

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

**IN THE MATTER OF:**

Zoptax LLC a/k/a Zoptax

Respondent.

**SUMMARY CEASE AND  
DESIST ORDER**

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order ( “Order” ) against Zoptax LLC a/k/a Zoptax (“Zoptax”).

The Bureau Chief makes the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

**The Respondent**

1. Zoptax, a Delaware Limited Liability Company, formed on May 22, 2019, purports to be located at its registered agent’s address at 8 on the Green, Suite R, Dover, Delaware. Zoptax LLC, conducts its business on the internet, principally by means of a website accessible at

<https://www.zoptax.com> ("Zoptax Website"). The Zoptax Website also contains a white paper ("Zoptax White Paper"). Zoptax also maintains a social media presence at sites including Facebook, Twitter, YouTube, and has issued several press releases via Medium. The Zoptax Website and its social media presence (collectively referred to as the "Zoptax Websites") are accessible to the general public, including residents of New Jersey.

2. Zoptax describes itself as a "blockchain based calling Network providing its users completely secure and private VOIP calls experience via decentralized network." VOIP or Voice Over Internet Protocol, also called Internet Protocol (IP) telephony, is a methodology for the delivery of voice communications and multimedia sessions over the Internet. The Zoptax White Paper emphasizes that the use of VOIP with blockchain technology will "solve the blockage of VoIP (sic) services which is imposed by governments and central authorities." Zoptax purports that "Zoptax is the only true blockchain based VOIP model. Which makes it unique and 100% guaranteed success."

3. Zoptax announced that it will be conducting an Initial Coin Offering ("ICO") starting on or about June 15, 2019. Zoptax refers to its cryptocurrency as "Zoptax Coins." The Zoptax Website states the symbol for Zoptax Coins is "ZPT." Zoptax claims that to finance its project, Zoptax is conducting a crowd sale with a \$500,000 (soft cap), and an ideal financing amount of \$3.4 million (hard cap).

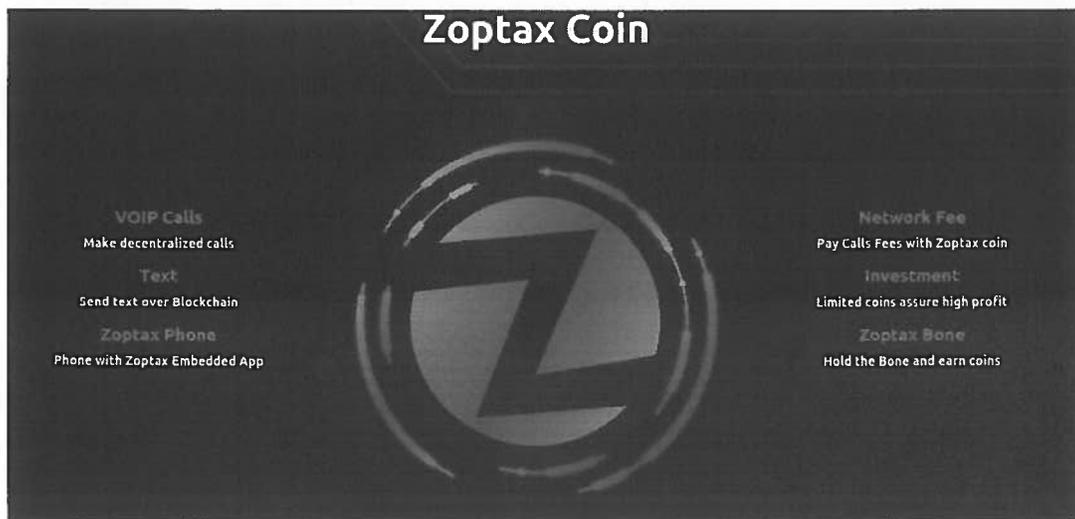
4. Zoptax is offering securities in the form of the Zoptax Coins to the general public, including the residents of New Jersey. These investments are securities as defined by N.J.S.A. 49:3-49(m). Zoptax is not now and has never been registered with the Bureau to sell securities in the State of New Jersey. Zoptax is fraudulently offering unregistered securities in violation of the Securities Law.

## Zoptax ICO

5. According to the Zoptax Websites, Zoptax is offering Zoptax Coins to “raise capital build more feature and complete the applications so to acheive (sic) more success.”

