

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of BitConnect LTD)	CEASE AND DESIST ORDER,
and BitConnect International PLC,)	NOTICE OF CIVIL PENALTY,
United Kingdom limited companies,)	ORDER FOR RESCISSION,
and their Officers, Directors, Agents,)	AND
and Employees,)	NOTICE OF RIGHT TO
Respondents.)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:

BITCONNECT LTD and BITCONNECT INTERNATIONAL PLC, United Kingdom limited companies, and their 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. Respondents BitConnect LTD and BitConnect International PLC (hereafter collectively BitConnect or Respondents) are limited companies formed under the laws of the United Kingdom.
2. Respondent BitConnect LTD's last known principal place of business is The Panorama, Park Street, Ashford, United Kingdom TN24 8EZ.
3. Respondent BitConnect International PLC's last known address is PO Box 4385, Cardiff, England CF14 8LH, and its last known principal place of business is Grant

Thorton House, 22 Melton Street, Kings Cross, London, United Kingdom NW1 2EP.

4. Respondents conduct their business primarily on the internet and maintain a website accessible at www.bitconnect.co, (the website).
5. Through the website, Respondents are offering the general public, including residents of the state of North Dakota, multiple “investment opportunities.” The website describes BitConnect as an open source, all-in-one Bitcoin and crypto-community platform and its BitConnect Coins as an open source, peer-to-peer, community-driven decentralized cryptocurrency that reportedly allows owners to store and invest their wealth.
6. Through the website, Respondents’ offerings include “Investment Opportunity Page 1”, “Investing in BitConnect Coin and Staking”, a program in which investors exchange their BitCoin for BitConnect Coin tokens or “stake” which when held in an online wallet, earn interest of up to 10% per month over a specified term. Other “Investment Opportunities” include earnings from BitConnect Coin trading and mining.
7. Respondents willfully fail to disclose material facts when offering the BitConnect investments including the following:
 - a. The identity of the principals of BitConnect and the actual location of its operations and management;
 - b. Information about the assets and liabilities of Respondents and any other information describing the means by which Respondents will provide investors with the promised return on investments;
 - c. Information about the proprietary, secret trading system that it calls its “volatility software,” details of its trading records and historical performance, proof of its existence, and the risk factors associated with its use; and

- d. That the investments offered by Respondents are securities and not properly registered as such with state and federal regulators.
8. The "investment opportunities" offered for sale by Respondents are securities as defined in N.D.C.C. §10-04-02(19).
 9. 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.
 10. The Respondents were 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).
 11. The Officers, Directors, Agents and Employees of the Respondents 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).
 12. The Respondents have offered and/or sold the above-referenced securities by use of material misrepresentations and/or omissions, have engaged in a scheme or artifice to defraud investors and/or have 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.

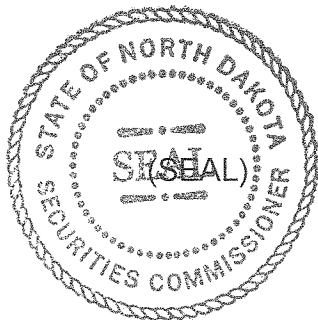
ORDER FOR RESCISSION

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 19th day of September, 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 BitConnect LTD)
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**AFFIDAVIT OF SERVICE
BY MAIL**

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I, Jennifer A. Gisinger, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this ____ day of September, 2018, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

**CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY,
ORDER FOR RESCISSION, AND NOTICE OF RIGHT TO
REQUEST A HEARING**

Copies of the above documents were securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

BitConnect LTD
The Panorama
Park Street
Ashford, United Kingdom
TN24 8EZ

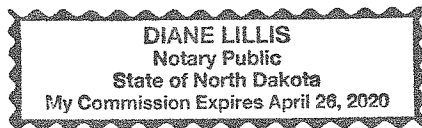
BitConnect International PLC
P.O. Box 4385
Cardiff, England CF14 8LH


To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.



Jennifer A. Gisinger

Subscribed and sworn to before me this 19 day of September, 2018.





Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2020