

1 STATE OF CALIFORNIA  
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 To: Mining Max, LLC  
5 Nam Ho Park aka Daniel Park  
6 3600 Wilshire Boulevard, Suite 1200  
7 Los Angeles, California 90010

8 **DESIST AND REFRAIN ORDER**

9 **(For violations of Corporations Code sections 25110 and 25401)**

10 The Commissioner of Business Oversight (Commissioner) finds that:

11 1. At all relevant time, Mining Max, LLC (Mining Max) is an was incorporated in the  
12 State of California on May 30, 2017 and maintained a website at [www.miningmax.net](http://www.miningmax.net). Nam Ho Park  
13 aka Daniel Park is the founder and managing member of Mining Max.

14 2. At all relevant times, Mining Max operated out of 3600 Wilshire Boulevard, Suite  
15 1200, Los Angeles, California, 90010.

16 3. Mining Max purported to engage in cryptocurrency “mining”<sup>1</sup>.  
17 and offered and sold specialized computers called “mining rigs” to investors in California and around  
18 the world for \$3,200.00 per computer which they claimed would be used to “mine” the  
19 cryptocurrency, Ethereum. Investors received a “Certificate of Purchase,” for each mining rig, which  
20 expired after two years, at which time the investor would have the option to “purchase” a new mining  
21 rig.

22 4. Mining Max advertised a return of \$800.00 to \$1,200.00 per month per machine.  
23 Mining Max told investors they could “make your money back within 3-4 months” i.e., they would  
24 recoup their original investment, and after that, any money they received during the remaining term of  
25 the 2-year agreement would be profit.

26 \_\_\_\_\_  
27 <sup>1</sup> According to the United States Securities and Exchange Commission (SEC), “mining” for Bitcoin or other virtual  
28 currencies means applying computer power to try to solve complex equations that verify a group of transactions in that  
virtual currency. The first computer or collection of computers to solve an equation is awarded new units of that virtual  
currency.

1           5.       However, the investors, including those in California never actually saw their “mining  
2 rigs” because those machines were supposedly manufactured, stored and operated in a facility in South  
3 Korea. Mining Max’s website specifically states that “personal visitations are not allowed” to the data  
4 center where the mining rig were supposedly located. Therefore, investors were entirely dependent on  
5 the efforts of Mining Max to profit from their investments.

6           6.       Thus, beginning in May 2017, Mining Max offered and sold securities, in the form of  
7 “Certificates of Purchase” - investment contracts, in California.

8           7.       Mining Max encouraged investors to sign up new investors to keep orders of “mining  
9 rigs” flowing. Mining Max promised investors additional income from the mining rigs purchased by  
10 their recruits, and Mining Max showered money and gifts on top recruiters.

11          8.       Mining Max raised approximately \$250 million in investor funds to purchase mining  
12 machines, but not more than \$70 million of the funds were actually used in mining activities. Investors  
13 did not receive the profits from mining activities that they were promised.

14          9.       Eventually, Mining Max halted its operations. Despite investors’ repeated demands to  
15 Mining Max to return their investment monies, Mining Max has so far refused to do so.

16          10.      The investment contracts sold to California investors by Mining Max and Nam Ho  
17 Park aka Daniel Park were securities offered or sold in this state in an issuer transaction. The  
18 Commissioner is of the opinion that the securities in Mining Max are subject to qualification under  
19 the California Corporate Securities Law of 1968 and are being or have been offered or sold without  
20 being qualified in violation of Corporations Code section 25110.

21          11.      The California Corporations Commissioner is of the opinion that the securities in  
22 Mining Max, LLC was offered or sold in this state by means of oral or written communications  
23 which included an untrue statement of a material fact or omitted to state a material fact necessary in  
24 order to make the statements made, in the light of the circumstances under which they were made, not  
25 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Among other  
26 things Mining Max misrepresented that:

27           a) Investor money would be used to purchase mining machines. In fact, investor money went  
28 into the general coffers of Mining Max;

1           b) Once an investor purchased a machine, Mining Max claimed that the machine would be  
2 installed and running within 10-40 business days. In fact, this did not happen, as Mining Max did not  
3 purchase a machine with every investment.

4           c) In fact, only a fraction of investor money was used to mine cryptocurrency. The rest was  
5 used to reward sales activity (through an “investment” platform that showered its top investors with  
6 money and gifts for recruiting new customers), to pay off previous investors, and for the general  
7 enjoyment of Mining Max and Park;

8           12. Pursuant to section 25532 of the Corporate Securities Law of 1968, Mining Max LLC  
9 and Nam Ho Park aka Daniel Park are hereby ordered to desist and refrain from the further offer or  
10 sale in the State of California of securities, including but not limited to mining rigs and Certificates of  
11 Purchase, unless and until said securities have been qualified under the law, or are exempt.

12           13. Pursuant to section 25532 of the Corporate Securities Law of 1968, Mining Max LLC  
13 and Nam Ho Park aka Daniel Park are hereby ordered to desist and refrain from offering or selling  
14 any security in the State of California, including but not limited to investments in mining rigs and  
15 Certificates of Purchase, by means of any written or oral communication which includes an untrue  
16 statement of a material fact or omits to state a material fact necessary in order to make the statements  
17 made, in the light of the circumstances under which they were made, not misleading.

18           This Order is necessary, in the public interest, for the protection of investors, and consistent  
19 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.  
20

21 Dated: July 29, 2020  
22 Sacramento, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

23  
24 By \_\_\_\_\_  
25 Mary Ann Smith  
26 Deputy Commissioner  
27 Enforcement Division  
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