

\$722 million cryptocurrency Ponzi scheme

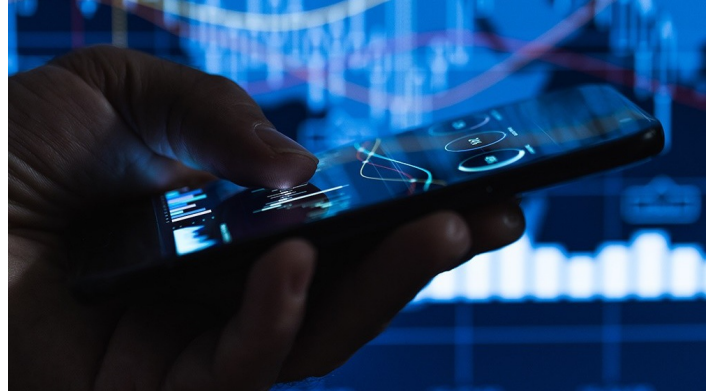
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On December 10, 2019, federal prosecutors in the District of New Jersey announced that they had arrested three men in connection with an alleged \$722 million cryptocurrency Ponzi scheme, referred to as “BitClub Network.” In the related criminal indictment, which contain charges against five people in total, federal prosecutors allege that the defendants had defrauded thousands of victims by inducing them to invest in BitClub Network. Prosecutors say that BitClub Network, which purported to provide investors with profits from BitCoin mining, was in fact a fraudulent Ponzi scheme. The defendants, all of which created, operated, and/or promoted BitClub Network, have been charged with conspiracy to commit wire fraud and conspiracy to offer and sell unregistered securities.


Withers is aware that some of our clients may have invested in BitClub Network, and may be affected by the alleged Ponzi scheme. We are monitoring the BitClub Network criminal action for further developments. If you or anyone you know is affected by the BitClub Network alleged Ponzi scheme, Withers’ securities law and cryptocurrency teams are available to answer any questions you may have. Please contact us for further information.

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