6. According to the Zoptax Website, during the “Pre Sale” (May 30, 2019 through December 6, 2019), Zoptax is offering the Zoptax Coins for \$.23-\$.25 with a “bonus” of up to 20%. This is a discount on the “Public Sale” price of \$.25-\$.31. The Zoptax Website states that “a limited number of zoptax (sic) coins provide early investors the opportunity to get high profits with early investment.” The Zoptax Website further purports that the Initial Exchange Offering or IEO (May 10, 2019 through July 30, 2019) price will be \$.21-\$.31 with a “bonus” of up to 20%. The IEO price will increase 5% for every 2 million coins sold with a starting price of \$.25. According to the Zoptax Website, the maximum number of coins to be offered is capped at 30 Million.

7. The Zoptax Website provides the following graphic which purportedly illustrates some of the uses available with the Zoptax Coin, including investing:



8. The Zoptax Website and the Zoptax White Paper provide a timeline for the development of the Zoptax ecosystem. Zoptax refers to this timeline as a “Road Map,” and describes the stages as follows:

- a. November 2018 – Zoptax Idea Evaluation and Documentation
- b. January 2019 – Start of Zoptax Communication and Blockchain Development
- c. April 2019 – Initiation of Crowdsale and Launch of Zoptax Application Prototype
- d. September 2019 – Launch of Zoptax Desktop and Web Application
- e. January 2020 – International Events with brand positioning at international trade shows and fairs featuring other companies that are making waves in the Blockchain arena
- f. April 2020 – Launch of Zoptax Mobile Apps
- g. 2021 – Launch of Zoptax Mobile
- h. 2022 - Public Launch of Zoptax’s Blockchain Source

9. Zoptax describes how it will allocate the Zoptax Coins as follows:

- a. 40% to its public sale;
- b. 15% to its reserve fund;
- c. 20% to its team;
- d. 5% to its bounty;
- e. 15% to its advisors; and
- f. 5% to marketing.

10. Zoptax purports to list its coins on these cryptocurrency exchanges: ExMarkets, VinDAX, and TradeSatoshi.

11. The Zoptax Coins are neither registered with the Bureau, nor “federally covered”, nor exempt from registration.

12. Zoptax is not registered with the Bureau in any capacity.

**Omissions of Material Facts in Connection With The Offer Of Securities in the Zoptax ICO**

13. In connection with the offer of securities in the Zoptax ICO, Zoptax is omitting the following materials facts:

- a. how the funds raised in the ICO will be used;
- b. its physical address and its principal place of business;
- c. its assets and liabilities, or financial information about the business;
- d. information relating to the persons or entities that developed Zoptax, including the number of Zoptax Coins owned by these persons or entities, and the number of Zoptax Coins owned by the principals of Zoptax;
- e. any of the risks associated with the Zoptax coins, and
- f. that the Zoptax securities are not registered as required.

**CONCLUSIONS OF LAW**

14. The investments in Zoptax Coins offered through the Zoptax ICO are "securities" as defined by N.J.S.A. 49:3-49(m).

15. Zoptax is offering securities in the form of the Zoptax Coins that are not registered with the Bureau, nor "federally covered," nor exempt from registration, in violation of N.J.S.A. 49:3-60.

16. Zoptax is effecting or attempting to effect transactions in securities for the accounts of others or for its own account without registration in violation of N.J.S.A. 49:3-56.

17. In connection with the offer and sale of the Zoptax securities, Zoptax is making materially false and misleading statements and/or omitting to state material facts necessary in order to make

the statements made in light of the circumstances under which they were made, not misleading to investors, in violation of N.J.S.A. 49:3-52(b).

18. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Securities Law.

19. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

20. Zoptax violations are continuous and ongoing, therefore it is in the public interest that this Order be issued.

### **ORDER**

Therefore, based upon all of the foregoing,

It is on this 7<sup>th</sup> day of August 2019, hereby **ORDERED** that:

1. Zoptax and any person, employee, officer, director, entity, or independent contractor under Zoptax direction or control immediately CEASE AND DESIST from:
  - a. offering for sale any security in New Jersey until the security is registered with the Bureau or is offered for sale pursuant to an exemption from registration under the Securities Law;
  - b. acting as broker-dealers or agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law;
  - c. making material misstatements of fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which

they are made, not misleading in connection with its offer and/or sale of securities in New Jersey; and

d. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

2. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to Zoptax.

3. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby **REVOKED** as to Zoptax.



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Christopher W. Gerold  
Chief, New Jersey Bureau of Securities

### **NOTICE OF RIGHT TO HEARING**

Pursuant to N.J.S.A. 49:3-69(a)(1)(i) the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

**NOTICE OF OTHER ENFORCEMENT REMEDIES**

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.