# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS **SECURITIES DIVISION**

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by: World of Crypto Mining d.b.a. worldofcryptomining.com,

Fact and Conclusions of Law stated below.

Order No. S-20-2920-21-CO01

CONSENT ORDER AS TO GLEN LESNICK

and

Glen Lesnick,

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On June 23, 2021, the Securities Administrator of the Securities Division of the Department of Financial Institutions (Securities Division) issued a Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, Impose Fines, and Charge Costs (Statement of Charges), Order Number S-20-2920-21-SCO1, against the Respondent Glen Lesnick. Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and the Respondent Glen Lesnick do hereby enter into this Consent Order in settlement of the matters alleged herein. The Respondent neither admits nor denies the Findings of

Respondents

#### FINDINGS OF FACT

### Respondents

- 1. World of Crypto Mining d.b.a. worldofcryptomining.com ("WOCM") is an unincorporated entity that held itself out as a cloud mining platform with its principal place of business purportedly in Zurich, Switzerland.
- 2. Vincent Dorf ("Dorf"), a purported resident of Zurich, Switzerland, is the principal of WOCM.

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3. Glen Lesnick ("Lesnick") is a former Washington resident and a recruiter/agent of WOCM and Dorf.

#### **Nature of the Conduct**

- 4. In late 2019 through early 2020, WOCM and Dorf advertised investments on their website at www.worldofcryptomining.com and raised at least \$10,000 in cryptocurrency from at least two individuals who were residing in Washington. WOCM and Dorf initially solicited, through its website, WhatsApp, email and phone, Glen Lesnick to invest in a WOCM cryptocurrency investments pool opportunity through short term loans.
- 5. Lesnick, acting as an agent for WOCM and Dorf, subsequently approached one Washington resident (the "Resident") and offered him the opportunity to invest in a WOCM cryptocurrency investments pool opportunity through short term loans.
- 6. In 2019, Lesnick met and befriended the Resident at a local bike shop. The Resident was living in his van and living off his savings at the time. The day after the initial meeting, Lesnick called the Resident to talk with him about the WOCM investment loan opportunity. Lesnick later introduced the Resident to WOCM and Dorf by directing him to the WOCM website and by messages sent through WhatsApp. The WOCM website is no longer active.
- 7. Dorf and Lesnick represented to the Resident that he could receive interest ranging from one per cent (1%) a day to a forty per cent (40%) return per month from WOCM on a ninety (90) day term loan investment or a thirty five per cent (35%) return on a sixty (60) day term loan investment.
- 8. Lesnick told the Resident, who had no experience with cryptocurrency and a lack of investment experience generally, that he would match the Resident's initial loan investment of \$2,000, doubling the value of the investment. Lesnick told the Resident that investing in WOCM would help him to start his own bike business and that he would be missing out if he did not invest.

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- 9. Dorf and Lesnick collectively convinced the Resident to transfer, in a series of transactions, Bitcoin, Ether or Litecoin to wallets specified by WOCM for fixed loan terms of thirty to ninety days.
- 10. Respondents Dorf and WOCM subsequently failed to repay the Resident his principal and the promised return on his investments.
- 11. WOCM, Dorf, and Lesnick represented to the Resident that he could earn 30% to 40% monthly returns by investing with WOCM, when they did not have a reasonable basis for such claims.
- 12. WOCM, Dorf, and Lesnick failed to provide the Resident with material information about the investment, including, but not limited to the prior business history and experience of WOCM and Dorf, how the Resident's cryptocurrency was to be used in the investment, and financial statements for WOCM.
- 13. Lesnick offered the Resident the opportunity to invest in the WOCM investment loans in exchange for a 30% commission on the Resident's investments from Dorf.

## **Registration Status**

- 14. WOCM and Dorf are not currently registered to sell securities in the state of Washington and have not previously been so registered.
- 15. Lesnick is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not previously been so registered.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

#### **CONCLUSIONS OF LAW**

- 1. The offer and/or sale of the WOCM loan investments described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).
- 2. WOCM and Dorf have each violated RCW 21.20.140, because, as set forth in the Tentative Findings of Fact, Respondents offered and/or sold securities for which no registration is on file with the Securities Administrator.

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3. Lesnick has violated RCW 21.20.040 by offering and/or selling said securities while not being registered as a securities salesperson or broker-dealer in the state of Washington.

4. Respondents WOCM, Dorf and Lesnick have each violated RCW 21.20.010, because, as set forth in the Tentative Findings of Fact, Respondents made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED that the Respondent Glen Lesnick shall cease and desist from violation of RCW 21.20.140, the securities registration provision of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that the Respondent Glen Lesnick shall cease and desist from violation of RCW 21.20.040, the securities salesperson or broker-dealer registration section of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that the Respondent Glen Lesnick shall cease and desist from violation of RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

IT IS FURTHER AGREED AND ORDERED that the Respondent Glen Lesnick shall be liable for and shall pay a fine of \$1,500 and investigative costs of \$2,500. Payment shall be due on or before the entry date of this Consent Order.

IT IS FURTHER AGREED that the Respondent Glen Lesnick enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this order.

IT IS FURTHER AGREED that in consideration of the foregoing, the Respondent waives his right to a			
hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.			
WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE			
SIGNED this _	<u>30th</u> day of	<u>October</u>	, 2021
By Glen Lesnick, a	<u>/s/</u> an individual		
Signed and Entered this <u>4th</u> day of November, 2021 by			
			Millian Wenty
			William M. Beatty Securities Administrator
Approved by:			Presented by:
An	Sol		Martin Cordell
Suzanne Saraso Chief of Enforce			Martin Cordell Financial Legal Examiner