1 2	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION		
2			
3	IN THE MATTER OF DETERMINING Whether there has been a violation of the	Order No. S-20-2920-21-SC01	
4	Securities Act of Washington by:	STATEMENT OF CHARGES AND NOTICE OF INTENT TO	
5	World of Crypto Mining d.b.a. worldofcryptomining.com,	ENTER ORDER TO CEASE AND DESIST, TO IMPOSE FINES, AND TO CHARGE COSTS	
6	Vincent Dorf, and		
7	Glen Lesnick,		
8	Desmandanta		
9	Respondents		
10	THE STATE OF WASHINGTON TO:	World of Crypto Mining d.b.a. worldofcryptomining.com, Vincent Dorf, and Glen Lesnick	
11		Gieli Lesilick	
12	STATEMENT OF CHARGES		
12	Please take notice that the Securities Administrator of the state of Washington has reason to believe		
13	that Respondents World of Crypto Mining d.b.a. worldofcryptomining.com, Vincent Dorf, and Glen Lesnick		
14			
15	have each violated the Securities Act of Washington. The Securities Administrator believes those violations		
	justify the entry of an order against the Respondents to cease and desist from such violations and to charge		
16	costs pursuant to RCW 21.20.390, and under RCW 21.20.395 to impose a fine. The Securities Administrator		
17	finds as follows:		
18			
19	TENTATIVE FINDINGS OF FACT Respondents		
20			
20 21	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,		
22	Switzerland.		
23			
	STATEMENT OF CHARGES AND NOTICE	DEPARTMENT OF FINANCIAL INSTITUTIONS	

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST, TO IMPOSE FINES, AND TO CHARGE COSTS 2. Vincent Dorf ("Dorf"), a purported resident of Zurich, Switzerland, is the principal of WOCM.

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 another
Washington resident (the "Resident") and offered him the opportunity to invest in a WOCM cryptocurrency
investments pool opportunity through short term loans.

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.

19 7. Dorf and Lesnick represented to the Resident that he could receive interest ranging from one
20 per cent (1%) a day to a forty per cent (40%) return per month from WOCM on a ninety (90) day term loan
21 investment or a thirty five per cent (35%) return on a sixty (60) day term loan investment.

22

23

1

2

3

4

5

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,

22

23

1

2

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.

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.

17 15. Lesnick is not currently registered as a securities salesperson or broker-dealer in the state of
18 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).

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.

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.

NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order, pursuant to RCW 21.20.390(1), that WOCM and Dorf, their agents and employees each shall cease and desist from violations of RCW 21.20.140 and RCW 21.20.010 and that Respondent Lesnick shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.040.

15

16

17

18

19

20

21

22

23

1

2

3

4

5

6

7

8

9

10

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that:

a. Respondent WOCM shall be liable for and shall pay a fine of \$10,000;

b. Respondent Dorf shall be liable for and shall pay a fine of \$10,000; and

c. Respondent Lesnick shall be liable for and shall pay a fine of \$3,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents WOCM, Dorf, and Lesnick shall be liable for

investigation and hearing of this matter, in an amount not less than \$7,500. 2 3 4 5 6 7 8 9 10 that Respondent. 11 12 13 14 15 16 17 18 Approved by: 19 20

1

n Solm

Suzanne Sarason Chief of Enforcement

21

22

23

STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST, TO IMPOSE FINES, AND TO CHARGE COSTS

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

AUTHORITY AND PROCEDURE

shall be jointly liable for and shall pay the costs, fees, and other expenses incurred in the administrative

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The Respondents World of Crypto Mining, Vincent Dorf, and Glen Lesnick, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. If a Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought against that respondent, and to charge any costs sought against

Signed and Entered this <u>23rd</u> day of June, 2021.

Milling William M. Beatty

Securities Administrator

Presented by:

Martin Cordell

Martin Cordell Financial Legal Examiner

5

1	Reviewed by:
2	211-
3	Jack McClellan
4	Financial Legal Examiner Supervisor
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
	STATEMENT OF CHARGES AND NOTICE