TRAVIS ILES SECURITIES COMMISSIONER

CLINTON EDGAR DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

208 E. 10th Street, 5th Floor Austin, Texas 78701-2407 www.ssb.texas.gov BETH ANN BLACKWOOD CHAIR

E. WALLY KINNEY MEMBER

MIGUEL ROMANO, JR.

KENNY KONCABA MEMBER

> ROBERT BELT MEMBER

IN THE MATTER OF	<u>§</u>
AWS MINING PTY LTD, AUTOMATED WEB SERVICES	8
MINING AKA AWS MINING, DANIEL BEDUSCHI,	§ Order No. ENF-19-CDO-1784
ALEXANDRE CAMPOS, AND MYCOINDEAL	w ₁

TO: AWS MINING PTY LTD

Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, and through its attorney, Claire Wivell Plater, The Fold Legal Pty Ltd, GPO Box 1843, Sydney NSW 2001

AUTOMATED WEB SERVICES MINING AKA AWS MINING

Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, and 5 Sunset Pl, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia and through its attorney, Claire Wivell Plater, The Fold Legal Pty Ltd, GPO Box 1843, Sydney NSW 2001

DANIEL BEDUSCHI

Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, and 5 Sunset Pl, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia and through his attorney, Claire Wivell Plater, The Fold Legal Pty Ltd, GPO Box 1843, Sydney NSW 2001

ALEXANDRE CAMPOS

Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, and 5 Sunset Pl, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia and through his attorney, Claire Wivell Plater, The Fold Legal Pty Ltd, GPO Box 1843, Sydney NSW 2001

MYCOINDEAL

Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, and 5 Sunset Pl, Frenchs Forest NSW 2086, and through its attorney, Claire Wivell Plater, The Fold Legal Pty Ltd, GPO Box 1843, Sydney NSW 2001

ORDER

Be it remembered that AWS Mining PTY LTD (hereinafter referred to as "Respondent AWS Mining PTY"), Automated Web Services Mining aka AWS Mining

(hereinafter referred to as "Respondent AWS Mining"), Daniel Beduschi (hereinafter referred to as "Respondent Beduschi"), Alexandre Campos (hereinafter referred to as "Respondent Campos"), and MyCoinDeal (hereinafter referred to as "Respondent MyCoinDeal") appeared before the Securities Commissioner of the State of Texas (hereinafter referred to as "Securities Commissioner"). Respondent AWS Mining PTY LTD, Respondent AWS Mining, Respondent Beduschi, Respondent Campos, and Respondent MyCoinDeal (hereinafter collectively referred to as the "Respondents") consented to the entry of this order and the Findings of Fact contained herein.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' rights to notice and hearing in this matter, (b) Respondents' rights to appear and present evidence in this matter, (c) Respondents' rights to appeal this order, and (d) all other procedural rights granted by the Securities Act, Tex. Rev. Civ. Stat. Ann. Arts. 581-1 to 581-45 (West 2010 & Supp. 2018) and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2018).

THE PARTIES

- 2. Respondent AWS Mining PTY can be served at Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000.
- 3. Respondent AWS Mining can be served at Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, 5 Sunset PI, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia.
- 4. Respondent Beduschi can be served at Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, 5 Sunset Pl, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia.
- 5. Respondent Campos can be served at Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, 5 Sunset PI, Frenchs Forest NSW 2086, and PO Box 471 Narrabeen NSW 2101, Australia.
- 6. Respondent MyCoinDeal, can be served at Level 57, MLC Centre 19-29 Martin Place, Sydney NSW 2000, 5 Sunset Pl, Frenchs Forest NSW 2086.
- 7. Respondents are represented in this matter by Claire Wivell Plater, a chairman at The Fold Legal Pty Ltd. Once entered by the Securities Commissioner, certified copies of this order will be sent to Ms. Wivell Plater by electronic mail and by regular mail addressed to her office at GPO Box 1843, Sydney NSW 2001.

THE CRYPTOCURRENCY MINING INVESTMENTS

8. Respondents were offering crypto mining power contracts (hereinafter referred to as the "CMP Contracts") in Texas.

- 9. The CMP Contracts were tied to the mining of cryptocurrencies, and were defined by the following terms:
 - A. Purchasers were able to purchase a 0.1 CMP Contract priced at \$40.00 and receive daily returns in Bitcoin (hereinafter referred to as "BTC");
 - B. Purchasers were able to purchase a 1 CMP Contract priced at \$400.00 and receive daily returns in BTC;
 - C. Purchasers were able to purchase a 3 CMP Contract priced at \$1,200.00 and receive daily returns in BTC;
 - D. Purchasers were able to purchase a 5 CMP Contract priced at \$2,000.00 and receive daily returns in BTC; and
 - E. Purchasers were able to purchase a 10 CMP Contract priced at \$4,000.00 and receive daily returns in BTC.
- 10. Respondents AWS Mining PTY and AWS Mining were only depositing profits from the CMP Contracts into wallets provided by Respondent MyCoinDeal. Investors were therefore required to secure a wallet from Respondent MyCoinDeal to participate in the CMP Contracts.
- 11. Respondents have represented that 19 Texas residents purchased CMP Contracts, and that they stopped offering the CMP Contracts to Texas residents upon service of the Emergency Cease and Desist Order described herein.

