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8  
9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11  
12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **RYAN GINSTER,**

17 **Defendant.**  
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Case No. 5:21-cv-01957

**COMPLAINT**

1 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

2 **JURISDICTION AND VENUE**

3 1. The Court has jurisdiction over this action pursuant to Sections 20(b),  
4 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C.  
5 §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of  
6 the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
7 78u(d)(3)(A), 78u(e) & 78aa(a).

8 2. Defendant has, directly or indirectly, made use of the means or  
9 instrumentalities of interstate commerce, of the mails, or of the facilities of a national  
10 securities exchange in connection with the transactions, acts, practices and courses of  
11 business alleged in this complaint.

12 3. Venue is proper in this district pursuant to Section 22(a) of the Securities  
13 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a),  
14 because certain of the transactions, acts, practices and courses of conduct constituting  
15 violations of the federal securities laws occurred within this district. In addition,  
16 venue is proper in this district because Defendant Ginster resides in this district.

17 **SUMMARY**

18 4. This action involves two consecutive, and virtually identical,  
19 unregistered offering frauds orchestrated by Defendant Ryan Ginster (“Ginster”)  
20 under the names Social Profimatic (“SP”) and MyMicroProfits.com (“MMP”). Since  
21 at least March 2018 through March 2021, Ginster has raised over \$3.6 million  
22 between the two frauds, all of it in Bitcoin (“BTC”).

23 5. Ginster did business under the names of both SP and MMP, neither of  
24 which existed as a separate entity. Both allegedly ran online high yield investment  
25 programs (“HYIPs”) that promised investors astronomical rates of return in a short  
26 period of time. In both schemes, Ginster misrepresented how investor funds would  
27 be used and how easily those funds could be withdrawn.

28 6. For example, in his SP scheme, from February to March 2018, Ginster

1 promised returns of 8% a day, and raised approximately \$844,667 in BTC at then  
2 prevailing prices. The corresponding effective annual rate Ginster offered – meaning  
3 the yearly rate of interest on the investment after daily compounding – amounted to  
4 an astronomical return of 1,583,692,108,826%. To generate these returns, Ginster  
5 claimed that SP would create and fulfill “social media marketing orders.” Once SP  
6 received investors’ BTC, Ginster transferred the funds to and amongst at least five  
7 other digital asset wallets under his control, as well as converting BTC to fiat  
8 currency to pay his personal expenses. On information and belief, these transfers do  
9 not indicate that Ginster ever attempted to generate returns on the BTC through social  
10 media marketing orders as promised.

11 7. In his MMP scheme, from June 2020 through March 2021, Ginster  
12 promised returns of 0.13% per hour (or 3.12% per day), and raised almost \$2.8  
13 million in BTC at then prevailing prices. If these returns had actually been obtained  
14 by an investor investing a mere \$10 on June 1, 2020, by March 1, 2021 that single  
15 two-digit investment would be worth \$44,938.65. In order to generate these  
16 fantastically huge returns, Ginster claimed MMP would invest in micro profit  
17 opportunities such as “transaction processing fees, cloud hosting, cryptocurrency  
18 trading and advertising arbitrage.” Once MMP received investors’ BTC, Ginster  
19 transferred the funds to and amongst at least five other digital asset wallets under his  
20 control, as well as converting BTC to fiat currency to pay his personal expenses. On  
21 information and belief, these transfers do not indicate that Ginster ever attempted to  
22 generate returns on the BTC through transaction processing fees, cloud hosting,  
23 cryptocurrency trading and advertising arbitrage.

24 8. While both SP and MMP touted to investors that their returns could be  
25 withdrawn easily, investors in both schemes were ultimately unable to withdraw their  
26 funds.

27 9. Between at least February 2018 through February 2021, Ginster also  
28 transferred BTC from the SP and MMP digital asset wallets to his own personal

1 digital asset wallets and then subsequently converted portions of that BTC into more  
2 than \$1 million in U.S. currency. Ginster spent the vast majority of these U.S. dollars  
3 on personal expenses such as tax payments, mortgage payments, a luxury vehicle,  
4 and almost \$200,000 in various credit card bills.

