



PRESS RELEASE

Maryland Attorney General’s Securities Division Participates in Coordinated International Crypto Crackdown

BALTIMORE, MD (May 21, 2018) – Maryland Attorney General Brian E. Frosh today announced that his office’s Securities Division has taken an enforcement action as part of an international crackdown on fraudulent Initial Coin Offerings (ICOs) and cryptocurrency-related investment products.

As part of “Operation Cryptosweep,” the Securities Division issued a [Summary Order to Cease and Desist and Order to Show Cause](#) against Browsers Lab, LLC based in Windsor Mill. Using its website to pitch its token, Browsers Lab represents to investors that the tokens will create a new market, that the funds raised will be used to cover operating expenses, and that discounted tokens will be reserved for founders and loyal contributors to purchase before the official ICO is launched. The company has the right to a hearing before the order becomes final.

“Fraudulent activity involving ICOs and cryptocurrency-related investment products is a significant threat to investors in Maryland,” said Attorney General Frosh. “The Securities Division is committed to swiftly and effectively protecting investors from schemes and scams involving these products.”

In April 2018, the North American Securities Administrators Association (NASAA), of which the Attorney General’s Securities Division is a member, organized a task force of its member state and provincial securities regulators to begin a coordinated series of investigations into ICOs and cryptocurrency-related investment products. Maryland has joined with more than 40 other state and provincial securities regulators in the United States and Canada in “Operation Cryptosweep,” resulting in nearly 70 inquiries and investigations and 35 pending or completed enforcement actions since the beginning of the month. These actions are in addition to more than a dozen enforcement actions previously undertaken.

“The actions announced today are just the tip of the iceberg,” said Maryland Securities Commissioner Melanie Lubin, noting that NASAA’s task force also found approximately 30,000 crypto-related domain name registrations, the vast majority of which appeared in 2017 and 2018. A critical component of “Operation Cryptosweep” is raising public awareness of the risks associated with ICOs and cryptocurrency-related investment products.

“Not every ICO or cryptocurrency-related investment is fraudulent, but we urge investors to approach any initial coin offering or cryptocurrency-related investment product with extreme caution,” said Attorney General Frosh.

For more information about ICOs and cryptocurrencies, contact the Securities Division at securities@oag.state.md.us or 410-576-6882. The agency also has issued two investor advisories: “What to Know About ICOs” and “Be Cautious of the Crypto Investment Craze.” Both are available on the agency’s website at <http://www.marylandattorneygeneral.gov/Pages/Securities/pubs.aspx>.