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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

YOcoin Limited d/b/a YOcoin;
GoYOcoin, Inc.,

Respondents.

Order No.: S-18-2519-20-CO01

CONSENT ORDER AS TO GOYOCOIN,
INC.

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INTRODUCTION

10 On March 27, 2020, the Securities Administrator of the Securities Division of the Department of
11 Financial Institutions (Securities Division) issued a Statement of Charges and Notice of Intent to Issue an
12 Order to Cease and Desist, Impose Fines, and Charge Costs (Statement of Charges), Order Number S-18-
13 2519-19-SC01, against the Respondents YOcoin Limited d/b/a YOcoin and GoYOcoin, Inc. Pursuant to the
14 Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and the Respondent GoYOcoin,
15 Inc. do hereby enter into this Consent Order in settlement of the matters alleged herein. The Respondent
16 GoYOcoin, Inc. neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

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FINDINGS OF FACT

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Respondents

21 1. YOcoin Limited d/b/a YOcoin (YOcoin) is headquartered in Thailand. In August 2016,
22 YOcoin was incorporated in the Ajman Free Zone, United Arab Emirates. YOcoin has used business
23 addresses in Thailand and the United Arab Emirates.

1 2. GoYOcoin, Inc. (GoYOcoin) was incorporated in Texas in June 2016, with a principal place
2 of business in Dallas, Texas. In January 2018, the Texas Secretary of State issued a forfeiture of GoYOcoin’s
3 registration.

4 **Related Parties**

5 3. Bruce E. Bise (Bise) is a resident of Cedar Hill, Texas. Bise was a co-founder and Principal
6 of GoYOcoin.

7 4. Samuel J. Mendez (Mendez) is a resident of San Diego, California. Mendez was a co-founder
8 and Principal of GoYOcoin.

9 **Introduction**

10 5. YOcoin is an offshore company that launched the “YOC” digital currency in approximately
11 December 2015. YOcoin marketed YOC through a global multi-level marketing network of affiliates. In the
12 United States, YOC was offered and sold by GoYOcoin as a Master Distributor. In 2016, approximately four
13 Washington residents invested a total of over \$5,000 in YOC. An affiliate misrepresented to a Washington
14 resident prior to his investment that YOcoin had an agreement with a popular rideshare company that YOC
15 would be the exclusive digital currency accepted by that company. These investments were made near
16 YOcoin’s all-time high trading price in July 2016. As of the date of this order, YOcoin has lost the majority
17 of its value and is nearly worthless.
18

19 **Background**

20 6. In approximately December 2015, YOcoin launched YOC, which it described as a
21 “decentralized, peer-to-peer” digital currency. YOcoin claimed that YOC tokens could be used to easily send
22 money online, including to pay bills and to purchase goods and services. YOcoin claimed that YOC would
23 be a “top five cryptocurrency.”

1 7. Between approximately 2016 and 2019, millions of YOC tokens came into circulation. In
2 addition to YOcoin's sale of the token, YOC could be generated through the mining process. According to
3 CoinMarketCap.com (CoinMarketCap), there are approximately 369 million YOC in circulation out of a total
4 supply of approximately 554 million YOC. YOcoin claimed that YOC was listed on six cryptocurrency
5 exchanges around the world, including on "Yo-Ex" — YOcoin's proprietary cryptocurrency exchange.
6 YOcoin claimed that YOC purchasers could easily sell the tokens or trade them for other cryptocurrencies.

7 8. In approximately October 2016, YOcoin launched a second digital token, YoGold (YOG).
8 YOcoin claimed that YOG was the world's first legitimate gold-backed cryptocurrency. YOcoin claimed that
9 YOG appreciated almost 80% during its initial weeks of trading. According to CoinMarketCap, which does
10 not have complete data on YOG, there is a total supply of approximately 100 million YOG and the last known
11 price of YOG is approximately \$0.000705 USD per token.

12 9. Despite YOcoin's marketing claims, there was limited use of the YOC token to pay bills or to
13 purchase goods and services. YOcoin's bill payment service, YoBills, was not released until approximately
14 October 2016 (several months after the Washington residents invested). YoBills did not allow for the
15 immediate payment of bills, as individuals had to first submit an online form to YoBills to request a bill
16 payment using YOC. Unlike most online bill payments in fiat currency, YoBills charged a substantial fee of
17 15% for the payment of bills between \$50 and \$500, 10% for the payment of bills between \$501 and \$1,000,
18 and 5% for the payment of bills over \$1,000. In addition, at the time of the investments by the Washington
19 residents, YOcoin was still developing its platforms that would allow for the purchase of goods and services
20 using YOC. YOcoin claimed to be developing several platforms, including YoBazaar (an online shopping
21 portal), YoBank, YoEntertainments, YoCasino, and YoTravel Portal, some with launch dates between
22 approximately October and December 2016.
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1 10. YOcoin employed methods to support the market price of its tokens and to increase their value.
2 Between November and December 2016, YOcoin announced that it was limiting YOG to 50 million tokens
3 and YOC to 200 million tokens. In June 2017, YOcoin represented that it was converting up to 55 million
4 YOC to YOG, in order to increase the demand in the market for both tokens. YOcoin also repeatedly claimed
5 that the various platforms that it was developing for use of the tokens would increase their value.

