

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

IN THE MATTER OF:

Buy Cannabis Stocks Investments Inc. a/k/a
BCSI Inc.,

Respondent.

**SUMMARY CEASE AND DESIST
ORDER**

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau Chief”)¹, under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“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 Buy Cannabis Stocks Investments Inc. a/k/a BCSI Inc. (“BCSI”).

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

FINDINGS OF FACT

A. The Respondent

1. BCSI conducts its business on the internet, principally by means of a website accessible at <https://buycannabisstocksinvestments.com/invest/> (“BCSI Website”).

¹ Pursuant to N.J.S.A. 49:3-66, Attorney General Matthew J. Platkin designated Cari Fais to serve as the Acting Bureau Chief in this matter. Ms. Fais currently serves as Acting Director of the Division of Consumer Affairs.

2. BCSI purports to be located at “5575 S Durango Dr, #11, Las Vegas NV 89125.” However, “#11” does not exist at this building and the purported zip code is incorrect for this location.

3. Furthermore, the BCSI Website shows a map purportedly of BCSI’s location at “5575 S Durango Dr #111, Las Vegas NV 89113,” which is the site of a physical therapy practice that is the sole tenant.

4. BCSI is not and has never been registered in any capacity with the Bureau.

B. The BCSI Securities

5. BCSI offers nine (9) different shares packages (collectively, the “BCSI Investment Packages”). The BCSI Investment Packages include a \$2,000 “Trial,” a \$60,000 “Premium,” a \$200,000 “Mega 200,” and a \$1 million “Ultimate.” The BCSI Investment Packages purport to offer monthly returns ranging from 7.5% up to 55%. BCSI publishes the following graphics on the BCSI Website to demonstrate the terms:

TRIAL	SILVER	GOLD	PREMIUM
\$2000	\$10000	\$20000	\$60000
<ul style="list-style-type: none">✓ PHARMACEUTICAL✓ \$2000 - \$1000000✓ TRIAL PLAN✓ Expected monthly returns: 7.5%	<ul style="list-style-type: none">✓ MEDICAL MARIJUANA✓ \$10000 - \$1000000✓ SILVER PLAN✓ Expected monthly returns: 15%	<ul style="list-style-type: none">✓ LEGAL HEMP/CBD OIL✓ \$20000 - \$1000000✓ GOLD PLAN✓ Expected monthly returns: 18-20%	<ul style="list-style-type: none">✓ LEGAL MARIJUANA✓ PREMIUM PLAN✓ \$60000 - \$1000000✓ Expected monthly returns: 40-55%
GET TRIAL	GET SHARES	GET SHARES	GET SHARES
NUMBER OF SHARES LEFT: 3,523/1,000,000	NUMBER OF SHARES LEFT: 70,100/1,000,000	NUMBER OF SHARES LEFT: 95,089/1,000,000	TOTALNUMBER OF SHARES SOLD OFF: 3,500,432

MEGA PLANS

MEGA 200	MEGA 300	MEGA 500	MEGA 700	ULTIMATE
\$200000	\$300000	\$500000	\$700000	\$1000000
<ul style="list-style-type: none"> ✓ LEGAL MARIJUANA ✓ \$200000 - \$2000000 ✓ MEGA PLAN ✓ Expected monthly returns: 50-55% 	<ul style="list-style-type: none"> ✓ LEGAL MARIJUANA ✓ \$300000 - \$2000000 ✓ MEGA PLAN ✓ Expected monthly returns: 50-55% 	<ul style="list-style-type: none"> ✓ LEGAL MARIJUANA ✓ \$500000 - \$2000000 ✓ MEGA PLAN ✓ Expected monthly returns: 50-55% 	<ul style="list-style-type: none"> ✓ LEGAL MARIJUANA ✓ \$700000 - \$2000000 ✓ MEGA PLAN ✓ Expected monthly returns: 50-55% 	<ul style="list-style-type: none"> ✓ LEGAL MARIJUANA ✓ \$1000000 - \$2500000 ✓ ULTIMATE PLAN ✓ Expected monthly returns: 50-55%
GET SHARES	GET SHARES	GET SHARES	GET SHARES	GET SHARES
TOTAL NUMBER OF SHARES SOLD OFF: 1,991.	TOTAL NUMBER OF SHARES SOLD OFF: 900.	TOTAL NUMBER OF SHARES SOLD OFF: 572.	TOTAL NUMBER OF SHARES SOLD OFF: 1,200.	TOTAL NUMBER OF SHARES SOLD OFF: 678.

6. BCSI, through the BCSI Website, indicates that these are cannabis stock investment packages related to pharmaceutical, medical marijuana, legal hemp/CBD Oil or legal marijuana.

7. Beyond the general type of cannabis, the BCSI Website offers little information regarding each BCSI Investment Package, the types of investment options, and how and when gains are calculated.

8. The BCSI Investment Packages are securities as defined by N.J.S.A. 49:3-49(m).

9. The BCSI Investment Packages are neither registered with the Bureau, nor “federally covered,” nor exempt from registration as required by the Securities Law.

