

ADMINISTRATIVE PROCEEDING  
BEFORE THE  
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF: \*

AirBit Club, \*

Cecilia Millan, \* Case No. 2020-0107  
Rosalie Tawembe, and  
Hagar Ekane, \*

Respondents \*

\* \* \* \* \*

**SUMMARY ORDER TO CEASE AND DESIST AND  
ORDER TO SHOW CAUSE**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Securities Division”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2014 Repl. Vol. and Supp. 2020) (the “Securities Act”), undertook an investigation into the securities-related activities of Cecilia Millan, Rosalie Tawembe, and Hagar Ekane (“Respondents”), promoters of an investment scheme called AirBit Club; and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) has determined that Respondents have engaged and may continue to engage in acts or practices constituting violations of the registration and antifraud provision of the Securities Act in connection with their solicitation of individuals to invest in AirBit Club; and

WHEREAS, the Commissioner has determined that immediate action against Respondents is in the public interest;

NOW, THEREFORE, pursuant to sections 11-701.1(a) of the Securities Act, it is hereby:

ORDERED, that each Respondent, their employees, agents, and anyone else involved in the solicitation of investments in AirBit Club in Maryland, immediately cease and desist from violations of the registration and antifraud provisions of the Securities Act pending a hearing in this matter or until the Commissioner modifies or rescinds this Order.

Willful violation of this Order is punishable as a criminal offense under section 11-705 of the Securities Act by a fine not exceeding \$50,000 or imprisonment not exceeding three years, or both.

IT IS FURTHER ORDERED, that each Respondent show cause why a final order should not be issued against her assessing that Respondent a statutory penalty of up to \$5,000 per violation of the Securities Act, and permanently barring that Respondent from the securities or investment advisory business in Maryland.

## **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-801 of the Securities Act.

## **II. RESPONDENTS**

2. AirBit Club is an investment club that purports to offer members an opportunity to earn money from trading in cryptocurrency, including Bitcoin, and also through recruitment of new members into AirBit Club.

3. Upon information and belief, AirBit Club has no formal legal existence and is not organized in any US jurisdiction.

4. Cecilia Millan (“Millan”) is a resident of North Carolina and represents herself to be in the position of “Master Council” in AirBit Club. Millan actively promoted the AirBit Club

on social media and in personal appearances around the United States, including Maryland.

5. Rosalie Tawembe (“Tawembe”) is a resident of Silver Spring, Maryland.

Tawembe actively recruited members in Maryland to invest in AirBit Club and appeared on at least one video on social media promoting AirBit Club to new members.

6. Hagar Ekane (“Ekane”) is a resident of Laurel, Maryland and represents herself as a pastor of Christ Compassionate Commissioners Church. Ekane actively recruited members in Maryland to invest in AirBit Club, including recruiting members of the church where Ekane is pastor.

7. Both Tawembe and Ekane are originally from Africa and both have relationships with other members of the African immigrant community in Maryland.

### **III. STATEMENT OF FACTS**

8. Between 2017 and at least through 2019, Respondents actively promoted the sale in Maryland of AirBit Club investments.

9. On May 29, 2019 Millan headlined a training and recruitment program for AirBit Club members at the Cambria Hotel in College Park, Maryland (“Cambria Presentation”). Other presenters at that Cambria Presentation included Tawembe and Ekane, both of whom were identified as “Future Master Council.”

10. Tawembe and Ekane directly solicited Maryland residents to purchase investments in AirBit Club and held recruitment meetings to promote others to recruit new members into AirBit Club.

11. AirBit Club offered several investment options in the form of memberships to prospective members. For example, investors could purchase a “Pro” membership in AirBit

Club for \$1,000 and could purchase multiple Pro memberships. Investors could purchase higher value memberships in AirBit Club, including a “Silver” membership for \$15,000.

12. Respondents represented that AirBit Club members would earn income from two sources. Specifically, Respondents represented that members would earn income from AirBit Club’s daily trading in Bitcoin or cryptocurrency. Respondents also represented that AirBit Club members would earn income from recruiting new members into AirBit Club in the form of recruitment bonuses.

13. Respondents represented that AirBit Club members would earn a guaranteed daily return on their investment, depending on the amounts invested.

14. Tawembe told one prospective Maryland investor that he could expect a \$7-\$10 daily return on his investment with AirBit Club and that, within a year, his investment would double.

15. Tawembe told another prospective Maryland investor that he would receive a \$300 commission for every new account he opened plus an additional commission for recruiting new members.

16. Ekane told one prospective Maryland investor that he would earn a minimum of \$9 per day, and that there was no risk of him losing money. Ekane told another prospective Maryland investor and her husband that their investment would earn a \$6-\$12 daily return.

