

SEC Wins \$11 Million Default Judgment Against GAW Miners

Jun 5, 2017 at 22:53 by Stan Higgins

News • Legal



The US Securities and Exchange Commission (SEC) has won default judgments against cryptocurrency mining firms GAW Miners and Zen Miner.

The decision brings to a close part of the SEC's legal effort against GAW, Zen Miner and their CEO Homero Josh Garza, who it sued in December 2015 for securities law violations, as well as the operation of a Ponzi scheme. The SEC's case centered around the sale of Hashlets, which were "virtual miners" sold through a bid/ask marketplace on a platform called ZenCloud. The sale of those Hashlets, the SEC argued in court, amount to an unlicensed securities offering.

According to court documents, both GAW and Zen Miner are required to disgorge \$10,078,331 in profits, along with \$305,768 worth of prejudgment interest.

Both firms are further required to pay \$1m apiece in civil penalties, according to the decision signed by US District Judge Jeffrey Meyer. The court order was signed on 31st May, though the SEC [announced](#) its court win this afternoon.

Notably, the decision did not include Garza. "The SEC's litigation continues against Garza," the agency said in its release.

[GAW Miners](#) fell apart in mid-2015 amid growing controversy over its mining operations and the failure of its alternative digital currency, [paycoin](#), which it launched at the start of that year.

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USD ▼ -1.43%

\$2464.13

EUR €2156.86

CNY ¥17684.94

GBP £1891.45



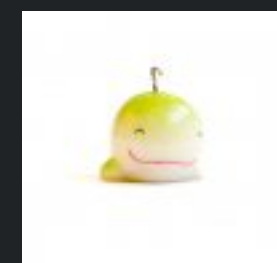
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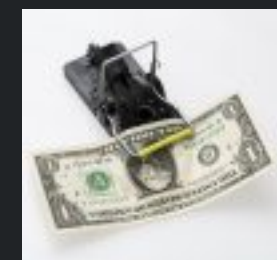
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