REGISTRATION VIOLATIONS

- 12. The CMP Contracts have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas.
- 13. Respondents offered CMP Contracts at a time the CMP Contracts were not registered as set forth in Paragraph 12 of this Order.

PROCEDURAL HISTORY

- 14. On November 6, 2018, the Securities Commissioner entered an ex parte Emergency Cease and Desist Order No. ENF-18-CDO-1771 (hereinafter referred to as the "Emergency Order"). The Emergency Order was brought against Respondents, as well as Jessica Nunes Sivirino, AWS Elite, Josiah Kostek, West Texas Oilfield Cloud Miners Club, and Kenneth Luster.
- 15. Pursuant to Section 23-2 of the Securities Act, the parties were afforded the opportunity to request a hearing to modify or set aside the Emergency Order.

The statute required the parties file their request before the 31st day after the date they were served with the Emergency Order.

- 16. Jessica Nunes Sivirino, AWS Elite, Josiah Kostek, West Texas Oilfield Cloud Miners Club, and Kenneth Luster failed to submit a timely request for a hearing to modify or set aside the Emergency Order. Accordingly, the Emergency Order is final and not subject to appeal solely as it relates to Jessica Nunes Sivirino, AWS Elite, Josiah Kostek, West Texas Oilfield Cloud Miners Club, and Kenneth Luster.
- 17. Respondents have cooperated with the Enforcement Division. They have also represented that Respondents promptly agreed to stop offering the CMP Contracts in Texas as soon as they were served with the Emergency Order. Respondents filed a timely request for a hearing to modify or set aside the Emergency Order. The request was filed with the Securities Commissioner and satisfied the requirements of Section 23-2 of the Securities Act.
- 18. Pursuant to 23-2.D of the Securities Act, unless otherwise agreed by the parties, hearings that challenge emergency cease and desist orders must be held no later than the 10th day after the date the Securities Commissioner receives a request for a hearing.
- 19. The Enforcement Division of the State Securities Board and Respondents agreed to waive the requirement that the hearing be held no later than the 10th day after the date the Securities Commissioner received Respondents' request for a hearing to challenge the Emergency Order.
- 20. The Enforcement Division and Respondents have agreed to settle this contested case without a hearing through the entry of this agreed order.

DISMISSAL OF THE CONTESTED CASE AND THE SETTING ASIDE OF THE EMERGENCY ORDER

- 21. Respondents agree they will withdraw their request for a hearing to modify or set aside the Emergency Order. The withdrawal of their request is contingent upon the entry of this agreed order and shall be effective as of the date of this agreed order.
- 22. Respondents agree they will not oppose the Enforcement Division's motion to dismiss the contested case from SOAH's docket, because the parties to the contested case have settled all matters in controversy.

RESCISSION OFFER TO TEXAS RESIDENTS

23. Respondents have executed an undertaking that will be filed with the Securities Commissioner upon the entry of this agreed order by the Securities Commissioner.

24. Pursuant to the terms of the undertaking, Respondents have offered refunds to all 19 Texas residents who purchased CMP Contracts, and the value of the refund is equal to the full value of the contracts less any profits received by the Texas residents.

CONCLUSIONS OF LAW

- 1. The CMP Contracts are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
- 2. Respondents violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
- 4. The foregoing violations constitute bases for the issuance of this agreed order pursuant to Section 23.A of the Securities Act

ORDER

- 1. It is therefore ORDERED the Emergency Order is set aside by this order solely as the Emergency Order relates to Respondents.
- It is further ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Securities Act.

SIGNED AND ENTERED by the Securities Commissioner this 2nd day of 2019.

TRAVIS J. ILES

Securities Commissioner

RESPONDENTS:

AWS MINING PTY LTD BY: DANIEL BEOUSCHT FRACESSO

DANIEL BEDUSCHI

BY: DANIEL BEBUSCH

AUTOMATED WEB SERVICES MINING AKA AWS

MINING

BY: DANIEL BEDYSCHI PRACUSSO

ALEXAND RE CO MPOS

By:

MYCOINDEAL

BY: DANIEL BED WICH FRAUSSO

APPROVED AS TO FORM:

CLAIRE WIVELL PLATER ATTORNEY FOR RESPONDENTS 2º Tabelionato de Notas de Salvador - BA Av. Poralela, nº 8544, Shopping Paralela, CEP 41730-101 • Tel (71) 3et 1-3020

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JOE ROTUNDA

DIRECTOR

ENFORCEMENT DIVISION

JERAMY HEINT

ATTORNEY

ENFORCEMENT DIVISION