

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 TO: Remabit
5 www.remabit.com
6 2097 Compton Avenue, Suite 201
7 Corona, California 92879

8 **DESIST AND REFRAIN ORDER**
9 **(For violations of sections 25110 and 25401 of the Corporations Code)**

10 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

11 1. The Department of Financial Protection and Innovation (Department) regulates the
12 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code
13 §§ 25000-25707) (CSL).

14 2. At all relevant times, Remabit is and was a business entity of unknown type with a
15 purported principal place of business at 2097 Compton Avenue, Suite 201, Corona, California 92879.
16 Remabit operated the website www.remabit.com.

17 3. Beginning at least as early as 2022, Remabit offered and sold securities in the form of
18 investment contracts in California through general solicitations on its website. Remabit referred to
19 these investment contracts as “Investment Plans.”

20 4. Remabit held itself out as a cryptocurrency trading platform. The purported purpose of
21 the securities offerings was for Remabit to use investor funds to engage in cryptocurrency trading,
22 which in turn would generate returns for investors who purchased Investment Plans.

23 5. Remabit offered investors several different Investment Plans promising to pay fixed
24 rates of return depending on the amount of time an investor kept their funds invested in each
25 Investment Plan. The Investments Plans were as follows: the Basic Plan, which promised to pay
26 investors 4.5% hourly for 24 hours; the Starter Plan, which promised to pay 115% after one day; the
27 Legendary Plan, which promised to pay 250% after five days; and the Ultimate Plan, which promised
28 to pay 2100% after 16 days. The Investment Plans were publicly available to investors in California
via Remabit’s website: www.remabit.com.

1 6. After investors created their accounts on the Remabit website, investors could log into
2 their account using their username and password to monitor their purported balance and returns,
3 deposit funds, and request withdrawals.

4 7. Remabit facilitated deposits and withdrawals using crypto assets, including Bitcoin
5 (BTC), Tether (USDT), Ether (ETH), Litecoin (LTC), Tron (TRX), and Ripple (XRP).

6 8. Remabit also had a referral program that operated in the manner of a pyramid scheme.
7 The referral program promised to pay investors to recruit new investors. According to this referral
8 program, investors would be paid a commission based on the amount of funds deposited by the
9 investors that they recruited. Investors would also be paid additional commissions when the investors
10 that they recruited, in turn, recruited new investors.

11 9. Investors seeking to take advantage of Remabit’s referral program created and posted
12 videos to YouTube and posted content on other social media websites to recruit others to invest in
13 Remabit.

14 10. In fact, Remabit was luring investors into what is known as a High Yield Investment
15 Program (HYIP). HYIPs are unregistered investments typically run by unlicensed individuals – and
16 are often frauds. The hallmark of an HYIP scam is the promise of high returns on an annual (or even
17 monthly, weekly, or daily) basis at little or no risk to the investor. Another key element of most
18 HYIPs is a referral program, in which the HYIP offers referral commissions or bonuses to investors
19 to recruit new investors. This usually leads to investors sharing information about the HYIP with
20 their friends and family and promoting HYIPs on social media. HYIPs rarely disclose the identities of
21 the individuals operating the HYIP.

22 11. The Investment Plans offered by Remabit were securities that were neither qualified
23 nor exempt from the qualification requirement under the CSL. The Department has not issued a
24 permit or other form of qualification authorizing Remabit to sell these securities in California.

25 12. In connection with the offer or sale of these securities, Remabit made untrue
26 statements of material fact and material omissions to potential investors, including but not limited to
27 the following:
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- 1 a. failing to disclose that the offer or sale of its Investment Plans was not qualified in
- 2 California;
- 3 b. failing to disclose the identities of the individuals operating and/or managing Remabit;
- 4 c. falsely stating that Remabit’s Investment Plans provided “stable passive income” to
- 5 investors; and
- 6 d. failing to disclose that it used investor funds to pay purported profits to other
- 7 investors, in the manner of a Ponzi scheme.

8 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
9 or sold by Remabit were subject to qualification under the CSL and have been or are being offered or
10 sold without first being qualified in violation of Corporations Code section 25110.

11 Pursuant to Corporations Code section 25532, Remabit is hereby ordered to desist and refrain
12 from the further offer or sale of securities in California, including but not limited to investment
13 contracts known as Investment Plans, unless and until the qualification requirements of the CSL have
14 been met.

15 In addition, the Commissioner is of the opinion that Remabit offered or sold securities in
16 California by means of oral or written communications which included untrue statements of material
17 facts or omitted to state material facts necessary in order to make the statements made, in the light of
18 the circumstances under which they were made, not misleading, in violation of Corporations Code
19 section 25401.

20 Pursuant to Corporations Code section 25532, Remabit is hereby ordered to desist and refrain
21 from offering or selling or buying or offering to buy any security in California, including but not
22 limited to investment contracts known as Investment Plans, by means of any written or oral
23 communication which includes an untrue statement of a material fact or omits to state a material fact
24 necessary in order to make the statements made, in the light of the circumstances under which they
25 were made, not misleading.

26 Pursuant to Corporations Code section 25403, any person who controls or induces another
27 person to violate a provision of the Corporate Securities Law of 1968, or any person who provides
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1 substantial assistance to another person in violation of the Corporate Securities Law of 1968, shall be
2 liable for the violations.

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

5 Dated: September 27, 2022
6 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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