5 10. Through this conduct, and as further detailed below, Ginster violated the  
6 antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the  
7 Exchange Act and Rule 10b-5 thereunder, as well as the registration provisions of  
8 Sections 5(a) and 5(c) of the Securities Act.

9 11. The SEC seeks findings that Ginster committed these violations;  
10 permanent injunctions against Ginster’s future violations of the securities laws; a  
11 permanent injunction precluding Ginster from participating in unregistered securities  
12 offering; disgorgement with prejudgment interest; and a civil monetary penalty.

### 13 **DEFENDANT**

14 12. **Ryan Ginster, a/k/a Ryan Oakley (“Ginster”)**, age 34, is a resident of  
15 Corona, California. Ginster created and controls the SP and MMP websites. Ginster  
16 has never been registered or associated with a Commission registrant in any capacity  
17 or held any securities licenses. Ginster used at least one alias to promote his HYIPs.  
18 Ginster did business as SP and MMP, neither of which is an actual legal entity.  
19 Neither SP nor MMP are registered with the SEC, and neither has registered any  
20 offerings of securities.

### 21 **THE FRAUD**

#### 22 **A. Background on Digital Assets**

23 13. The term “digital asset” or “digital token” generally refers to an asset  
24 issued and/or transferred using distributed ledger or blockchain technology, including  
25 assets sometimes referred to as “cryptocurrencies,” “virtual currencies,” digital  
26 “coins,” and digital “tokens.” Bitcoin (“BTC”) is one such digital asset.

27 14. A blockchain or distributed ledger is a peer-to-peer database spread  
28 across a network of computers that records all transactions in theoretically

1 unchangeable, digitally recorded data packages. The system relies on cryptographic  
2 techniques for secure recording of transactions.

3 15. A digital asset like BTC can be converted to U.S. dollars. However, the  
4 U.S. dollar exchange rate for digital assets fluctuates over time.

5 **B. Ginster Creates Two Similar Fraudulent Offerings: SP and MMP**

6 16. Between on or about February 2018 and March 2021, Ginster created,  
7 operated, and profited from at least two separate schemes, the SP HYIP and the MMP  
8 HYIP.

9 17. The SP and MMP HYIPs were securities in the form of investment  
10 contracts.

11 18. In each offering, investors' funds were pooled together in digital asset  
12 wallets controlled by Ginster, with the promise of very high returns, to be garnered  
13 entirely through Ginster's purported efforts on behalf of SP and MMP.

14 **The Social Profimatic Offering**

15 19. First, on or about February 18, 2018, Ginster purchased and registered  
16 the domain name <https://socialprofimatic.com> and began promoting the SP offering  
17 on the website.

18 20. On or about February 26, 2018, Ginster, using the alias Ryan Oakley,  
19 emailed a company selling HYIP software to purchase the software to allow investors  
20 to buy into the SP website using "other alt coins."

21 21. SP's website described its operations as follows: "[y]ou choose how  
22 much you wish to deposit with us & we'll pay you 8% every day. Our system will  
23 divide your revenue share payments up by the hour so you receive INSTANT and  
24 AUTOMATIC payments each hour. After you have your deposit made, we start  
25 creating & fulfilling social media marketing orders behind the scenes day & night on  
26 your behalf!"

27 22. The SP website advertised a \$10 USD investment minimum, claiming  
28 "[i]t won't cost you an arm or a leg either, you can start making money with as little

1 as \$10.”

2 23. By early February 2018, Ginster, as SP, was sending emails promoting  
3 the offering, emphasizing the passivity of the investment and the ease of withdrawal  
4 of profits.

5 24. For example, a February 22, 2018 SP email states: “[i]t’s a brand new  
6 earner that pays you every 60 minutes while you relax and do what you enjoy most.”

7 25. The same February 22, 2018 SP email states: “[y]ou can get job  
8 replacing income paid to you every hour and access it INSTANTLY via your favorite  
9 e-currency.”

10 26. As another example, a February 26, 2018 SP email states: “[i]t’s so easy,  
11 get paid an easy 8% daily without lifting a finger.”

12 27. The same February 26, 2018 SP email states: “[i]t’s 100% passive.  
13 Which means sit back and let their system do the work.”

