

SEC Emergency Action Halts ICO Scam

FOR IMMEDIATE RELEASE

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Washington D.C., Dec. 4, 2017 — The Securities and Exchange Commission today announced it obtained an emergency asset freeze to halt a fast-moving Initial Coin Offering (ICO) fraud that raised up to \$15 million from thousands of investors since August by falsely promising a 13-fold profit in less than a month.

The SEC filed charges against a recidivist Quebec securities law violator, Dominic Lacroix, and his company, PlexCorps. The Commission's complaint, filed in federal court in Brooklyn, New York, alleges that Lacroix and PlexCorps marketed and sold securities called PlexCoin on the internet to investors in the U.S. and elsewhere, claiming that investments in PlexCoin would yield a 1,354 percent profit in less than 29 days. The SEC also charged Lacroix's partner, Sabrina Paradis-Royer, in connection with the scheme.

Today's charges are the first filed by the SEC's new Cyber Unit. The unit was created in September to focus the Enforcement Division's cyber-related expertise on misconduct involving distributed ledger technology and initial coin offerings, the spread of false information through electronic and social media, hacking and threats to trading platforms.

"This first Cyber Unit case hits all of the characteristics of a full-fledged cyber scam and is exactly the kind of misconduct the unit will be pursuing," said Robert Cohen, Chief of the Cyber Unit. "We acted quickly to protect retail investors from this initial coin offering's false promises."

Based on its filing, the SEC obtained an emergency court order to freeze the assets of PlexCorps, Lacroix, and Paradis-Royer.

The SEC's complaint charges Lacroix, Paradis-Royer and PlexCorps with violating the anti-fraud provisions, and Lacroix and PlexCorps with violating the registration provision, of the U.S. federal securities laws. The complaint seeks permanent injunctions, disgorgement plus interest and penalties. For Lacroix, the SEC also seeks an officer-and-director bar and a bar from offering digital securities against Lacroix and Paradis-Royer.

The Commission's investigation was conducted by Daphna A. Waxman, David H. Tutor, and Jorge G. Tenreiro of the New York Regional Office and the Cyber Unit, with assistance from the agency's Office of International Affairs. The case is being supervised by Valerie A. Szczepanik and Mr. Cohen. The Commission appreciates the assistance of Quebec's Autorité Des Marchés Financiers.

The SEC's Office of Investor Education and Advocacy issued an Investor Alert in August 2017 warning investors about scams of companies claiming to be engaging in initial coin offerings: <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-alert-public-companies-making-ico-related>.

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Related Materials

- [SEC Complaint](#)