018, the offer and sale of the Tokens was an offer and sale of securities.

82. ICO investors paid for Tokens in fiat currency, Bitcoin (“BTC”), or Ether (“ETH”).

83. The stated purpose of the fundraising, as communicated to investors, was to pool investor funds in a common enterprise and to fund the development of the CGB Companies’ planned technologies, neither of which ultimately became operational, namely, ComplianceGuard and the Terminal.

84. The Tokens were marketed in a manner that led investors reasonably to expect to profit from the efforts of the purported management team of the CGB Entities. For example, prospective investors were told that:

- a. prospective investors would have the opportunity to profit from the appreciation in the value of the Tokens once ComplianceGuard and the Terminal were fully developed and became widely adopted in the hedge fund industry; and
- b. the expected appreciation of the Tokens would come about at least in part as a result of the Tokens ultimately becoming the medium through which various users would pay for the CGB Entities’ technology products and related services.

85. On some occasions, these representations included exorbitant, and often highly speculative or entirely baseless, projections of the Tokens’ future value.

86. No registration statement was filed or in effect with respect to the offers and sales of the Tokens, which were securities, and no exemption from registration was available.

87. On or about June 28, 2018, BCT filed with the Commission a Form D, Notice of Exempt Offering of Securities, pursuant to the Securities Act, citing the provisions of Rule 506(c) of Regulation D as the applicable registration exemption.

88. But that exemption was not available, among other things, because some of the Token purchasers were not accredited investors, and also because BCT, and Defendants, who worked on its behalf, failed to take reasonable steps to verify whether all of the Token purchasers were accredited investors as defined in Rule 501 of Regulation D. [17 C.F.R. § 230.506(c)(1) & (2)].

89. For example, at Hamid's direction, BCT at various times offered and sold the Tokens to some investors without checking their accreditation status at all.

90. In addition, at Hamid's direction, the CGB Entities sometimes accepted investors' claims to be accredited even when the investors declined to provide necessary financial information to confirm their accreditation status.

91. As alleged above, including but not limited to in paragraphs 39-43, 45, 47, 48, 50, 52, 61-69, and 74- 78, each of the Defendants participated in the Tokens' unregistered offering.

FIRST CLAIM FOR RELIEF
Violations of Securities Act Section 17(a)(1) and(3)
(All Defendants)

92. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 91.

93. Defendants, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (i) knowingly or recklessly have employed one or more devices, schemes or artifices to defraud, and/or (ii) knowingly, recklessly, or negligently have engaged in one

or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

94. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated, and unless enjoined, will again violate, Securities Act Sections 17(a)(1) and (3) [15 U.S.C. §§ 77q(a)(1) and (3)].

SECOND CLAIM FOR RELIEF
Violation of Exchange Act Section 10(b) and Rules 10b-5(a) and(c) Thereunder
(All Defendants)

95. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 91.

96. Defendants, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly have (i) employed one or more devices, schemes, or artifices to defraud, and/or (ii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

97. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, have violated, and unless enjoined, will again violate, Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)].

THIRD CLAIM FOR RELIEF
Violations of Securities Act Sections 5(a) and 5(c)
(All Defendants)

98. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 91.

99. Defendants, directly or indirectly, singly or in concert, (i) made use of means or instruments of transportation or communication in interstate commerce or of the mails to sell,

through the use or medium of a prospectus or otherwise, securities as to which no registration statement was in effect; (ii) for the purpose of sale or for delivery after sale, carried or caused to be carried through the mails or in interstate commerce, by any means or instruments of transportation, securities as to which no registration statement was in effect; or (iii) made use of means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

100. By reason of the foregoing, Defendants, directly or indirectly, singly or in concert, violated, and unless enjoined, will again violate Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and (c)].

FOURTH CLAIM FOR RELIEF

**Aiding and Abetting Violations of Securities Act Sections 17(a) and Exchange Act Section 10(b) and Rule 10b-5 Thereunder
(All Defendants)**

101. The Commission re-alleges and incorporates by reference here the allegations in paragraphs 1 through 91.

102. Manor, Pardo, CGB, and BCT violated Securities Act 17(a) [15 U.S.C. § 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

103. Defendants knowingly or recklessly provided substantial assistance to Manor, Pardo, CGB, and BCT with respect to their violations of Securities Act Section 17(a) [15 U.S.C. § 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

104. By reason of the foregoing, Defendants are liable pursuant to Securities Act Section 15(b) [15 U.S.C. § 77o(b)] and Exchange Act Section 20(e) [15 U.S.C. § 78t(e)] for aiding and abetting Manor's, Pardo's, CGB's, and BCT's violations of Securities Act Section 17(a) [15 U.S.C. §

77q(a)], and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and unless enjoined, will again aid and abet these violations.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently enjoining Defendants and their agents, servants, employees and attorneys and all persons in active concert or participation with any of them from violating, directly or indirectly, Securities Act Sections 5(a), 5(c), and 17(a) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)] and Exchange Act Section 10(b) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

II.

Ordering Defendants to disgorge all ill-gotten gains they received with prejudgment interest thereon pursuant to Exchange Act Sections 21(d)(5) and (d)(7) [15 U.S.C. §§ 78u(d)(5) and 78u(d)(7)].

III.

Ordering Defendants to pay civil monetary penalties pursuant to Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)];

IV.

Permanently enjoining Defendants from participating in any offering of digital asset securities or other securities pursuant to Exchange Act Section 21(d)(5) [15 U.S.C. § 78u(d)(5)], provided, however, that such order shall not prevent them from purchasing or selling securities from their own personal accounts; and

V.

Granting any other and further relief as the Court may deem just and proper.

Dated: New York, New York
June 15, 2021

s/Richard R. Best _____
RICHARD R. BEST*
REGIONAL DIRECTOR
Joseph G. Sansone*
Lara Shalov Mehraban *
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LOCAL RULE 11.2 CERTIFICATION

Pursuant to Local Rule 11.2, I certify that the matter in controversy alleged against the Defendants in the foregoing Complaint is not the subject of any other civil action pending in any court, or of any pending arbitration or administrative proceeding. There are two related cases currently pending in this Court: SEC v. Manor, et al., 2:20-CV-00597-SRC-CLW (D.N.J.) (Jan. 17, 2020) and U.S. v. Manor, et al., 2:20-CR-00051-SRC (D.N.J.) (Jan. 17, 2020).

s/Richard R. Best

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DESIGNATION OF AGENT FOR SERVICE

Pursuant to Local Civil Rule 101.1(f), the undersigned hereby designates the United States Attorney's Office for the District of New Jersey to receive service of all notices or papers in this action at the following address:

David E. Dauenheimer
United States Attorney's Office
Deputy Chief, Government Fraud Unit
District of New Jersey
970 Broad Street, Suite 700
Newark, NJ 07102

SECURITIES AND EXCHANGE COMMISSION

Richard R. Best

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