6 11. The value of YOC increased for approximately the first seven months after its launch, to an
7 all-time high in July 2016 at approximately \$0.41 USD per token. Over the next few years, the value of YOC
8 declined and YOC hit an all-time low in December 2019 at \$0.000110 USD per token. To date, YOC has lost
9 approximately 96% of its value since it launched and is nearly worthless.

10 **YOcoin Multi-Level Marketing Network**

11 12. In approximately January 2016, YOcoin began to market the YOC tokens to prospective
12 investors on its websites at www.yocoin.org and www.yoclub.net. The YOcoin websites were available to
13 the general public through 2019, including to Washington residents. To date, both websites have been shut
14 down. The website at www.yocoin.org primarily contained information about mining the YOC tokens, and
15 the website at www.yoclub.net contained a detailed description of the tokens and instructed potential investors
16 to sign-up by contacting the affiliate that referred them to the website.
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18 13. In approximately June 2016, GoYOcoin became a Master Affiliate for YOcoin in the United
19 States. GoYOcoin was a Master Affiliate for approximately eight months, until GoYOcoin decided to
20 terminate its Master Affiliate agreement in January 2017. As a Master Affiliate for YOcoin, GoYOcoin
21 created a network of affiliates including in Washington State. By November 2017, YOcoin claimed to have
22 a network of over 400,000 affiliates.
23

1 14. As a Master Affiliate, GoYOcoin was responsible for marketing and selling YOcoin Product
2 Packages. YOcoin Product Packages were available to purchase in increments from \$50 to \$2,000, and
3 consisted of YOC at the current market value equal to the purchase price. In approximately 2016, GoYOcoin
4 created a website at <https://goyocoin.wordpress.com> that offered YOC Product Packages for sale. The
5 GoYOcoin website was available to the general public, including to Washington residents. GoYOcoin also
6 promoted the YOC Product Packages in various promotional videos that were uploaded on a YouTube channel
7 created by GoYOcoin.

8 15. Purchasers of the YOC Product Packages were invited to earn additional compensation through
9 the YOcoin Community Affiliate (“YCA”) Program. The requirement to become an affiliate was to refer a
10 minimum of two individuals who also purchased YOC Product Packages. Affiliates were placed in a rank
11 below another affiliate, and were encouraged to build two teams or “legs” of additional affiliates under them.
12 YOcoin represented that affiliates would earn substantial commissions and bonuses.

13 **Sales of YOC in Washington**

14 16. Approximately four Washington residents purchased YOC Product Packages through
15 GoYOcoin for a total of over \$5,000. In approximately 2016, the YOcoin affiliate network grew to include
16 at least two Washington resident affiliates. These Washington resident affiliates heard about YOcoin from
17 affiliates residing outside the State of Washington. In approximately July and August 2016, the Washington
18 resident affiliates each solicited another Washington resident to invest in a YOC Product Package. The two
19 subsequent investors did not become affiliates of YOcoin.

20 21. One Washington resident affiliate made positive claims about YOcoin to the Washington
21 resident that he was soliciting. In August 2016, the affiliate sent the resident an email stating that in YOcoin’s
22 first six months, YOC had already risen into the top twenty of all worldwide cryptocurrencies. The affiliate
23

1 further stated in the email that the resident had the choice to buy YOC and “just sit back and watch the price
2 increase like Bitcoin” or to become an affiliate and be compensated for that. The email included links to the
3 promotional videos uploaded on GoYOcoin’s YouTube channel.

4 18. One Washington investor was led to believe that the price of the YOC token would increase
5 due to YOcoin’s agreement with a popular rideshare company. In August 2016, a Washington affiliate
6 represented to the resident via email that a popular rideshare company “will be accepting YoCoin for services
7 starting September 1st.” The Washington affiliate referred the investor to speak with an affiliate residing in
8 North Carolina for additional information. The North Carolina affiliate confirmed to the Washington resident
9 that YOcoin had a pending agreement that YOC would be the exclusive currency accepted by the rideshare
10 company, and that it was only a matter of weeks until the agreement was finalized. In fact, YOcoin never had
11 any agreement with this rideshare company to accept the YOC digital currency.

12 19. In 2016, approximately four Washington residents invested in YOcoin Product Packages.
13 Between July and August 2016, three of the Washington residents paid a total of approximately \$5,100 by
14 wire transfer and cash deposits into a bank account controlled by the GoYOcoin principals, Bise and Mendez.
15 This bank account was in the name of another business that Bise and Mendez operated. GoYOcoin failed to
16 disclose that investor funds would not be deposited into an account in the name of GoYOcoin.

