

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Life Cross Coin, a/k/a)	CEASE AND DESIST ORDER,
Lifecrosscoin GmbH, and its Officers,)	NOTICE OF CIVIL PENALTY,
Directors, Agents, and Employees,)	ORDER FOR RESCISSION,
)	AND
Respondents.)	NOTICE OF RIGHT TO
)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:

LIFE CROSS COIN, a/k/a LIFECROSSCOIN GmbH, and its OFFICERS, DIRECTORS, AGENTS, and EMPLOYEES, RESPONDENTS.

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. Respondent Life Cross Coin, a/k/a Lifecrosscoin GmbH, (hereafter Lifecrosscoin or Respondent), purports to be a limited liability company organized in Germany, that alleges via its website that it “is committed to building a unique and secure system that assists and financially support charitable organizations that seek to engage the next generation of philanthropists through the use of social media and other emerging communication tools” and “plan(s) to create a compelling and friendly platform and an App for Apple and Android that allows the transfer of digital currency in the peer-to-peer protocol of a typical blockchain network, as well as enabling the secure exchange donations and project management.” The website

further states: "With the help of the Lifecrosscoin platform, people who use the platform will test a same and innovative highly secure network where the currency holder can conduct transactions anonymously with the highest level of security. In fact, security is an essential priority of the Lifecrosscoin platform, which has been created to curb the problem of fraud." No physical address is provided for the location of the company or its "Team".

2. Respondent Lifecrosscoin conducts its business primarily on the internet and maintains a website accessible at <https://lifecrosscoin.ch>, (the website). According to the website, the company may be reached through its email address: Info@lifecrosscoin.ch.
3. Through the website, Respondent Lifecrosscoin is offering the general public, including residents of the state of North Dakota, an Initial Coin Offering, (ICO), for a token named "Life Cross Coin" a/k/a "LICO" tokens. The website also includes instructions on how to invest in the tokens, and states "Lifecrosscoin is the first cryptocurrency where you can increase your investment so easy and support third world countries at the same time."
4. The website describes how investors in the ICO will earn "high profits" and a "huge return on investment." The website fails to disclose how Respondent will guarantee the promised profits for investors holding the LICO tokens.
5. None of the offering materials on the website contemplate that purchasers of LICO tokens would have an eventual role in the management of the company.
6. Respondent Lifecrosscoin willfully fails to disclose material facts when offering the investments and makes fraudulent misrepresentations including the following:

- a. The background of the principals of Respondent Lifecrosscoin (a search of the team members listed on the website resulted in recently created LinkedIn profiles indicating false identities being used) and the actual location of its operations and management;
 - b. Information about the assets and liabilities of Respondent Lifecrosscoin and any other information describing the means by which Respondent will provide investors with the promised return on investments;
 - c. Information about its donation / currency exchange platform and the risk factors associated with its use; and
 - d. That the investments offered by Respondent are securities and not properly registered as such with state and federal regulators.
7. The investments offered for sale by Respondent Lifecrosscoin are securities as defined in N.D.C.C. §10-04-02(19).
8. The subject securities have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not been properly filed as federal covered securities under N.D.C.C. § 10-04-08.4. All offers and/or sales of the subject investments were made in violation of N.D.C.C. § 10-04-04.
9. The Respondent Lifecrosscoin was not registered as a broker-dealer or issuer-dealer with the Securities Department at the time of the offers and/or sales of the subject investments, in violation of N.D.C.C. § 10-04-10(1).
10. The Officers, Directors, Agents and Employees of the Respondent Lifecrosscoin were not registered as an agent with the Securities Department at the time of the offers and/or sales of the subject investments, in violation of N.D.C.C. § 10-04-10(2).

11. The Respondent Lifecrosscoin has offered and/or sold the above-referenced securities by use of material misrepresentations and/or omissions, has engaged in a scheme or artifice to defraud investors and/or has otherwise engaged in fraudulent or deceptive practices in violation of N.D.C.C. § 10-04-15.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department or offered for sale pursuant to an exemption from registration.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Commissioner as broker-dealers, issuer-dealers or agents.
3. From using material misstatements or omissions, engaging in a scheme or artifice to defraud investors, or from engaging in any fraudulent or deceptive practices, in connection with the offer and/or sale of securities in this state.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$20,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$70,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys,

mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability” in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTY

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1). The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

ORDER FOR RESCISSION

The Securities Commissioner further Orders that the Respondents shall, within sixty days of the date of this Order, make rescission of any transactions previously made with residents of the State of North Dakota, for the full amount paid for the securities, plus interest at the statutory rate, and less the amount of any income received on the securities by said resident, pursuant to the provisions of N.D.C.C. §§ 10-04-16(1) and 10-04-17.

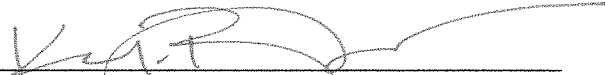
NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN

FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The Respondents have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 10th day of October, 2018.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Life Cross Coin, a/k/a)
Lifecrosscoin GmbH, and its Officers,)
Directors, Agents, and Employees,)
Respondents.)

CERTIFICATE OF SERVICE

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I, Michael F. Daley, hereby certify that on the 10th day of October, 2018, I served the above-named Respondents, via email at Info@lifecrosscoin.ch, with true and correct copies of the Cease and Desist Order, Notice of Civil Penalty, Order for Rescission, and Notice of Right to Request a Hearing, and this Certificate of Service.

Dated this 10th day of October, 2018.

By: Michael F. Daley
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