



Texas Slaps Bitcoin Investment Firm With Cease-and-Desist



Stan Higgins



 Dec 21, 2017 at 16:20 UTC

NEWS

Regulators in Texas have obtained an emergency cease-and-desist order against a company they say is unlawfully pitching bitcoin mining investment products in the state.

In [a statement](#) yesterday, the Texas State Securities Board revealed that it had taken action against USI-Tech Limited, a firm based in Dubai. The firm has allegedly been trying to sell investment contracts in "dozens of Texas cities" by way of social media videos, dedicated websites, and advertisements on sites like Craigslist. It names two U.S.-based agents, Clifford Thomas of Maryland and Michael Rivera of California.

According to [a presentation](#) dated April of this year and posted to LinkedIn, USI is centered around the sale of software for bitcoin mining and trading. The presentation includes claimed breakdowns of how much money in commissions would-be participants can make based on the number of referrals they generate.

The Securities Board said that the company claimed to offer steady, daily returns – a structure reminiscent of high-yield investment plans that boast steady gains. Further, the solicitations reportedly encourage prospective investors to find others to buy in so that they can make money from "referrals."

The Securities Board wrote:

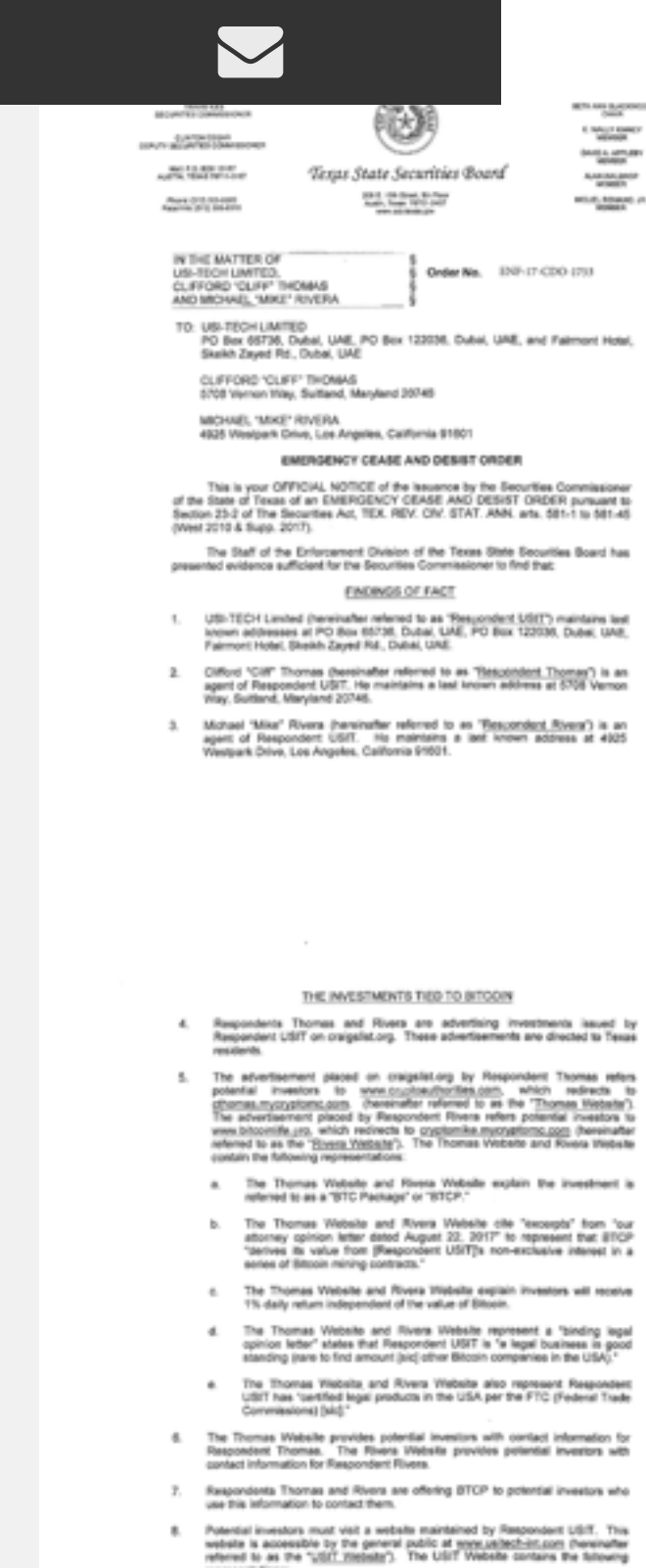
"The agents' websites claim the mining investment 'derives its value from [USI-Tech's] non-exclusive interest in a series of bitcoin mining contracts.' They promise a daily return of 1%. The USI-Tech website says its bitcoin platform "consistently provides returns of up to 150% per year." The returns do not depend on the value of bitcoin, according to the company."

According to the statement, those named in the cease-and-desist order were accused of violating Texas securities registration standards and failing to disclose the risks involved in bitcoin mining.

"In addition to violating registration requirements, USI-Tech and the sales agents are violating State Securities Board rules by failing to disclose information investors would need to make an informed decision about whether to invest," the agency added.

The full cease-and-desist letter can be found below:

[Usi Tech Enf 17 Cdo 1753](#) by [CoinDesk](#) on Scribd



Texas flag image via Shutterstock

This article has been updated with additional information about USI-Tech.

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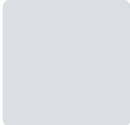


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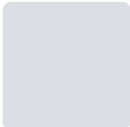


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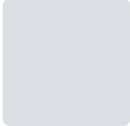
Collectivism101 · a day ago

I am in Texas and think this is a joke. Texas just wants its money by threatening USItch. A company that is actually more on the up and up than most in this space. Moreover, to meet the demands of the SEC regarding accredited investor it only takes a signature stating that you are worth more than \$500K USD. I personally LOVE crypto because I can take the risk and do not need someone telling me I can or cannot do so.

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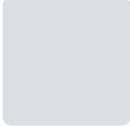
Corey B Benschop · a day ago

This is just another FUD article. The cease and desist is to the 2 yahoos trying to hock BTC Packages through a MLM. USI Tech is a great company in my opinion, and they've been paying me daily ever since I got in. I agree that Texas is just being Texas and trying to control everything as usual.

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Crypto Wealth Machine · a day ago

It's not a security, it's not backed by anything. Texas looking for a way to generate their share of the crypto world

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Josh Perry · 2 days ago

Anyone look into polymath? They would be the perfect platform for them since you can go on there and launch your own legal security token.

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How many people do you think own bitcoin?

- ☐ 0 - 5 million
- ☐ 5 - 10 million
- ☐ 10 - 25 million
- ☐ 25 - 50 million
- ☐ 50 million +

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