17 20. YOcoin and GoYOcoin did not provide the investors with any disclosure documents prior to
18 their investments. YOcoin and GoYOcoin failed to provide the investors with material information regarding
19 their companies, including the operational history, litigation history, and financial statements. YOcoin and
20 GoYOcoin also failed to disclose the general and specific risks of the investment, including competition and
21 regulatory risks. GoYOcoin further failed to disclose the previous business experience of its principals, Bise
22 and Mendez, who since 2014 had co-founded two prior businesses together. GoYOcoin failed to disclose the
23

1 type of businesses that Bise and Mendez co- founded (one was a cryptocurrency-related business) and whether
2 the businesses were still in operation.

3 21. Between November and December 2016, YOcoin solicited a Washington investor to purchase
4 additional YOC tokens. In November 2016, YOcoin sent the investor an email newsletter stating that
5 “YOcoin’s price is expected to soar and the demand along with it. Make sure you stock up before the demand
6 has increased 10x[.]” YOcoin failed to provide a reasonable basis and limitations for, the projected price
7 increase. In December 2016, YOcoin sent this investor another email newsletter pressuring him to invest
8 more funds quickly. The email stated that YOcoin was capping YOC at 200 million tokens and expected to
9 run out of the supply “very quickly,” so investors should “Grab your YOcoin before it’s too late!!!”

10 22. YOcoin also solicited a Washington investor to invest in YOG (YoGold) tokens. In November
11 2016, YOcoin sent the resident an email newsletter that stated that the YOG supply was limited to 50 million
12 tokens and “like Bitcoin, the value will skyrocket.” YOcoin failed to provide a reasonable basis and
13 limitations for, the projected increase in value. In June 2017, YOcoin solicited the investor to convert his
14 YOC to YOG. YOcoin represented in an email newsletter that they were converting up to 55 million YOC to
15 YOG, and that each YOC would be valued at \$0.20 cents and would covert to YOG at that token’s current
16 market price. YOcoin encouraged investors to “act quickly.”

17 23. The Washington resident investors have not made any profit on their YOC tokens. One
18 resident is currently unable to login to his YOcoin account to access his virtual wallet. In approximately 2017,
19 this resident received notice that YOcoin was moving to a new platform. After YOcoin migrated to the new
20 platform, the resident was unable to access his YOcoin account and wallet. The resident tried contacting
21 YOcoin repeatedly for assistance, but has not received a response from the company.
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Registration Status

24. YOcoin Limited was not registered to offer and sell securities in the State of Washington during the relevant period, nor has it filed a claim of exemption from registration.

25. GoYOcoin, Inc. has never been registered as a broker-dealer in the State of Washington.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of the tokens described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. YOcoin Limited and GoYOcoin, Inc. have each violated RCW 21.20.140 because, as set forth in the Tentative Findings of Fact, they offered and/or sold securities for which no registration is on file with the Securities Administrator, and for which no valid claim of exemption exists.

3. GoYOcoin, Inc. violated RCW 21.20.040 by offering and selling securities while not registered as a broker-dealer in the State of Washington.

4. YOcoin Limited and GoYOcoin, Inc. have each violated RCW 21.20.010 because, as set forth in the Tentative Findings of Fact, they each made misstatements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

CONSENT ORDER

Based upon the foregoing and finding it in the public interest:

IT IS AGREED AND ORDERED that the Respondent GoYOcoin, Inc. shall cease and desist from violation of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

1 IT IS FURTHER AGREED AND ORDERED that the Respondent GoYOcoin, Inc. shall cease and
2 desist from violation of RCW 21.20.040, the securities salesperson and broker-dealer registration section of
3 the Securities Act of Washington.

4 IT IS FURTHER AGREED AND ORDERED that the Respondent GoYOcoin, Inc. shall cease and
5 desist from violation of RCW 21.20.010, the anti-fraud provision of the Securities Act of Washington.

6 IT IS FURTHER AGREED that the Respondent GoYOcoin, Inc. shall be liable for and shall pay a
7 fine of \$1,000. Respondent GoYOcoin, Inc. shall pay \$250 before the entry date of this Consent Order, and
8 shall make payments of \$250 per month for three (3) consecutive months. Each payment shall be due by the
9 last day of the month. The first payment shall be due by September 30, 2020.

10 IT IS FURTHER AGREED that the Respondent GoYOcoin, Inc. enters into this Consent Order
11 freely and voluntarily and with a full understanding of its terms and significance.

12 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this order.

13 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondent waives its right to
14 a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter 34.05 RCW.
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16
17 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE

18 SIGNED this 13th day of August, 2020.

19
20 Approved for Entry by:

21 _____/s/
22 Andrew V. Howard, Attorney for Respondent
23 Texas State Bar No. 00793221

Signed by:

GoYOcoin, Inc.

_____/s/_____
Samuel J. Mendez, Principal


DATED AND ENTERED this 25th day of August, 2020.

By: 

William M. Beatty
Securities Administrator

Approved by:

Presented by:





Suzanne Sarason
Chief of Enforcement

Bridgett Fisher
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor