

HyperFund Overview: A \$1.7 Billion Scheme

HyperFund promised investors high returns through cryptocurrency investments. The platform claimed to use advanced technology for profitable trading. However, it operated as a pyramid scheme, using new investments to pay off earlier investors.

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HyperFund Owners Accused of \$1.7B Fraud

High-Yield Promises


Launched in June 2020, HyperFund marketed itself as a high-yield investment program (HYIP) tied to crypto mining operations, promising investors daily returns and membership rewards.

MLM Structure

The platform used a multi-level marketing (MLM) structure, rewarding users for recruiting new investors. By early 2022, HyperFund collapsed, leaving investors with massive losses.

False Claims

HyperFund asserted that profits came from blockchain mining, crypto trading, and DeFi projects, but investigations revealed no legitimate revenue sources.



SEC Charges: Lee and Chunga Chunga Accused

Securities Fraud

The SEC filed charges in October 2024, accusing Lee and Chunga of misleading investors about about profitability.

Pyramid Scheme

They are accused of operating a pyramid scheme, scheme, relying on new investor funds to pay old ones.

Unregistered Offering

The charges also include failing to comply with SEC regulations for regulations for unregistered securities offerings.

Fraudulent Scheme Details Unveiled

False Promises

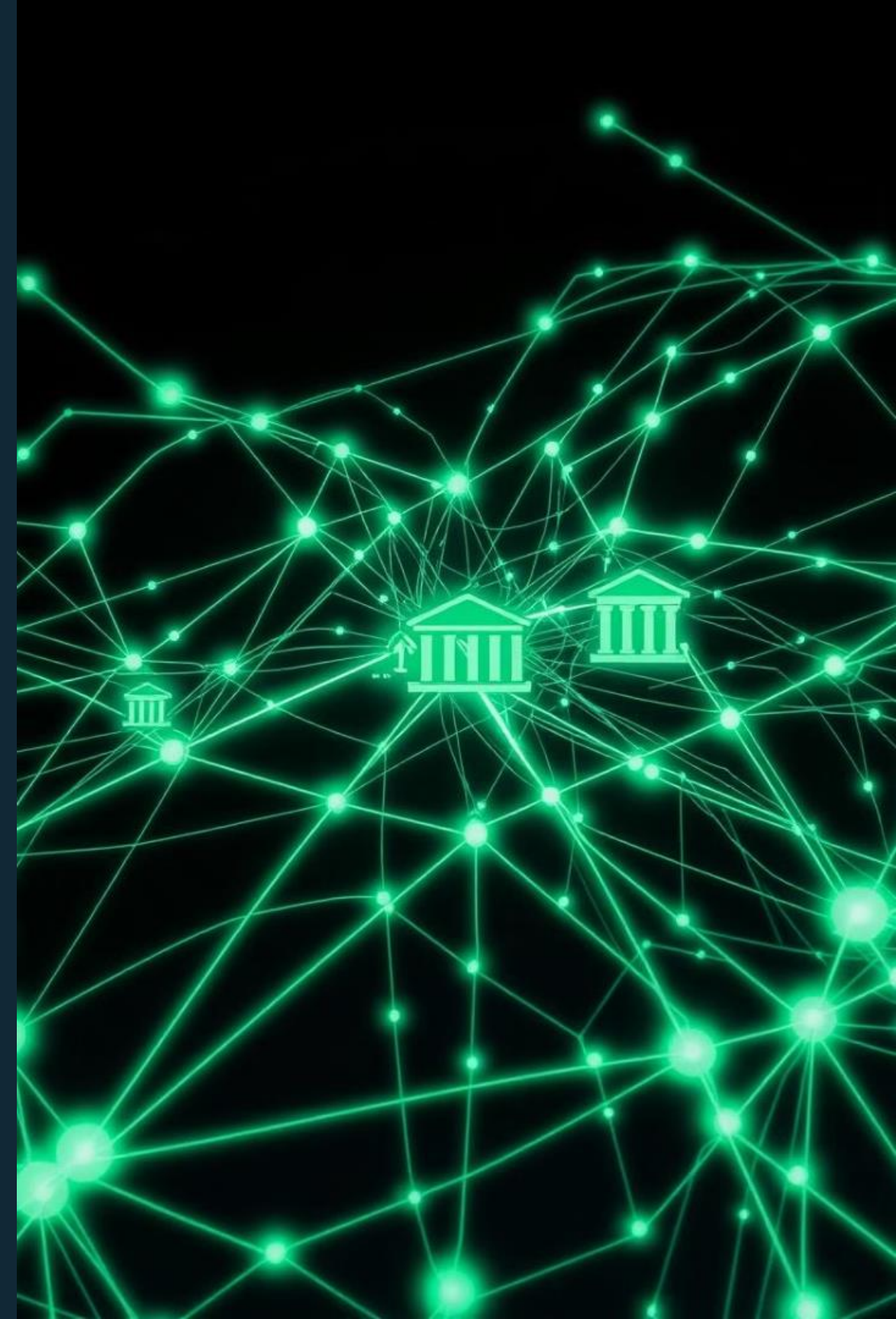
HyperFund claimed investors would earn passive income from non-existent Bitcoin mining and fictitious partnerships.

