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AriseBank ICO Fraud Case May Ensnare Additional Parties


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Annaliese Milano

 Mar 1, 2018 at 02:15 UTC

NEWS

The receiver for AriseBank, the Texas ICO issuer at the center of a securities fraud case, suspects the firm's co-founders have not been entirely forthcoming with asset disclosures, [documents](#) show.

According to a receivership report filed this week, co-founders, Jared Rice Sr. and Stanley Ford, initially failed to comply with a court order requiring them to disclose all of their property as well as assets owned by [AriseBank](#).

Ford is at present in Dubai, but Rice later acquiesced and the case's appointed receiver, Mark Rasmussen, has identified 27.96 bitcoins, 196,131.04 dogecoins, 271.33 litecoins, 2,391,455.51 bitshares coins, 19,413.76 PIVX and 3599.99 BitUSD coins in addition to other funds in fiat as assets.

However, the document later reads:

"The receiver believes that there are additional assets of the receivership entities that he has not taken possession of and may need to file lawsuits to collect all of the property that belongs to the receivership entities."

The U.S. Securities Exchange Commission issued a cease-and-desist order to AriseBank, a self-described "decentralized banking platform," late last month. The agency subsequently charged the founders with fraud and issuing unregistered securities in relation to their January token sale.

Bitcoin

\$10.3

Ethereum

\$8

Bitcoin Cash

\$1.2

Litecoin

\$

XRP

\$0

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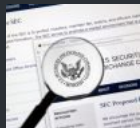
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The receivership report also indicates that the case could expand its reach beyond AriseBank and its co-founders.

"The receiver has issued multiple subpoenas to third parties for documents and deposition testimony," says the document, though it states that no further lawsuits have been filed.

Another notable revelation from the document is that Rasmussen does not intend to liquidate the AriseBank Estate's cryptocurrency holdings, though he will do so with other assets "that may decrease in market value," such as televisions, smart phones and computers in order to "maximize the recovery amount."

"For now the receiver intends to continue holding the cryptocurrency in the receiver's wallets and not liquidate it. The receiver will continue to assess the challenges of liquidating the cryptocurrency and make a recommendation to the court as part of a proposed liquidation plan," the document states.

Rasmussen is set to submit another report by April which will provide "additional guidance regarding the timing of a definitive liquidation plan."

Bitcoin with handcuffs [image](#) via Shutterstock

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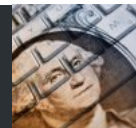


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