C. BCSI Website

10. The BCSI Website does not provide any information regarding BCSI's officers, directors, or management team, and does not indicate the credentials, qualifications or experience of these individuals.

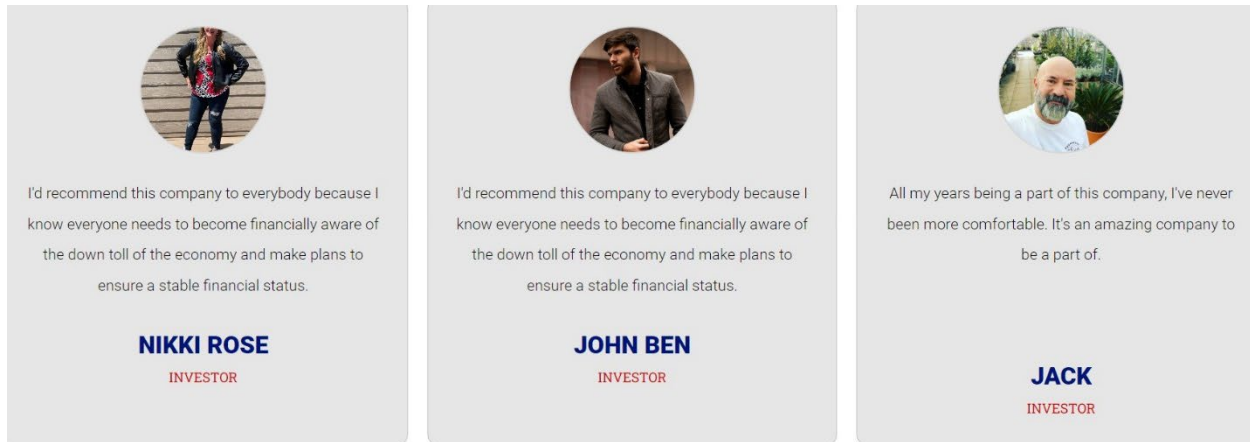
11. The BCSI Website, however, displays the following picture of the purported "BCSI Team on Trading Summit":



12. This photo, however, is from the online picture gallery of a dermatology practice located in Hamburg, Germany.

13. The BCSI Website has no phone number listed.

14. BCSI on the BCSI Website displays testimonials from purported clients with the following images:



15. At least one of these pictures, purporting to be “Nikki Rose” is of a person from a reality television show, not named Nikki Rose, whose photograph appears to have been taken from an online article dated May 29, 2020.

16. Although the BCSI Website indicates that they are offering and selling “Cannabis Stock Investments,” and the BCSI Website does not appear to offer or sell cannabis products, the disclaimer at the bottom of the webpage purports to be an “FDA Disclaimer”:

These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease. BCSI Inc. assumes no responsibility for the improper use of and self-diagnosis and/or treatment using these products. Our products should not be confused with prescription medicine and they should not be used as a substitute for medically supervised therapy. If you suspect you suffer from clinical deficiencies, consult a licensed, qualified medical doctor. You must be at least 18 years old to visit our website and make product purchases. We do not make any health claims about our products at BCSI. Before taking our products, it’s wise to check with your physician or medical doctor. It is especially important for people who are: pregnant, chronically ill, elderly, under 18, taking prescription or over the counter medicines. None of the information on our website is intended to be an enticement to purchase and may not be construed as medical advice or instruction. The use of any of our products for any reason, other than to increase general health & wellness, is neither, implied nor advocated by BCSI Inc.

D. False Event Flyer

17. “NewDay4U investment.” (“BCSI Facebook Group”) is a public group available on Facebook. The BCSI Facebook Group was initially created on March 11, 2019 with the name

“Buy cannabis stockshares solution team.” On September 20, 2020 the name was changed to “NewDay4U investment.”

18. The BCSI Facebook Group currently has four purported administrators and moderators. One of these purports to be “Nikki Rose,” an investor featured on the BCSI Website in the testimonials section discussed above, whose Facebook page displays the same photograph that appears to have been taken from an online article dated May 29, 2020. Another listed administrator/moderator claiming to be “Cavello Stephen” procured and used, without permission, the profile picture from another Facebook profile picture from a person not named Cavello Stephen.

19. Many of the discussions on the BCSI Facebook Group congratulate new BCSI investors, tout BCSI and discuss meeting up at a “summit.”

20. The BCSI Facebook Group contains a flyer (the “Fake Flyer”) soliciting participants for a purported “YEARLY SUMMIT” held by the National Organization for the Reform of Marijuana Laws (“NORML”) and sponsored by BCSI. The meeting purports to be in “Las Vegas” [sic] for a “discussion on cannabis legislature.”



21. The Fake Flyer, which gives the perception of a legitimate enterprise, contains numerous material misrepresentations, including but not limited to:

- a. at least one of the purported speakers listed has not heard of this “summit” nor agreed to attend;
- b. the summit will not be held at “Acres Cannabis,” now known as Curaleaf, as described;
- c. the name of the “Navada [sic] Dispensary Association,” changed in January 2022 to the Nevada Cannabis Association;
- d. the person identified as the Executive Director of the Nevada Cannabis Association is not the current Executive Director; and
- e. NORML has no connection to the “summit.”