Pyramid Structure

Early investors were paid with funds from new investors, a classic Ponzi scheme model incentivizing aggressive recruitment.

Crypto Evasion

Transactions were in crypto (BTC, ETH, USDT) to avoid scrutiny, funneled through offshore accounts and shell companies.



Legal Consequences and Settlements



SEC Civil Case

Chunga's settlement includes disgorgement and civil penalties. Lee faces ongoing litigation and potential lifetime bans.



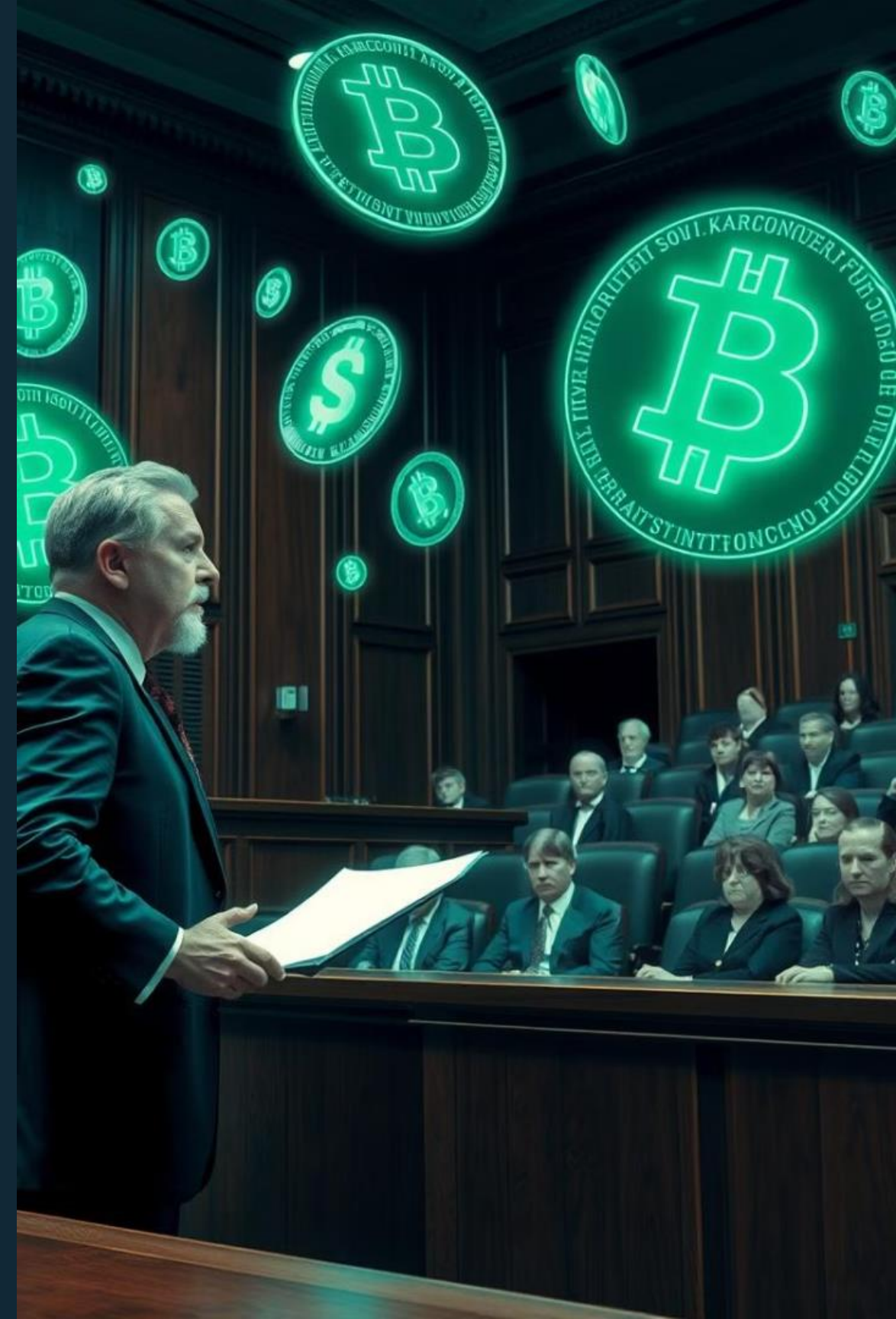
Criminal Charges

Chunga's guilty plea could lead to prison time. Rodney Burton, another promoter, was arrested for misappropriating \$7 million.

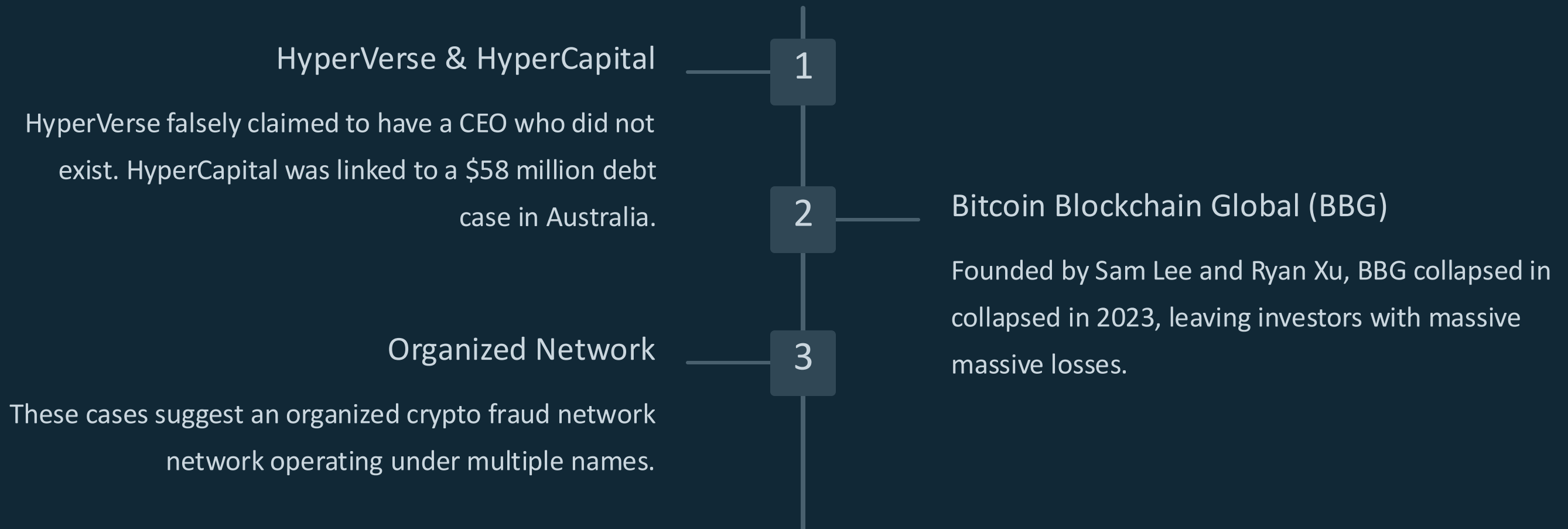


Repaying Investors

The goal of the SEC is to repay defrauded investors through disgorgement of ill-gotten gains.