14 28. In a similar March 13, 2018 email, SP again described its business,  
15 without providing any detail of how money was actually generated, saying: “Our  
16 business pays you from ACTUAL BUSINESS and SALES revenue which means  
17 you’re essentially a part owner of our business without all of the headache!”

18 29. The SP website directed prospective investors to send their investments  
19 to SP’s BTC wallet which was maintained by Ginster.

20 30. Between February 21 and March 31, 2018, there were over 9,000  
21 separate BTC investor deposits that were pooled together in SP’s digital asset wallet,  
22 totaling 98.12 BTC, which had a fiat value of approximately \$845,000 at that time.  
23 Most of these deposits were in two and three figure fiat sums.

24 31. Between February 21 and October 2, 2018, there were at least 12,840  
25 withdrawals totaling approximately \$818,778 in fiat currency at that time from SP’s  
26 wallet.

27 32. The SP investments were passive, in that investors’ promised returns  
28 were based upon Ginster’s alleged efforts on behalf of SP.

1           33.   Ginster had access to and controlled the SP digital asset wallet, and the  
2 access code for this wallet was in his possession.

3           **The MyMicroProfits Offering**

4           34.   Approximately two years after the SP HYIP, on or about March 5, 2020,  
5 Ginster, again using the alias Ryan Oakley, commenced a virtually identical offering.  
6 He emailed the same company that sold HYIP software to purchase additional HYIP  
7 software for mymicroprofits.com.

8           35.   Ginster then purchased and registered the domain name  
9 “mymicroprofits.com” on or about June 5, 2020, and activated the MMP website.

10          36.   Beginning in or around June 2020 Ginster also promoted MMP to  
11 prospective investors in a series of videos released publicly on YouTube.

12          37.   On both the MMP website and on the YouTube videos, MMP claimed  
13 that it would pay investors 0.13% per hour (or 3.12% per day), without any effort by  
14 the investor.

15          38.   In a video embedded on MMP’s website, Ginster claims that MMP  
16 “specializes in 4 different types of Micro Profit Opportunities - transaction processing  
17 fees, cloud hosting, cryptocurrency trading, and advertising arbitrage.” The video did  
18 not state how MMP, and thus investors, would profit from these alleged ventures.

19          39.   The MMP website stated “It’s very important for you to know that we  
20 are a REAL BUSINESS and THAT OUR SUCCESS IS TIED TO YOURS. We  
21 want to keep paying you forever because that means we GET PAID FOREVER  
22 TOO!”

23          40.   In an undated handwritten note to himself, Ginster states that the “proof  
24 of concept” for the “Microprofit” system would have a “program that checks total  
25 deposits each day and then puts together random report[sic] to show income  
26 generated[.]”

27          41.   In order to invest, MMP investors were directed to send their  
28 investments to a BTC wallet maintained by Ginster on behalf of MMP, where the

1 funds were pooled together.

2 42. Ginster had access to and controlled the MMP digital asset wallet, and  
3 the access code for this wallet was in his possession.

4 43. The MMP investments were passive, in that investors' promised returns  
5 were based upon Ginster's purported efforts on behalf of MMP.

6 **C. Ginster's Material Misstatements and Other Fraudulent Conduct**

7 44. In offering and selling the SP and MMP securities, Ginster made  
8 materially false and misleading statements to investors regarding the offerings.

9 **1. Misstatements Regarding Investment of Funds**

10 45. First, contrary to his representations about how the funds would be  
11 invested in order to earn the immense rates of return he promised of 8% a day for SP  
12 and over 3% a day for MMP, Ginster did not invest the funds as promised.

13 46. Transfers in and out of the SP digital asset wallet between February  
14 through March 2018 were generally small sum transfers under a \$1,000 USD.

15 47. On information and belief, the number and type of transfers in and out of  
16 SP's cryptocurrency wallet are generally not consistent on their face with the types of  
17 investment endeavors that would earn 8% returns per day.

18 48. Transfers in and out of the MMP digital asset wallet from June 2020  
19 through March 2021 were generally small sum transfers under a \$1,000 USD.

20 49. On information and belief, the number and type of transfers in and out of  
21 MMP's cryptocurrency wallet are generally not consistent on their face with the types  
22 of investment endeavors that would earn 3.12% returns per day.

