

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-24-0056**

**IN THE MATTER OF:
GOLDEN MINE**

RESPONDENT

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received certain information and has in its possession certain evidence indicating that Golden Mine (“Golden Mine”) has violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”).

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-409.

RESPONDENT

2. Golden Mine claims to be a private, legally registered online investment company operating through its publicly accessible website, <https://goldenminecrypto.com/>. Golden Mine has never been registered with the Arkansas Securities Department (“Department”) in any capacity, including, but not limited to as a broker-dealer or investment adviser, and has not made any registration or exemption filings with the Department as an issuer for the offer and sale of securities in Arkansas.
3. On its website, Golden Mine claims to conduct business at The Woodlands Mall, 1201 Lake Woodlands Drive #700, The Woodlands, Texas 77380. The Staff reviewed the contact directory for The Woodlands Mall and was unable to locate any information for Golden Mine. Upon review of publicly viewable entity records at the Texas Comptroller

of Public Accounts website at <https://mycpa.cpa.state.tx.us/coa/>, the Staff discovered no active entities registered in Texas under the name Golden Mine Crypto or Golden Mine.

4. The Staff reviewed publicly filed records maintained by the U.S. Securities and Exchange Commission (SEC) through its Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system and discovered no securities filings under the Golden Mine name. Additionally, the Staff reviewed records maintained by the Financial Industry Regulatory Authority (FINRA) and noted there were no broker-dealer firms under the name Golden Mine that were members of FINRA.
5. The evidence stated in paragraphs 3 and 4 led the Staff to conclude that Golden Mine is not operating a legally registered investment platform as described on its website.

FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER

6. The Staff discovered Golden Mine while conducting an investigatory sweep into other cryptocurrency trading platforms. During the Staff's investigation, the Staff noted several violations of the Act on Golden Mine's website as set forth below.
7. On its website, Golden Mine claims its goal is to "provide [its] investors with a reliable source of high income, while minimizing any possible risks and offering a high-quality service." To achieve this, Golden Mine claims it is fully encrypted, while using a security system that is Payment Card Industry Data Security Standard (PCI/DSS) compliant.
8. To further support its claim of legitimacy, Golden Mine states it is trusted by over 6 million users in over 75 countries. Additionally, Golden Mine claims to be partnered with well-known technology companies such as Microsoft and Coinbase. During the investigation, the Staff was unable to verify these claims and the partnerships. Upon information and belief, the Staff determined that these claims were falsified by Golden Mine.

9. Golden Mine claims to be led by experts who are ready to guide investors through the entire investing process. However, Golden Mine does not disclose the identities of these experts on its website. Additionally, Golden Mine does not disclose the identities of the individuals who control/operate the company. The Staff was unable to locate any information disclosing these identities.
10. Across its website, Golden Mine promises investors a steady return on their investments. An investor's return is based on the investment plan they select. An investor can choose from the following plans:
 - a. Rookie Plan, which requires a minimum investment of \$1,000 with a maximum investment requirement of \$10,000. An investor is promised a 12% return on investment ("ROI").
 - b. Pro Plan, which requires a minimum investment of \$10,000 with a maximum investment requirement of \$90,000. An investor is promised a 15% ROI.
 - c. Master Plan, which requires a minimum investment of \$100,000 with a maximum investment requirement of \$500,000. An investor is promised a 25% ROI.
11. In addition to the ROIs described above, Golden Mine offers a \$20 bonus to new investors who make a qualifying \$200 direct deposit into their Golden Mine account. Golden Mine describes a qualifying deposit as one made by an investor's employer, payroll provider, gig economy payer, or benefits provider.
12. The Staff's review of Department records found that the investment opportunities offered by Golden Mine through its investment plans are not registered pursuant to the Act. Additionally, the Staff found no record of a filing evidencing a proof of exemption in

accordance with the Act and no notice filing pursuant to federal law in connection with a covered security.

APPLICABLE LAW

13. Ark. Code Ann. § 23-42-102(17)(A)(xi) defines “security” to include investment contracts.
14. Ark. Code Ann. § 23-42-102(10) defines “issuer” to mean every person who issues or proposes to issue any security.
15. Ark. Code Ann. § 23-42-501 states that it is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security or transaction is exempted under Ark. Code Ann. § 23-42-503 or § 23-42-504; or it is a covered security.
16. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which they are made, not misleading.
17. Ark. Code Ann. § 23-42-507(3) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
18. Ark. Code Ann. § 23-42-209(a) states that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

CONCLUSIONS OF LAW

19. The investment plans offered by Golden Mine where investors would invest monetary value into an investment plan, a common enterprise, with a reasonable expectation of profits to be derived from Golden Mine's efforts, and through no efforts of the investor, are securities in the form of investment contracts under Ark. Code Ann. § 23-42-102(17)(A)(xi).
20. Golden Mine acted as an issuer under Ark. Code Ann. § 23-42-102(10) by engaging in the business of issuing investment contracts in the form of investment plans as described above.
21. The securities offered by Golden Mine are not registered with the Department, exempt from registration with the Department, or covered securities under federal law. Therefore, Golden Mine violated Ark. Code Ann. § 23-42-501 when it offered securities to the public through its websites.
22. Golden Mine violated Ark. Code Ann. § 23-42-507(2) by making false and misleading statements of material facts including, but not limited to, the following: promising guaranteed returns to investors on investments in the investment plans; claiming to be a legally registered investment company when it is not registered with an securities regulator as described in paragraphs 1 and 3; indicating it is led by a group of individuals with expertise but whose expertise and identities are unknown; purporting to have an office location in Texas, when it does not have an office or operate a business in Texas; and claiming to be trusted by over 6 million users in over 75 countries.

23. Golden Mine violated Ark. Code Ann. § 23-42-507(3) by operating a website that is publishing false and misleading statements, documents, and other information for the purpose of soliciting investors.
24. Golden Mine's conduct, acts, and practices violate the Act threaten immediate and irreparable public harm on an ongoing basis. Therefore, a cease and desist order is in the public's interest and is appropriate under Ark. Code Ann. §§ 23-42-209(a).

PRAYER FOR RELIEF

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Respondents to immediately cease and desist from offering and selling fraudulent, unregistered securities to the residents of Arkansas and committing fraud in the connection with the offer and sale of securities in Arkansas.

Respectfully submitted,



Ryan J. Little
Staff Attorney
Arkansas Securities Department