

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Pension Rewards	)	<b>CEASE AND DESIST ORDER,</b>
Platform, a/k/a Pension Rewards,	)	<b>NOTICE OF CIVIL PENALTY,</b>
and their Officers, Directors, Agents,	)	<b>ORDER FOR RESCISSION,</b>
and Employees,	)	<b>AND</b>
Respondents.	)	<b>NOTICE OF RIGHT TO</b>
	)	<b>REQUEST A HEARING</b>

THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO:

**PENSION REWARDS PLATFORM, a/k/a PENSION REWARDS, 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. Respondent Pension Rewards Platform, a/k/a Pension Rewards, is a company that alleges via its website that it is “a decentralized Human Resource hub for discovering qualified talent and global freelance reward ecosystem/platform that gives users the ability to interact, connect, trade/explore skills. Built on the algorithm of proof of freelance and proof of skills.” No physical address is provided for its location or country of organization.
2. Respondent Pension Rewards conducts its business primarily on the internet and maintains a website accessible at [www.pensionrewards.com](http://www.pensionrewards.com), (the website).

According to the website, the "Core Team" of the company may be reached through its email address: [hireme@pensionrewards.com](mailto:hireme@pensionrewards.com).

3. Through the website, Respondent Pension Rewards is offering the general public, including residents of the state of North Dakota, an Initial Coin Offering, (ICO), for a token named "Pension Coin" a/k/a "\$Pcoin" a/k/a "Pcoin". The website also includes instructions on how to invest in the Pension Rewards Platform by purchasing the tokens, which mandates that purchasers must buy \$Pcoin tokens with Ethereum ("ETH") tokens.
4. The website states that the \$Pcoin tokens have a value that will "multiply rapidly, producing a large profit for investors/freelancers" as well as additional "Rewards" for those who hold it. None of the offering materials on the website contemplate that purchasers of \$Pcoin tokens would have an eventual role in the management of the company.
5. The website states that the "Future Plans" of the Respondent are "to partner with various popular payment processors to make it easier to convert between Pcoins with fiat or other Cryptocurrencies directly using the platform internal exchange."
6. Respondent Pension Rewards 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 Pension Rewards and the actual location of its operations and management;
  - b. Information about the assets and liabilities of Respondent Pension Rewards and any other information describing the means by which Respondent will provide investors with the promised return on investments;
  - c. Information about its trading platform, allegedly under development, proof of its existence, 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 Pension Rewards 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 Pension Rewards 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 Pension Rewards 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 Pension Rewards 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 19<sup>th</sup> day of September, 2018.



  
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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 Pension Rewards )  
Platform, a/k/a Pension Rewards, )  
and their Officers, Directors, Agents, )  
and Employees, )  
Respondents. )

CERTIFICATE OF SERVICE

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I, Michael F. Daley, hereby certify that on the 19<sup>th</sup> day of September, 2018, I served the above-named Respondents, via email at hireme@pensionrewards.com, 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 19<sup>th</sup> day of September, 2018.

By:   
Michael F. Daley  
Special Assistant Attorney General  
State Bar ID No. 03656  
North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
Telephone (701) 328-4701  
Facsimile (701) 328-2946

## Daley, Michael F.

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**From:** Daley, Michael F.  
**Sent:** Wednesday, September 19, 2018 2:27 PM  
**To:** 'hireme@pensionrewards.com'  
**Cc:** Mathias, Kelly W.; Corina E. Abbatoye (ceabbatoye@nd.gov)  
**Subject:** In the Matter of Pension Rewards Platform, a/k/a Pension Rewards, Respondents  
**Attachments:** Signed Pension Rewards ICO Cease and Desist Order & Certificate of Service.pdf

I, Michael F. Daley, hereby certify that on the 19<sup>th</sup> day of September, 2018, I served the above-named Respondents, via email at [hireme@pensionrewards.com](mailto:hireme@pensionrewards.com), 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, issued by the North Dakota Securities Commissioner this date and a Certificate of Service, all as attached hereto.

Michael F. Daley  
Enforcement Attorney  
ND Securities Department  
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State Capitol - 5th Floor  
Bismarck, ND 58505-0510  
(701) 328-4701  
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[mfdaley@nd.gov](mailto:mfdaley@nd.gov)

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