17. Ekane told another prospective Maryland investor that he could expect his investment to double within six months. She told another prospective Maryland investor that she could expect her investment to double in 225 days.

18. Both Tawember and Ekane represented to several prospective Maryland investors that funds those investors invested in AirBit Club could be withdrawn at any time after 225 days.

19. At the Cambria Presentation, Millan told attendees that if they paid \$1,000 for a membership account, the investors would receive credit for a \$1,200 investment. Millan also told attendees that they would receive commissions for new members they recruited to join AirBit Club.

20. Several Maryland investors purchased AirBit Club memberships after attending Millan's Cambria Presentation.

21. Ekane explained to one prospective Maryland investor that she recruited into AirBit Club that for every new person he recruited into AirBit Club, he would earn a commission of \$350 and Ekane would earn a commission of \$150.

22. Ekane and Tawember often insisted that prospective AirBit Club investors pay for their investments in cash, and many investors did make payment to those individuals in cash.

23. The memberships that Respondents sold to Maryland members in Airbit Club were securities in the form of investment contracts. In addition to the fact that Respondents told prospective investors that their funds would be pooled and used to invest in cryptocurrency, Respondents also promised investors that they would receive rewards for recruiting new individuals into AirBit Club in a multi-level structure that relied on recruitment of new members into the scheme to pay existing investors.

24. Many Maryland investors in Airbit Club did not receive any return on their investment in Airbit Club, and many have been unable to access any of the funds they invested in Airbit Club.

25. On August 18, 2020, the United States Attorney for the Southern District of New York announced the unsealing of an indictment against Millan and other individuals for their roles in promoting AirBit Club, which the US Attorney's Office alleged to be an internationally

coordinated fraud and money laundering ring whose promoters falsely promised that AirBit Club earned returns on cryptocurrency mining and trading and that members would earn passive, guaranteed daily returns on any membership purchased. The US Attorney's Office also alleged that while members saw "profits" accumulate on their Online Portal, those representations were false: No Bitcoin mining or trading on behalf of members in fact took place.

26. On August 18, 2020, the United States Securities and Exchange Commission ("SEC") filed a complaint alleging that Millan and other promoters of Airbit Club violated the broker-dealer registration provision of Section 15(a) of the Securities Exchange Act of 1934, 15 U.S.C. §78o(a), by promoting the AirBit Club as an investment contract security without first registering with the SEC.

**COUNT I**  
**(Offer or Sell of Unregistered Securities - section 11-501)**

WHEREAS, section 11-501 of the Securities Act makes it unlawful for any person to offer or sell a security in this State unless the security is registered, is exempt from registration under the Act, or is a federal covered security; and

WHEREAS, section 11-101(s) of the Securities Act defines "security" to include, among other things, any note, stock, bond, investment contract, evidence of indebtedness, certificate of interest in or participation in profit-sharing agreement, or any interest or instrument commonly known as a security; and

WHEREAS, Respondent solicited investments in AirBit Club and promised financial rewards from a passive investment whereby investors would earn profits from AirBit Club's trading of cryptocurrency; and

WHEREAS, Respondents solicited investments in AirBit Club and promised that investors would earn additional returns on their investment for recruiting new investors; and

WHEREAS, the AirBit Club investments that Respondents offered and sold constitute a “security” within the meaning of section 11-101(s) of the Securities Act; and

WHEREAS, there is no record of a registration filing, a claim of exemption from registration, or a notice filing, on behalf of the AirBit Club with the Securities Division; and

WHEREAS, Respondent offered and sold an unregistered security in violation of section 11-501 of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondents, their employees, agents, and anyone under their control involved in the sale of AirBit Club investments cease and desist from offering and selling AirBit Club investments in or from Maryland, pending a hearing in this matter or until the time the Commissioner modifies or rescinds this Order.

IT IS FURTHER **ORDERED**, that Respondents show cause why a final order should not be issued, assessing each Respondent the statutory penalty of up to \$5,000 per violation of section 11-501, and permanently barring each Respondent from the securities and investment advisory business in Maryland.

