

Order Entered to Stop Cryptocurrency, Marijuana Investments

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Texas Securities Commissioner Travis J. Iles on April 5 entered an [Emergency Cease and Desist Order](#) against a convicted felon who is offering investments in two things that usually don't go together: a cryptocurrency trading program and a marijuana growing operation.

According to the order, the Enforcement Division of the State Securities Board found sufficient evidence that the felon, **Mark J. Moncher**, is offering investments in an unregistered cryptocurrency trading program that purportedly delivers returns of 8% per week. Moncher published an online advertisement targeting Texas residents, who were directed to a website containing information about both offerings.

The order alleges that **Moncher**, who controls **Financial Freedom Club Inc.**, is concealing from investors his December 2009 conviction on charges of mail and wire fraud in U.S. District Court in Orlando, Fla. Financial Freedom Club lists an address in Orlando.

In March 2010 Moncher was sentenced to 57 months in federal prison to be followed by three years of supervised release. He was also ordered to pay \$2 million in restitution.

Moncher and his company are offering for sale investments in a cryptocurrency trading program together with **911MoneyStore Inc.**, which has two offices listed in New York state. **Frank Dalotto** is the principal of 911MoneyStore.

Dalotto is representing that he is working with "a trader with excellent results," but he is not disclosing the name of the trader or the strategy used to generate 8% weekly returns. The order alleges that Dalotto is telling potential investors that to avoid securities laws, he and 911MoneyStore "really don't want to portray this as an investment in crypto" and will refer to the profit payments as a "commission."

Dalotto, Moncher, and their companies are also encouraging investors to commit felony offenses in connection with an initial \$2,000 investment in the trading program.

According to the order, investors are told that after making the initial investment via a charge or debit card, they will receive an invoice for the purchase of "a gold Seiko watch which you'll never get."

If the "investment goes bad," Dalotto is telling investors, investors can claim they never received the watch and request a refund from the financial institution that issued the card.

Dalotto's statements are encouraging investors to file a materially false or misleading written statement with a financial institution, a state criminal offense in Texas.

Financial Freedom Club and Moncher – along with **Capital Cash**, a company claiming to operate out of New York and Chicago – are also selling unregistered promissory notes in a completely different enterprise: a marijuana growing operation in California. Just like the unnamed cryptocurrency trader, the location of the marijuana farm isn't disclosed.

The notes are supposedly being issued by **Estrada Trucking Inc.**, based in Palmdale, Calif., and its CEO, **Caleb Estrada Vasquez**.

The Enforcement Division alleges that Financial Freedom Club and Capital Cash are soliciting Texans to invest in Estrada-issued promissory notes. Capital Cash is promising "100% guaranteed" returns from the sale of marijuana to legal dispensaries of marijuana.

Capital Cash is providing investors with photographs of bank statements to demonstrate that Estrada is paying lucrative returns to investors. One record purportedly shows an investment made by a sole proprietorship in Longview, in East Texas.

Capital Cash is also providing potential investors with a "partnership agreement" between Estrada and a Federal Express office in Plano, but nothing is mentioned about how the agreement is related to the promissory notes or the marijuana investment.

The marijuana investment is structured as an unsecured loan to Estrada Trucking, which promises that an initial \$10,000 investment will generate a 50% every four weeks for a profit of \$5,000.

Financial Freedom Club is touting the investment this way: "The medical marijuana industry is racking [sic] in BILLIONS of dollars a year and as new states start to legalize it, it's just going to get bigger."

None of the companies selling the Estrada notes are disclosing to investors the risk of investing in marijuana operations, including the adoption of state laws and regulations governing such operations.

None of the individuals or companies named in the entire order are registered to sell securities in Texas, nor are the investments registered.