

1 STATE OF CALIFORNIA  
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
4

5 TO: Midas Investments, doing business at:  
6 https://midas.investments

7 Iakov Levin, aka Trevor Levin  
8 Chief Executive Officer, Midas Investments  
9

10 DESIST AND REFRAIN ORDER  
11 (For violation of section 25110 of the Corporations Code)

12 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner)  
13 of the Department of Financial Protection and Innovation (Department), is informed and believes, and  
14 based on such information and belief, finds as follows:

15 1. At all relevant times, Midas Investments (hereafter, Midas) operated online through  
16 the website “https://midas.investments” and is and was a business of unknown origin. Midas lists  
17 online an operating location in Dubai, United Arab Emirates, and purports to have been in business  
18 since 2018.

19 2. At all relevant times, Iakov Levin, also known as Trevor Levin, purports to be the  
20 founder and Chief Executive Officer of Midas Investments, and lists online a residence location in  
21 Tel Aviv District, Israel.

22 3. Since at least 2018, Midas offered and sold unqualified, nonexempt securities in issuer  
23 transactions in California by operating an online platform offering crypto asset interest-bearing  
24 accounts in which a consumer deposited crypto assets (such as Bitcoin or USDC) and Midas  
25 promised an annual percentage interest return.

26 4. Midas offered and sold these securities by portraying itself online as a member of the  
27 “the crypto community focused on building wealth through passive income.” Midas marketed its  
28 interest-bearing accounts as employing various technical and proprietary investment strategies,

1 including “fixed yields strategies” and “yield automated portfolio.” Midas stated on its website that,  
2 “[b]y combining the simplicity of CeFi with the transparency of DeFi, and fueled by an algorithmic  
3 infrastructure and 24/7 portfolio monitoring, Midas has built an ecosystem of intuitive tools that  
4 allows any investor to generate sustainable, passive income in the crypto economy.”

5         5. Midas’ website offered consumers a passive investment in which the consumer could  
6 deposit their crypto assets and watch the assets grow through Midas’ investment strategies,  
7 describing itself as “a custodial crypto-investment platform with one mission – provide passive  
8 income streams to crypto investors.” Midas’ website touted that a consumer could earn “the highest  
9 yields” on assorted crypto assets on its platform, offering at various times “[u]p to 13.1% APY on  
10 USDC/USDT, 7.1% on BTC, 8.4% on ETH. No limits, no tiers, no lockups.”

11         6. Seeking a broad appeal, Midas portrayed its investment platform as exceptionally  
12 user-friendly and geared to inexperienced investors. In a website post titled “Three Easy Steps,”  
13 Midas essentially described the investment process as follows: create an account, browse and select  
14 the desired crypto asset to deposit, and then receive the first interest “reward” within 24 hours. An  
15 additional “swap” feature allowed the consumer to easily switch between assets in “a few simple  
16 clicks.”

17         7. Consumers investing with Midas were not required to have any business expertise or  
18 experience or contribute any managerial efforts in order to benefit from the high interest rate returns  
19 of Midas’ products. Marketing blogs on the Midas website favorably compared Midas’ investment  
20 accounts to traditional passive investments, assuring the consumer that little effort was required to  
21 generate ample passive income, stating: “[i]n fact, cryptocurrencies can consistently generate passive  
22 income. Just like a bank deposit or government bonds. Most importantly, an investor doesn’t need to  
23 dive deep into the specifics of the crypto market [to invest with Midas].”

24         8. Although Midas offered and sold its crypto interest-bearing accounts online in the  
25 state of California, it disclosed on its website that its products were not supervised by any United  
26 States or California regulatory authority, noting in a Midas tax-related blog, “[a]s Midas is not a  
27 company registered in the US, it is not required to prepare 1099-MISC forms for the IRS.”  
28

1           9.       Midas’ interest-bearing products pooled consumers’ assets together and put them at  
2 risk with the stated purpose of generating passive returns for the consumers. The consumers did not  
3 engage in substantive platform-related activities beyond depositing their crypto assets with Midas;  
4 they depended on Midas’ significant business efforts to receive their expected interest earnings.  
5 Although these products functioned similarly to banks or pooled investment vehicles, Midas was and  
6 is not registered in this capacity, had no relevant authorization and was not protected by  
7 organizations such as the Federal Deposit Insurance Corporation or the Securities Investor Protection  
8 Corporation. As a result, the consumers’ expectation and ability to receive a profit in the form of  
9 high yield interest earnings were dependent on the success of Midas’ business efforts.

10           10.       California consumers deposited their crypto assets into the Midas interest-bearing  
11 accounts seeking to earn the passive APY interest growth. At least one California consumer  
12 (Consumer A) reported that by late 2022, they had invested several hundred thousand dollars’ worth  
13 of crypto assets with Midas, seeking the annual interest yield. Consumer A relied on Midas’  
14 representations in believing that they would receive the promised interest returns in the form of a  
15 passive investment.

16           11.       Midas published an “Investment Report” in late November 2022, noting that the  
17 overall crypto market had been “rocked” by the fall of the FTX exchange, but assuring consumers  
18 that Midas’ business was not “materially impacted by FTX” and that it was “business as usual for our  
19 team.” Although Midas slightly lowered promised return rates for December 2022, the promised  
20 interest yields continued to exceed most traditional investments—between 6% and 22.2% APY,  
21 depending on the type of crypto asset.

22           12.       In late December 2022, Midas abruptly announced its closure and told consumers that  
23 it was removing all accrued interest from consumer accounts and converting 55% of the consumers’  
24 remaining crypto asset deposits into its proprietary crypto asset, the “Midas token.” The value of the  
25 Midas token then immediately fell by over ninety-nine percent, erasing around 55% of the value of  
26 the consumers’ accounts.

27           13.       Based on the foregoing findings, the Commissioner finds and is of the opinion that  
28 Midas’ crypto asset interest-bearing account products are securities, in the form of investment

1 contracts, as defined in Corporations Code section 25019, and are subject to qualification under the  
2 Corporate Securities Law of 1968 (CSL) (Cal. Corp. Code §§ 25000-25707). These unqualified,  
3 nonexempt securities were offered or sold in this state in issuer transactions in violation of  
4 Corporations Code section 25110.

5 14. Further, any person who with knowledge directly or indirectly controls and induces  
6 another person to violate any provision of the CSL, or knowingly provides substantial assistance to  
7 another person to violate the CSL, is deemed to be in violation of that provision to the same extent as  
8 the other person. Cal. Corp. Code § 25403(a)&(b). Iakov Levin, also known as Trevor Levin, as the  
9 Chief Executive Officer of Midas, is a person who, with knowledge, directly or indirectly controlled  
10 and induced Midas to violate Corporations Code section 25110. Further, Iakov Levin, as a person  
11 who promoted the sale of the interest-bearing investment contracts to the general public, knowingly  
12 provided substantial assistance to Midas in violating Corporations Code section 25110.

13 Under Corporations Code section 25532, Midas Investments and Chief Executive Officer  
14 Iakov Levin, aka Trevor Levin, are hereby ordered to desist and refrain from the further offer and sale  
15 of securities in the state of California, including but not limited to the crypto asset interest-bearing  
16 accounts offered on the Midas platform, or any other similar interest-bearing account that functions  
17 as a security, unless such offer or sale has been qualified under Corporations Code sections 25111,  
18 25112, or 25113, or unless such security or transaction is exempted or not subject to qualification.

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

21 This Desist and Refrain Order shall remain in full force and effect until further order of the  
22 Commissioner.

24 DATED: April 6, 2023  
25 Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



27 By: \_\_\_\_\_  
28 MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division