23 50. Ginster's false and misleading statements to investors are material. A  
24 reasonable investor would have considered it important to know that neither SP nor  
25 MMP was investing their funds in a manner consistent with the type of investment  
26 endeavor that would generate the enormous profits promised.

1                   **2. Misstatements Regarding Investors' Ability to Withdraw**  
2                   **Funds**

3           51. Second, in both the SP and MMP offerings, Ginster told investors that  
4 they could withdraw their funds easily and instantly, but investors were not actually  
5 able to do so.

6                   **Social Profimatic**

7           52. For a time, investors could log onto SP's website and see how the  
8 deposits into their individual accounts were purportedly growing.

9           53. The reported gains however were illusory. For example, one investor  
10 (“Investor A”) invested \$50 in BTC with SP. Subsequently, he logged into his  
11 account and saw his investment was allegedly increasing.

12           54. After a week, Investor A went to withdraw his funds, but the system  
13 would not let him access his money, instead requiring him to “reinvest” the profits  
14 back into the program. He reinvested as requested and waited.

15           55. A month after making his investment, Investor A received an email from  
16 SP stating that he could now withdraw his funds, which had allegedly grown to  
17 \$4,000. However, he was never able to withdraw these funds.

18           56. Investor A contacted SP about the missing funds through email, instant  
19 message, and by filling out a form on the website. He never received a reply to any  
20 of his inquiries.

21           57. Approximately a month later, Investor A attempted to load the SP  
22 website, and found the website had disappeared.

23           58. Another investor (“Investor B”) invested approximately \$20 in order to  
24 test whether SP would actually allow withdrawals of profit. He was able to withdraw  
25 this initial investment plus profit, so he invested additional funds.

26           59. Ultimately however, after this first investment, Investor B found that the  
27 SP website disappeared and he lost most of the money he invested.

1           **MyMicroProfits**

2           60. Similarly, for a time, investors could log onto MMP’s website and see  
3 how the deposits into their individual accounts were purportedly growing.

4           61. The reported gains however were illusory. By mid-August 2020, MMP  
5 had ceased making any “profit” payments whatsoever to its investors.

6           62. For example, one investor (“Investor C”) learned about MMP from  
7 videos he saw on YouTube and decided to invest \$400.

8           63. Investor C was able to go to the MMP website and see that the balance  
9 in his account was supposedly growing. However, when Investor C went to  
10 withdraw his funds, he was only able to take out \$150.

11           64. Ultimately, Investor C found that merely a few days after his initial  
12 investment, the website stopped functioning and reported an “error” and would not let  
13 him communicate with the website or withdraw the rest of his funds.

14           65. Ginster’s false and misleading statements to investors about their ability  
15 to withdraw their funds are material. A reasonable investor would have considered it  
16 important to know that they could not withdraw their funds from either SP or MMP  
17 upon request.

18           **3. Ginster’s Misuse and Misappropriation of Investors’ Funds**

19           66. Third, contrary to his assertions about how investor funds would be used  
20 to generate profits for investors in both SP and MMP, Ginster actually  
21 misappropriated substantial sums for his personal use.

22           **Social Profimatic**

23           67. By March 26, 2018, Ginster ultimately transferred 24.78 BTC – more  
24 than one-fourth of the total amount raised in SP – with a fiat value of more than  
25 \$215,000 at that time – to his personal wallet at Coinbase, which is an online  
26 platform on which to buy, sell, and store digital assets.

27           68. Between March 5 and March 26, 2018, Ginster converted some of the  
28 BTC in his personal Coinbase wallet to approximately \$137,432 in U.S. currency and

1 transferred the funds to a traditional bank account he controlled at Carrollton Bank  
2 (the “Carrollton Account”).

3 69. By March 31, 2018 Ginster also transferred from the SP wallet a total of  
4 23.33 BTC, with a value of more than \$172,000 in U.S. currency at that time, to  
5 wallets Ginster controlled at three other digital asset platforms.

### 6 **MyMicroProfits**

7 70. Between June 5, 2020 and March 19, 2021, there were at least 9,916  
8 separate BTC investor deposits that were pooled together in MMP’s digital asset  
9 wallet, totaling \$2,798,358 in fiat value at the time of their deposit. The majority of  
10 these deposits occurred between June and August of 2020.