Connections to Other Fraudulent Entities



Impact on Investors and Market Reactions

1

Investor Losses

Over \$1.7 billion lost globally, with many victims being retail investors lured by social media hype.

2

Market Distrust

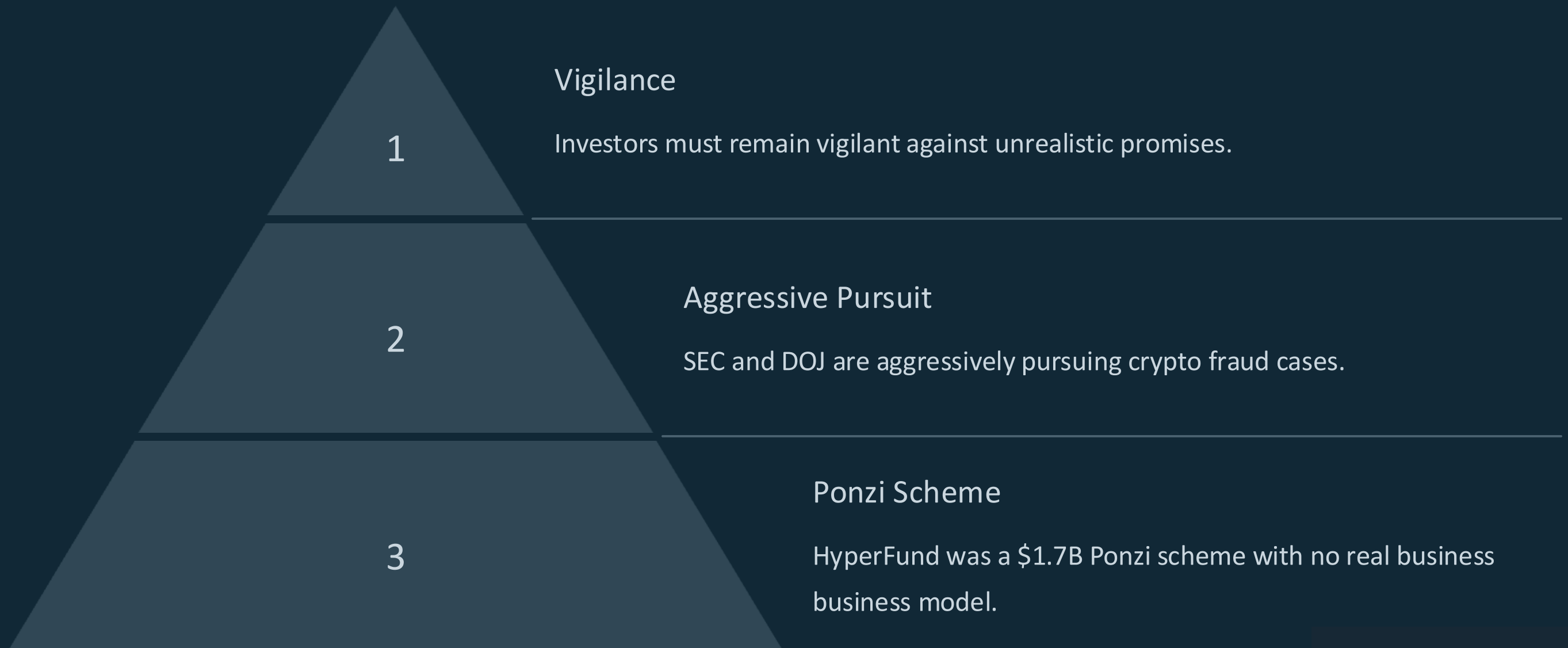
The scandal reinforces negative perceptions of crypto as a scam-ridden industry, potentially leading to stricter regulations.

3

Regulatory Scrutiny

Increased scrutiny on DeFi, yield farming, and MLM-based crypto projects by global regulators.

Conclusion: Vigilance and Regulation



Thank You

Thank you for your time and attention. We are happy to address any questions you may have.

Vigilance

Stay informed about the risks in crypto investments.

Due Diligence

Always research before investing in crypto projects.

Regulation

Support regulatory measures that increase investor protection.