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For Immediate Release



Karen Tyler
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NEWS: FOR IMMEDIATE RELEASE

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SECURITIES COMMISSIONER ISSUES ORDERS AGAINST 3 MORE COMPANIES PROMOTING INITIAL COIN OFFERINGS IN NORTH DAKOTA

Bismarck, ND, October 11, 2018 — North Dakota Securities Commissioner Karen Tyler has issued Cease and Desist Orders against 3 companies promoting unregistered and potentially fraudulent securities in North Dakota in the form of Initial Coin Offerings (ICOs).

The Orders are the result of investigations being conducted by the Department’s ICO Task Force, convened by the Commissioner to identify ICOs and cryptocurrency related investments that pose a risk to North Dakota investors. The effort is also part of Operation Cryptosweep, a coordinated multi-jurisdiction investigation and enforcement effort involving over 40 U.S. and Canadian securities regulators.

The companies that are the subject of the orders are Crystal Token, Advertiza Holdings (Pty) Ltd., and Life Cross Coin a/k/a LifecrosscoinGmbH.

An ICO is a financing method used by start-up companies to raise capital. Most ICOs involve projects that are at the “idea” stage represented in a white paper. Companies create a new virtual coin or token, which is then sold online to investors in the ICO in exchange for cryptocurrency or fiat currency. Companies market their ICOs through their own websites, social media platforms and online marketplaces.

Common red flags of fraudulent ICOs include plagiarized white papers containing spelling and translation errors, fictitious executive teams represented by stock internet photos, fake business addresses and phone numbers, fake celebrity endorsements, the promise of no risk and high returns, false claims about securities law compliance, and the promise of additional ICO tokens for promoting the deal and bringing in other investors. Investors must also be cautious of hackers that “spoof” legitimate ICOs to intercept and steal investor money.

More information regarding ICOs can be found at the following links: [What to Know about ICOs](#), [Be Cautious of the Crypto Investment Craze](#) and [SEC's Investor Bulletin: Initial Coin Offerings](#).

“The continued exploitation of the cryptocurrency ecosystem by financial criminals is a significant threat to Main Street investors” stated Tyler. “In formulaic fashion, financial criminals are cashing in on the hype and excitement around blockchain, crypto assets, and ICOs – investors should be exceedingly cautious when considering a related investment.” The most

common securities law violations by companies promoting ICOs are: the offer and sale of unregistered securities, sales by unregistered agents, and engaging in fraudulent practices.

Crystal Token is represented to be an ERC 20 token on the Ethereum blockchain and is identified as CYL. According to Crystal Token's website it offers an "evolutionary multi-utility token" to trade in other cryptocurrency and earn daily interest up to 2% per day. Interest paid on the staking of CYL is paid in another token known as "VCYL" that is also offered by Crystal Token. Review of Crystal Token's website indicates the site is active and available to residents of North Dakota. Crystal Token is not registered to sell securities in North Dakota. Crystal Token's website contains allegedly fraudulent statements with claims of excessive unsubstantiated rates of return on investment, fails to provide sufficient disclosure of the management team's credentials, and purposely withholds their identities.

Advertiza Holdings is soliciting investors through their website which remains accessible to North Dakota residents. The site offers virtual currency called "Tizacoin" or "TIZA" which allows investment into the company focusing on digital advertising. Statements on the website and provided documentation indicate that a coin can be purchased and "holders of Tizacoins can expect to make a profit from the appreciation of the value of TIZA tokens . . ." indicating that its representation as a utility token is incorrect and it is in fact a security. Advertiza falsely claims it has made a filing with the SEC under federal Rule 506c of Regulation D. The company is not registered in North Dakota to offer securities.

Life Cross Coin, aka Lifecrosscoin, operates a website from a Berlin IP address associated with ransomware, trojans, and identity fraud. The website purports its virtual currency, "Life Cross Coin" or "LICO" will be used for the donation and support of charitable organizations. Life Cross Coin's website and provided documents indicate that an investor can purchase coins in the ICO and receive a "huge return on investment" through holding the coins and selling at a later date. The website contains allegedly fraudulent content including the people represented to be the executive team, who all appear to have fake names. Life Cross Coin is not registered in North Dakota to offer securities, and their website content contains unsubstantiated claims and misrepresentations.

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