E. False Bureau of Securities Consent Order

22. On or about September 14, 2022, an investor from Australia (“Australia Investor”) contacted the Bureau about BCSI. The Australia Investor provided a purported “Bureau of Securities Administrative Content [sic] Order” (the “Fake Consent Order”) issued by the Bureau.

23. The Fake Consent Order appears to be altered from a legitimate Consent Order issued by the Bureau and available on the Bureau’s website.

24. As the Fake Consent Order contains many of the Findings of Fact from the legitimate Consent Order that do not apply to BCSI, the Fake Consent Order provided to the investors contains numerous material misrepresentations, including but not limited to:

- a. “Buy Cannabis Stocks Investment was registered with the Bureau as a broker-dealer from July 22, 1999 through December 31, 2015;”
- b. “Buy Cannabis Stocks Investment maintains a main address of . . . Bridgehampton, New York;” and
- c. the Central Registration Depository registration number and contact information listed is that of the subject of the legitimate Consent Order.

25. Additionally, the Fake Consent Order includes a fictitious email and mailing address for the Bureau.

26. The Fake Consent Order is also purportedly signed by the Acting Bureau Chief and the purported President of BCSI, but these signatures appear to have been cut and reproduced from the Consent Order.

27. The Bureau did not authorize or issue the Fake Consent Order.

F. False Bureau of Securities Withdrawal Notice

28. On or about September 14, 2022, the Australia Investor asked the Bureau to verify whether it had instructed all BCSI investors to withdraw their funds and to pay 7% of their investment.

29. The Australia Investor provided the Bureau with a copy of a purported “Bureau of Securities Withdrawal Notice” (“Withdrawal Notice”) stating “[y]ou are ordered to pay 7% of your investment, as the BUREAU OF SECURITIES has ordered BCSI to stop all trading on cannabis stocks” and that “the Bureau Chief has hereby ordered all trades and investments to be withdrawn by/to all its investors till further notice to protect the public and investors’ interest.”

30. The Withdrawal Notice is not dated and appears on letterhead with the BCSI name and logo.

31. The Withdrawal Notice is also purportedly signed by the Acting Bureau Chief and the purported President of BCSI.

32. The signature for the Acting Bureau Chief and the purported BCSI President appears to have been cut and reproduced from a Consent Order issued by the Bureau and available on the Bureau's website.

33. The Bureau did not authorize or issue the Withdrawal Notice.

G. BCSI Payment Demand Notice

34. On or about November 9, 2022, BCSI sent at least four investors a Payment Notice ("Payment Notice") demanding that all BCSI investors "pay the sum of \$500 as trading fee" and stating that "payment of all investments" would begin "on the 30th of November till 1st of December." This \$500 trading fee was not previously disclosed.

35. The Payment Notice further pressured investors by stating that failure to provide payment information "might result in loss of profit or late payment which will attract additional payment fee."

H. Omissions of Material Facts to Potential Investors by BCSI in the Offer of BCSI's Investment Packages

36. In connection with the offer of securities on the BCSI Website, BCSI omits the following material facts:

- a. the identity of its principals and management;
- b. how the company invests investors' funds;
- c. the Company's financial statements, including its assets, liabilities, and profitability;

- d. information about the payment of taxes on any gains or losses incurred; and
- e. that the BCSI Investment Plans are not registered with the Bureau as required by the Securities Law.

I. False and Materially Misleading Statements of Material Facts by BCSI

37. As described above, BCSI provided at least one investor with the Fake Consent Order, which contains several materially misleading statements of material fact.

38. As described above, BCSI falsely states that the Bureau issued the Withdrawal Notice ordering investors to:

- a. withdraw all trades and investments; and
- b. pay 7% of their investment.

CONCLUSIONS OF LAW

39. The BCSI Investment Plans are “securities” as defined by N.J.S.A. 49:3-49(m).

40. BCSI is offering securities that are neither registered with the Bureau, nor “federally covered,” nor exempt from registration, in violation of N.J.S.A. 49:3-60.

41. In connection with the offer of the BCSI’s Investment Packages, BCSI is making false and materially misleading statements of material fact and 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).

42. 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 Law.

43. 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.

44. BCSI's violations are continuous and ongoing, therefore making a cease and desist order in the public interest and an appropriate remedy.

ORDER

THEREFORE, it is on this 6th day of December 2022, **ORDERED** that:

45. BCSI and any person, employee, officer, director, entity, agent, representative, or independent contractor under BCSI's 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, is offered for sale pursuant to an exemption from registration under the Securities Law, or is a federally covered security;
- b. 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;
- c. using the signature of Acting Bureau Chief Amy Kopleton and any other unauthorized signatures; and
- d. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

46. 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 BCSI.

47. 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 **DENIED** as to BCSI.

Cari Fais

Cari Fais
Acting Director
New Jersey Division of Consumer Affairs

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.