11 71. Between June 8 and September 14, 2020, Ginster transferred about one  
12 third of the BTC deposited into the MMP wallet to other digital asset wallets under  
13 Ginster’s control.

14 72. Subsequently, Ginster converted some of the BTC in the wallets he  
15 controlled into approximately \$909,043 of U.S. currency, and transferred that sum to  
16 the Carrollton Account that he controlled.

### 17 **Ginster’s Use of Funds from the Carrollton Bank Account**

18 73. Between at least June 2020 and February 2021, Ginster used the funds in  
19 his personal Carrollton Account in at least the following ways:

- 20 (a) \$213,250 to E\*Trade Account;
- 21 (b) \$152,797 to American Express Card Services;
- 22 (c) \$131,097 to the Internal Revenue Service;
- 23 (d) \$35,059 to the Franchise Tax Board;
- 24 (e) \$34,395 to pay Discover Card;
- 25 (f) \$30,254 to Mercedes Benz;
- 26 (g) \$20,670 to United Wholesale Loan;
- 27 (h) \$20,000 to Lending Club; and
- 28 (i) \$7,608 to Capital One Card.

1 74. Ginster's false and misleading statements to investors regarding the use  
2 of investor funds are material. A reasonable investor would have considered it  
3 important to know that Ginster was misappropriating their investment funds.

4 **D. Ginster Engaged in a Fraudulent Scheme**

5 75. In addition to making material misrepresentations to investors, Ginster  
6 engaged in a fraudulent scheme as to both the SP and MMP offerings.

7 76. First, Ginster led investors to believe their investments in both SP and  
8 MMP were making money with fake online returns.

9 77. For example, Investor B was able to withdraw his first investment in SP  
10 plus profit, leading him to reinvest in SP.

11 78. Similarly, Investor C reviewed the MMP website, where he saw that his  
12 account was supposedly growing in value even though he was ultimately unable to  
13 withdraw his full investment and alleged profit.

14 79. Second, Ginster also made up excuses for the lack of returns and  
15 inability to withdraw funds by claiming technical issues to complaining investors.

16 80. Third, Ginster misappropriated investor funds for his personal use,  
17 including the more than \$1 million worth of BTC that Ginster converted to U.S.  
18 currency. Under the terms of the investments as described on the SP and MMP  
19 websites, nothing suggests that Ginster has any legitimate claim to these funds.

20 81. Fourth, Ginster used at least one alias, Ryan Oakley, to conceal his  
21 identity in operating SP and MMP.

22 **E. Ginster Acted With a High Level of Scierter, or in the Alternative,**  
23 **Was Negligent**

24 82. Ginster acted with a high level of scierter.

25 83. Ginster was the sole control person of SP and MMP.

26 84. Ginster managed operations for both SP and MMP.

27 85. Ginster controlled SP and MMP's digital asset wallets where investor  
28 funds were both deposited and from where they were disbursed.

1           86. Ginster knew that investor monies were not being used to generate the  
2 returns necessary to finance his promised rates of return for either SP or MMP.

3           87. Similarly, Ginster knew that a substantial portion of investor funds were  
4 being diverted from SP and MMP's digital asset wallets to wallets and bank accounts  
5 that Ginster personally controlled.

6           88. Ginster knew, or acted recklessly in not knowing, that: (1) MMP and SP  
7 lacked any ability to generate the returns promised from the moment their websites  
8 went operational; (2) that investor monies were not being used in a manner that might  
9 generate the promised investment returns; and, (3) that investors would never be able  
10 to take possession of their phantom returns nor receive the return of their principal.

11           89. Alternatively, Ginster failed to exercise reasonable care as to whether:  
12 (1) MMP and SP had any ability to generate the returns promised from the moment  
13 their websites went operational; (2) investor monies were being used in a manner that  
14 might generate the promised investment returns; and, (3) investors would ever be able  
15 to take possession of their phantom returns or receive the return of their principal.

#### 16           **F. Ginster's Registration Violations**

17           90. Ginster offered and sold securities in the form of SP and MMP  
18 investment contracts by directly controlling the websites on which SP and MMP  
19 promoted, offered, and sold securities, as well as the online wallet into which  
20 investors deposited their investment funds.

