

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10956 / July 14, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20398

In the Matter of

BLOTICS LTD.
f/d/b/a
COINSCHEDULE LTD.

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Blotics Ltd., f/d/b/a Coinschedule Ltd. (“Coinschedule” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant To Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Summary

1. Coinschedule owned and operated a once-popular website platform, www.coinschedule.com, that publicized current and upcoming offerings for different digital tokens and was accessible in the United States from 2016 to August 2019. The platform claimed to "list" or profile the "best" token offerings, such as so-called initial coin offerings (ICOs) and initial exchange offerings (IEOs), and stated that its "mission is to make it easy and safe for people around the world to join ICOs." According to Coinschedule, the platform profiled over 2,500 different token offerings comprising fundraising of over \$10 billion.

2. The digital tokens publicized by Coinschedule included those that were offered and sold as investment contracts, which are securities pursuant to Section 2(a)(1) of the Securities Act. Digital token issuers from the United States and other nations paid Coinschedule to profile their token offerings on the platform, but Coinschedule never disclosed to its platform visitors that it received compensation for doing so. By failing to disclose the consideration received, Coinschedule violated Section 17(b) of the Securities Act, which makes it unlawful for any person to promote a security without disclosing that they received compensation for doing so, or the amount of the consideration.

Respondent

3. Blotics Ltd. is a private limited company organized and based in the United Kingdom. The Company is the successor to Coinschedule Ltd., a now-dissolved company that was also incorporated and based in the United Kingdom. Coinschedule has never been registered with the Commission in any capacity.

Facts

4. Coinschedule's platform primarily entailed its website homepage and webpages profiling individual token offerings. On its homepage, Coinschedule displayed "live" or ongoing token offerings and upcoming token offerings in individual banners or panels that included each token issuer's logo, the token's name, the number of tokens for sale, and information about the planned allocation of all remaining tokens to be distributed by the token issuer, among other information. Each token panel linked to a dedicated webpage on the Coinschedule platform with more information about the token and the related offering.

5. Each individual token offering webpage included details about the token issuer's stated purpose for fundraising, the number of tokens available for sale, an overview of how the funds raised would be used, and names and photographs of the issuer's development team with web links to their biographies. Each webpage also provided the start and end dates of the token offerings with a countdown clock timed to the offering's end, as well as links to the ICO issuer's social media forums used to market the offering. In addition, links to the token issuer's website

and the white paper used to describe the issuer and token offering were provided at both the top and bottom of the webpage. Each webpage remained accessible on Coinschedule's platform after the token offering ended, although the token offering panel and link no longer appeared on Coinschedule's home page.

6. Other features of Coinschedule's platform included rankings of token offerings by different metrics and categories, a blog, and a YouTube channel with a newscast related to digital assets. Based upon data collected from the platform's "listings," Coinschedule also compiled statistics about token offerings, which numerous United States and international publications, including *Bloomberg*, *Forbes*, and *The New York Times*, have cited.

7. The Coinschedule platform primarily earned revenue based upon compensation received from token issuers who paid to "list" their token offerings on the platform. In exchange for fees, issuers could select "marketing packages" designated with names such as, "Platinum," "Gold," "Silver" and "Basic." For a Platinum "listing" – the most expensive package available for purchase – Coinschedule exclusively profiled an issuer's token offering in a static banner spanning the top of the platform's homepage with a countdown clock timed to the offering's end and an image of a platinum-colored medal stamped "Platinum Level Event." Coinschedule also profiled Platinum-listed token offerings in blog posts and tweets on its Twitter account with language provided by the token issuer. For Gold "listings," the next-most expensive package, Coinschedule featured the token offerings in gold-colored panels at the top of its homepage. Silver "listings" appeared on the homepage in silver-colored panels below the Gold "listings," while Basic "listings" appeared below the Silver "listings" in colorless panels. Profiles of token offerings conducted by issuers who did not pay "listing" fees appeared below the paid "listings."

8. Coinschedule claimed to perform due diligence on each of the token offerings profiled on its platform and rated each token offering with a "trust score" letter grade from A to E, based upon a "proprietary algorithm . . . that uses artificial intelligence techniques to determine the amount of credibility that an ICO has." Coinschedule stated that its "trust score" measured "how much operational risk Coinschedule [saw] for each different ICO." The score was included on homepage token offering panels and individual token offering webpages, and it was used to maintain a running list of the "top 10 trusted ICOs."

9. Digital token issuers who purchased the marketing packages received emails from Coinschedule advising on steps they could take to receive higher "trust scores" for their token offerings. For example, one Coinschedule email sent to several token issuers noted a "few things that will make a big difference in your Trust Score," such as uploading the token issuer's incorporation documents, disclosing the issuer's ultimate beneficial owners, and "get[ting] a few people to follow your project in Coinschedule." According to Coinschedule's email, taking these steps would earn the issuer's token sale at least a "C" trust score. Coinschedule claimed, "We also find that projects with a higher TrustScore tend to do better during the fundraiser, so this generates a good amount of traffic and interest for ICOs."

10. Coinschedule also offered token issuers "extra" services including introductions to digital asset trading platforms in exchange for additional compensation. Separately, Coinschedule offered general advertising spots on its platform that token issuers or other persons could purchase.

11. During its operation, a significant portion of the Coinschedule platform's web traffic originated from the United States until August 2019, when Coinschedule took measures to deter and prevent United States persons from viewing its content.

12. Coinschedule never disclosed to its platform visitors the consideration received from token issuers to "list," profile, or otherwise advertise their tokens. In addition, nowhere on the platform or elsewhere did Coinschedule disclose which specific token issuers had paid for Coinschedule's token offering promotions or other services related to their tokens and offerings, how much they had paid, and what specific platform content and publicity they had paid for.

13. Any details about and pricing information for listing packages were not accessible to Coinschedule's platform visitors during portions of the Relevant Period, and otherwise were only disclosed to token issuers in response to their inquiries.

Violations

14. As a result of the conduct described above, Coinschedule violated Section 17(b) of the Securities Act, which makes it unlawful for any person to

publish, give publicity to, or circulate any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

15. Coinschedule violated Section 17(b) of the Securities Act by profiling and publicizing token sales and ICOs that involved the offer and sale of securities through its platform and social media accounts without disclosing the receipt, nature, scope, and amount of compensation from digital token issuers for such publicity.

Disgorgement

The disgorgement and prejudgment interest ordered in paragraph IV.B. is consistent with equitable principles, does not exceed Respondent's net profits from its violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in paragraph IV.B. shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Coinschedule's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act, Respondent cease and desist from committing or causing any violations and any future violations of Section 17(b) of the Securities Act.

B. Respondent shall, within 30 days of the entry of this Order, pay disgorgement of \$43,000.00, prejudgment interest of \$4,253.99, and a civil money penalty in the amount of \$154,434.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. If timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Blotics Ltd. as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Kristina Littman, Chief, Cyber Unit, Division of Enforcement, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the

Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary