

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

4 **TO:** StableDAO a/k/a StableOPINION  
5 www.stable.limited  
6 1-6-1 Otemachi, Chiyoda City  
7 Tokyo 100-0004, Japan  
8  
9 Sam Lee

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

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

13 1. The Department of Financial Protection and Innovation (Department) regulates the  
14 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code  
15 §§ 25000-25707) (CSL).

16 2. At all relevant times, StableDAO a/k/a StableOPINION (collectively, StableDAO) is  
17 and was a business entity of unknown type with a purported principal place of business in Dubai,  
18 United Arab Emirates, and at 1-6-1 Otemachi, Chiyoda City, Tokyo 100-0004, Japan. StableDAO  
19 operated the website www.stable.limited, as well as social media accounts on Facebook  
20 (<https://www.facebook.com/people/StableOpinion/100089001408945/>), Instagram  
21 (@stableopinionofficial and @stabledaoofficial), Twitter (@stable\_opinion), Telegram  
22 (<https://t.me/stabledao> and <https://t.me/stableopinionchat>), and YouTube  
23 (<https://www.youtube.com/@stabledaoofficial>).

24 3. At all relevant times, Sam Lee (Lee) was the founder, CEO, and chairman of  
25 StableDAO.

26 4. At all relevant times, Lee controlled and induced or provided substantial assistance to  
27 StableDAO within the meaning of Corporations Code section 25403, subdivisions (a) and (b).

28 5. Beginning at least as early as 2023, StableDAO offered and sold securities in the form  
of investment contracts in California through general solicitations on its website. StableDAO referred  
to these investment contracts as “Subscriptions” or “Packages.”

1           6.       StableDAO held itself out as an investment platform. The purported purpose of the  
2 securities offerings was for StableDAO to use investor funds to purchase real estate, which in turn  
3 would generate returns for investors who purchased Packages.

4           7.       According to StableDAO, the company was investing in real estate and developing  
5 “massive” real estate projects. Investors would earn returns based on the profits of StableDAO’s real  
6 estate activities.

7           8.       In reality, StableDAO was a fraudulent pyramid and Ponzi scheme, in which a  
8 significant portion of the funds that StableDAO received from investors was used to pay other  
9 investors.

10          9.       StableDAO represented that its Packages produced daily returns of 0.10%. StableDAO  
11 also advertised its system of “pools” and “tiers” that would provide investors with additional sources  
12 of investment returns. The Packages were publicly available to investors in California via  
13 StableDAO’s website: [www.stable.limited](http://www.stable.limited).

14          10.      StableDAO represented to investors and prospective investors that all investor funds  
15 were protected by “prime bank capital protection.” According to StableDAO, the company had an  
16 agreement with a prominent American bank that fully guaranteed all investor funds. This agreement  
17 purportedly protected investors’ principal and earnings from any losses. StableDAO’s representations  
18 regarding this “prime bank capital protection” were false. In reality, no such agreement with the bank  
19 existed, and investors’ funds were not protected from losses.

20          11.      After investors created their accounts on the StableDAO website, investors could log  
21 into their account using their username and password to monitor their purported balance and returns,  
22 deposit funds, and request withdrawals.

23          12.      StableDAO facilitated investor deposits and withdrawals using crypto assets.

24          13.      StableDAO charged investors a 5% fee to withdraw their funds from the platform.

25          14.      In his role as CEO and chairman of StableDAO, Lee appeared in online recruitment  
26 presentations to prospective investors, in which he explained the business and described how  
27 investors could make money with StableDAO.

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1           15.     As part of its solicitation efforts, StableDAO used a pyramid scheme structure that  
2 would reward investors for inducing others to send money to StableDAO. According to this program,  
3 investors would be paid a referral bonus based on the amount of funds deposited by the investors that  
4 they recruited. Investors would also be paid additional referral bonuses when the investors that they  
5 recruited, in turn, recruited new investors.

6           16.     Investors seeking to take advantage of StableDAO’s referral program created and  
7 posted videos to YouTube and posted content on other social media websites to recruit others to  
8 invest in StableDAO.

9           17.     The Packages offered by StableDAO were securities that were neither qualified nor  
10 exempt from the qualification requirement under the CSL. The Department has not issued a permit or  
11 other form of qualification authorizing StableDAO to sell these securities in California.

12           18.     In connection with the offer or sale of these securities, StableDAO and Lee made, or  
13 caused to be made, untrue statements of material fact and material omissions to investors and  
14 potential investors, including but not limited to the following:

- 15           a.     failing to disclose that StableDAO used investor funds to pay purported profits to  
16                 other investors, in the manner of a Ponzi scheme;
- 17           b.     falsely representing that StableDAO had an agreement with a prominent American  
18                 bank that would protect all investor funds from any losses;
- 19           c.     misrepresenting the expected profits and risk of loss; and
- 20           d.     failing to disclose that the offer or sale of StableDAO’s securities was not qualified in  
21                 California.

22           Based on the foregoing findings, the Commissioner is of the opinion that the securities offered  
23 or sold by StableDAO a/k/a StableOPINION and Sam Lee were subject to qualification under the  
24 CSL and have been or are being offered or sold without first being qualified in violation of  
25 Corporations Code section 25110.

26           Moreover, the Commissioner is of the opinion that Sam Lee has violated Corporations Code  
27 section 25110 by knowingly, directly or indirectly controlling or inducing or providing substantial  
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1 assistance to StableDAO a/k/a StableOPINION to violate Corporations Code section 25110 within  
2 the meaning of Corporations Code section 25403, subdivisions (a) and (b).

3 Pursuant to Corporations Code section 25532, StableDAO a/k/a StableOPINION and Sam  
4 Lee are hereby ordered to desist and refrain from the further offer or sale of securities in California,  
5 including but not limited to investment contracts known as Packages, unless and until the  
6 qualification requirements of the CSL have been met.

7 In addition, the Commissioner is of the opinion that StableDAO a/k/a StableOPINION and  
8 Sam Lee offered or sold securities in California by means of oral or written communications which  
9 included untrue statements of material facts or omitted to state material facts necessary in order to  
10 make the statements made, in the light of the circumstances under which they were made, not  
11 misleading, in violation of Corporations Code section 25401.

12 Further, the Commissioner is of the opinion that Sam Lee has violated Corporations Code  
13 section 25401 by knowingly, directly or indirectly controlling or inducing or providing substantial  
14 assistance to StableDAO a/k/a StableOPINION to violate Corporations Code section 25401 within  
15 the meaning of Corporations Code section 25403, subdivisions (a) and (b).

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Pursuant to Corporations Code section 25532, StableDAO a/k/a StableOPINION and Sam Lee are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in California, including but not limited to investment contracts known as Packages, by means of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Any person who with knowledge directly or indirectly controls and induces another person to violate any provision of the CSL, or knowingly provides substantial assistance to another person to violate any provision of the CSL, is deemed to be in violation of that provision to the same extent as the other person. Cal. Corp. Code § 25403(a) and (b).

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

Dated: September 27, 2023  
San Diego, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

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