21           91. SP and MMP's offerings of investment contracts were not registered  
22 with the SEC, and no exemption from registration applied to the offerings.

23           92. Ginster engaged in a general solicitation for investors by conducting the  
24 offerings solely through the internet, via SP and MMP's websites, through YouTube  
25 videos, and through the use of online digital asset wallets into which investors made  
26 their deposits.

27           93. Ginster offered and sold SP and MMP's securities to residents of  
28 numerous states.

1 94. Ginster did not take any reasonable steps to verify the accredited status  
2 of the SP and MMP investors.

3 **FIRST CLAIM FOR RELIEF**

4 **Fraud in the Connection with the Purchase and Sale of Securities**  
5 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5**  
6 **(Against Ginster)**

7 95. The SEC realleges and incorporates by reference paragraphs 1 through  
8 94 above.

9 96. As set forth above, Defendant Ginster made several material  
10 misrepresentations, and omitted material information, to SP and MMP's investors,  
11 including: not investing investor funds as promised; assuring both SP and MMP  
12 investors that they would be able to withdraw their earnings "easily" and "instantly,"  
13 when investors were not actually able to do so; and, misappropriating funds for his  
14 own use contrary to his representations to investors about how money would be  
15 invested.

16 97. In addition, Defendant Ginster engaged in a scheme to defraud whereby  
17 he led investors to believe their investments were making money with fake online  
18 returns; he made up excuses for the lack of returns and inability to withdraw funds by  
19 claiming technical issues to complaining investors; and misappropriated investor  
20 funds for his personal use.

21 98. By engaging in the conduct described above, Defendant Ginster, directly  
22 or indirectly, in connection with the purchase or sale of a security, and by the use of  
23 means or instrumentalities of interstate commerce, of the mails, or of the facilities of  
24 a national securities exchange: (a) employed devices, schemes, or artifices to  
25 defraud; (b) made untrue statements of a material fact or omitted to state a material  
26 fact necessary in order to make the statements made, in the light of the circumstances  
27 under which they were made, not misleading; or (c) engaged in acts, practices, or  
28

1 courses of business which operated or would operate as a fraud or deceit upon other  
2 persons.

3 99. By engaging in the conduct described above, Defendant Ginster violated,  
4 and unless restrained and enjoined will continue to violate, Section 10(b) of the  
5 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. §  
6 240.10b-5(b).

7 **SECOND CLAIM FOR RELIEF**

8 **Fraud in the Offer or Sale of Securities**

9 **Violations of Section 17(a) of the Securities Act**

10 **(Against Ginster)**

11 100. The SEC realleges and incorporates by reference paragraphs 1 through  
12 94 above.

13 101. By engaging in the conduct described above, Defendant Ginster obtained  
14 money or property by means of false statements to investors in connection with the  
15 offer or sale of investments in SP and MMP, and omitted to disclose material  
16 information about SP and MMP.

17 102. In addition, Defendant Ginster engaged in a scheme to defraud whereby  
18 he led investors to believe their investments were making money with fake online  
19 returns; he made up excuses for the lack of returns and inability to withdraw funds by  
20 claiming technical issues to complaining investors; and misappropriated investor  
21 funds for his personal use.

22 103. By engaging in the conduct described above, Defendant Ginster, directly  
23 or indirectly, in the offer or sale of securities by the use of means or instruments of  
24 transportation or communication in interstate commerce or by use of the mails (a)  
25 employed devices, schemes, or artifices to defraud; (b) obtained money or property  
26 by means of untrue statements of a material fact or by omitting to state a material fact  
27 necessary in order to make the statements made, in light of the circumstances under  
28 which they were made, not misleading; or (c) engaged in transactions, practices, or

1 courses of business which operated or would operate as a fraud or deceit upon the  
2 purchaser.

3 104. Defendant Ginster, with scienter, obtained money or property by means  
4 of untrue statements of material fact or by omitting to state a material fact necessary  
5 in order to make the statements made, in light of the circumstances under which they  
6 were made, not misleading. In the alternative, Defendant Ginster was negligent.

7 105. By engaging in the conduct described above, Defendant Ginster violated,  
8 and unless restrained and enjoined will continue to violate, Section 17(a) of the  
9 Securities Act, 15 U.S.C. § 77q(a).