**COUNT II**  
**(Fraud or Misrepresentation in connection with the Offer, Sale or Purchase of Securities – section 11-301)**

WHEREAS, section 11-301 of the Securities Act makes it unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit on any person; and

WHEREAS, Respondents offered and sold securities in the form of AirBit Club memberships to prospective Maryland investors and falsely claimed that investments in AirBit Club would generate a significant return, and further falsely claimed that investors could withdraw funds they invested in AirBit Club after a specific number of days; and

WHEREAS, Respondents failed to provide, *inter alia*, material disclosure to AirBit Club investors about the nature of the AirBit Club investment and the background of the company or its officers and directors;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondents their employees, agents, and anyone under their control involved in the sale of investments in AirBit Club securities cease and desist from engaging in fraud in connection with the offer or sale of securities in violation of section 11-301 of the Securities Act in or from Maryland, pending a hearing in this matter or until the time the Commissioner modifies or rescinds this Order.

IT IS FURTHER **ORDERED**, that Respondents show cause why a final order should not be issued, assessing each Respondent the statutory penalty of up to \$5,000 per violation of section 11-301, and permanently barring each Respondent from the securities and investment advisory business in Maryland.

**COUNT III**  
**(Unregistered Broker-Dealer and/or Agent - section 11-401)**

WHEREAS, section 11-401 of the Securities Act makes it unlawful for any person to transact business in the offer and sale of securities in this state as a broker-dealer or agent unless that person is registered as such pursuant to the Act; and

WHEREAS, section 11-101(c) of the Securities Act defines "broker-dealer" to mean a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and



WHEREAS, section 11-101(b) of the Securities Act defines “agent” to mean an individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect the purchase or sale of securities; and

WHEREAS, Respondents transacted business as a broker-dealer or agent in this State by engaging in the offer or sale of securities; and

WHEREAS, Respondents are not registered with the Securities Division as a broker-dealer or agent, or in any other capacity;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondents, their employees, agents and anyone under their control involved in the offer or sale of AirBit Club securities, cease and desist from acting as broker-dealers or agents in this state pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order.

IT IS FURTHER **ORDERED** that each Respondent show cause why a final order should not be issued, assessing each Respondent the statutory penalty of \$5,000 per violation of the broker-dealer and broker-dealer agent registration provisions, and permanently barring each Respondent from the securities and investment advisory business in Maryland.

**COUNT IV**  
**(Employment of Unregistered Agents for Sale of Securities –section 11-402)**  
**(Against Respondent AirBit Club)**

WHEREAS, the Act defines "broker-dealer" to include a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and

WHEREAS, the Securities Act defines “agent” to mean an individual other than a broker-dealer, including a partner, officer or director of an issuer, who represents a broker-dealer or issuer in effecting or attempting to effect the purchase or sale of securities; and

WHEREAS, the Securities Act defines “issuer” to be a person who issues or proposes to issue a security; and

WHEREAS, the investment opportunities in the AirBit Club that Respondents offered or sold to Maryland investors are securities under the Securities Act; and

WHEREAS, Respondent AirBit Club acted as a broker-dealer or issuer and employed unregistered agents to offer and sell securities in and from Maryland without being registered to do so; and

WHEREAS, section 11-402 of the Act makes it unlawful for any broker-dealer or issuer to employ an agent for the offer or sale of securities in this state unless the agent is registered pursuant to the Act; and

WHEREAS, Respondents acted as agents for the offer and sale of AirBit Club securities, although not registered with the Securities Division as an agent;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent AirBit Club, its employees, agents, and anyone under its control cease and desist from employing unregistered agents for the offer or sale of securities in or from this state, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order.

IT IS FURTHER **ORDERED** that Respondent AirBit Club show cause why a final order should not be issued, assessing that Respondent the statutory penalty of \$5,000 per violation of section 11-402’s broker-dealer and broker-dealer agent registration-requirement provisions, and permanently barring that Respondent from the securities and investment advisory business in Maryland.

**REQUIREMENT OF ANSWER AND  
NOTICE OF OPPORTUNITY FOR HEARING**

IT IS FURTHER **ORDERED**, pursuant to section 11-701.1 of the Securities Act and the Code of Maryland Regulations, COMAR 02.02.06.06, each Respondent shall file with the Commissioner a written Answer to this Order within fifteen days of service of the Order. The Answer shall admit or deny each factual allegation in the Order and shall set forth affirmative defenses, if any. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

The Answer also shall indicate whether the Respondent requests a hearing. A hearing will be scheduled in this matter if one is requested in writing. Failure by any Respondent to file a written request for a hearing in this matter shall be deemed a waiver by that Respondent of the right to such a hearing.

Failure of a Respondent to file an Answer or a request for a hearing shall result in entry of a final order directing that Respondent permanently to cease and desist from violation of the Securities Act, and imposing the sanctions sought in this Order.

SO ORDERED:

**Commissioner's Signature on File  
w/Original Documents**

December 4, 2020

---

MELANIE SENTER LUBIN  
SECURITIES COMMISSIONER