### 10 **THIRD CLAIM FOR RELIEF**

#### 11 **Unregistered Offer and Sale of Securities**

#### 12 **Violations of Sections 5(a) and 5(c) of the Securities Act**

#### 13 **(Against Ginster)**

14 106. The SEC realleges and incorporates by reference paragraphs 1 through  
15 94 above.

16 107. The SP and MMP offerings involved the offer and sale of securities in  
17 the form of investment contracts.

18 108. Neither the SP nor MMP offerings were registered with the SEC.

19 109. Ginster directly and indirectly offered and sold the SP and MMP  
20 securities because he controlled the websites on which SP and MMP promoted,  
21 offered and sold their securities, as well as the online wallets into which investors  
22 deposited their investor funds.

23 110. Ginster conducted the offerings of SP and MMP securities through the  
24 internet, via SP and MMP's websites, videos that MMP circulated on YouTube, and  
25 through the use of digital asset wallets into which investors made their deposits.

26 111. By virtue of the foregoing, (a) without a registration statement in effect  
27 as to that security, Defendant Ginster, directly and indirectly, made use of the means  
28 and instruments of transportation or communications in interstate commerce and of

1 the mails to sell securities through the use of means of a prospectus, and (b) made use  
2 of the means and instruments of transportation or communication in interstate  
3 commerce and of the mails to offer to sell through the use of a prospectus, securities  
4 as to which no registration statement had been filed.

5 112. By reason of the foregoing, Defendant directly or indirectly violated, and  
6 unless restrained and enjoined, will continue to violate, Sections 5(a) and (c) of the  
7 Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

8  
9 **PRAYER FOR RELIEF**

10 WHEREFORE, the SEC respectfully requests that the Court:

11 **I.**

12 Issue findings of fact and conclusions of law that Defendant committed the  
13 alleged violations.

14 **II.**

15 Issue a judgment, in forms consistent with Rule 65(d) of the Federal Rules of  
16 Civil Procedure, permanently enjoining Defendant, and his officers, agents, servants,  
17 employees and attorneys, and those persons in active concert or participation with  
18 any of them, who receive actual notice of the judgment by personal service or  
19 otherwise, and each of them, from violating Section 10(b) of the Exchange Act [15  
20 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] and Section  
21 17(a) of the Securities Act [15 U.S.C. § 77q(a).]

22 **III.**

23 Issue a judgment, in forms consistent with Rule 65(d) of the Federal Rules of  
24 Civil Procedure, permanently enjoining Defendant and his officers, agents, servants,  
25 employees and attorneys, and those persons in active concert or participation with  
26 any of them, who receive actual notice of the judgment by personal service or  
27 otherwise, and each of them, from violating Sections 5(a) and 5(c) of the Securities  
28 Act [15 U.S.C. §§ 77e(a), 77e(c)].

1 **IV.**

2 Issue an order permanently enjoining Defendant Ginster from directly or  
3 indirectly, including, but not limited to, through any entity owned or controlled by  
4 him, participating in the issuance, purchase, offer, or sale of any security in an  
5 unregistered offering by an issuer; provided, however, that such injunction shall not  
6 prevent Defendant from purchasing or selling securities for his own personal account.

7 **V.**

8 Order Defendant to disgorge all funds received from his illegal conduct,  
9 together with prejudgment interest thereon, pursuant to Exchange Act Sections  
10 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(5) and 78u(d)(7)].

11 **VI.**

12 Order Defendant to pay civil penalties under Section 21(d)(3) of the Exchange  
13 Act [15 U.S.C. § 78u(d)(3)] and Section 20(d) of the Securities Act [15 U.S.C.  
14 § 77t(d)].

15 **VII.**

16 Retain jurisdiction of this action in accordance with the principles of equity and  
17 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
18 all orders and decrees that may be entered, or to entertain any suitable application or  
19 motion for additional relief within the jurisdiction of this Court.

20 **VIII.**

21 Grant such other and further relief as this Court may determine to be just and  
22 necessary.

23  
24 Dated: November 18, 2021

*/s/ Kathryn Wanner*

Kathryn Wanner

Peter Del Greco

Attorneys for Plaintiff

Securities and Exchange Commission