STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
UNIFOX	)	
	)	**ADMINISTRATIVE ORDER**
DALIBOR MALEK	)	**NO. CD-2018-0023**
VADIM BELOUSOV	)	
JAN TUREK	)	
	)	
	)	
RESPONDENTS	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. UNIFOX ("**UNIFOX**") is an United Arab Emirate corporate registrant operating an online entity that combines emerging technologies "… to solve the issue and usability of cryptocurrencies." **UNIFOX** operates by means of the domain name "UNIFOX.IO" and is accessible through the website: http://ico.unifox.io. **UNIFOX**, may be served through its United States domain name registrar, GoDaddy.com, LLC located at 14455 N Hayden Rd Ste 226 Scottsdale, Arizona 85260, via GoDaddy.com. **UNIFOX** may also be served through a U.S. network services provider, Cloudfare, Inc. located at 101 Townsend Street, San Francisco, California, 94107, via Cloudfare.com.

2. DALIBOR MALEK ("**MALEK**") is represented on the **UNIFOX** website as the "Co-Founder" of **UNIFOX** and chief executive officer. **MALEK** may be served through its domain registrar, GoDaddy.

3. VADIM BELOUSOV ("**BELOUSOV**") is represented in the **UNIFOX** website as the "Co-Founder" of **UNIFOX** and chief technology officer. **BELOUSOV** may be served through its domain registrar, GoDaddy.

4. JAN TUREK ("**TUREK**") is represented in the **UNIFOX** website as the "Co-Founder" of **UNIFOX**. **TUREK** may be served through its domain registrar, GoDaddy.

STATEMENT OF FACTS

5. On or about November 7, 2018, Commission staff discovered an Initial Coin Offering ("ICO") advertisement on social media "*Imagine MasterCard for cryptocurrencies. Unifox represent* [sic] *an entire crypto-friendly ecosystem which will help to adopt blockchain technology into the world.*" The advertisement was published to the social media site on October 28, 2018, via Twitter and accessible to Alabama residents at that time.

6. The **UNIFOX** twitter address for the advertisement is Unifox.io @UniFoxNetwork. The **UNIFOX** Twitter page banner reads: "*Invest in ICO with working ecosystem.*" Pinned tweets to the **UNIFOX** twitter page promote readers that the "*Presale is Live!!!*", "*Get involved in the Cryptofriendly ecosystem which will help to adopt blockchain technologies into nowadays world.*" Additionally, the twitter advertisement promotes the purchase of FOX Tokens at the **UNIFOX** website listed as Unifox.io as evidenced by advertised statement; "*First 48 hours – 50% bonus!!! Get your Fox tokens here >> unifox.io*". Additional Twitter promotions from the Twitter address listed as: Przemek Ostrowski Unifox ICO, at backoffice.unifox.io, solicits investors to; "*Invest 1700$ today and get 1510$ monthly passive income in 4Q 2020..*".

7. According to the UNIFOX whitepaper **MALEK, BELOUSOV** and **TUREK** are identified as the Co-Founders of **UNIFOX**. **MALEK** is listed as the Chief Executive Officer (CEO), **BELOUSOV** is listed as the Chief Technical Officer (CTO) and **TUREK** as co-founder.

8. According to the **UNIFOX** website, and white paper, **UNIFOX** was created to "*solve the issue of availability and usability of cryptocurrencies*" by merging the **UNIFOX** blockchain basic unit, FOX coin, with a network of kiosks, online exchange offices, POS terminals, exchanges and a **UNIFOX** proprietary accounting unit "*UNICASH.*" The creation of the blockchain and technology and its subsequent implementation will be made possible through

an infusion of capital via an Initial Coin Offering ("ICO") where by investors may purchase a digital asset, Fox Coins, from the company. As explained on the UNIFOX website, the "*Fox [coin] is both a utility & security token, and this [sic] exactly what makes the FOX unique. By holding more than 6000 FOX you will automatically become a shareholder of UNIFOX and earn a dividend from each transaction conducted in our infrastructure.*"

9. Offering materials reveal **UNIFOX** is seeking "to raise 100,000,000.00 USD in a two phase ICO event. The first phase will include private investors, and the second phase, or "*main event*" will be available to the general public. Visitors to the UNIFOX website are encouraged to click on a link to purchase FOX Tokens.

10. Additionally, the **UNIFOX** offering materials state that token shall receive a Return on Investment ("ROI") i.e. Dividend being a net share of the profits of UNIFOX. Dividends in the form of UNICASH are automatically paid to the token holders. UNIFOX offering materials cite ROI's in excess of 73%. Additionally, the UNIFOX website contains a section: "*How much money can I make*?" This section of the website contains a timeline of two sliding scales projecting the amount of investment "Expected price of FOX" and a timeline "*Time the calculation relates to – Q4 2018 to Q4 2022.*" Manipulation of the scales provides "*the expected value of your investment*", your "*expected monthly dividend*" and a "*Masternode Bonus*." Potential investors visiting the UNIFOX website and manipulating the investment timeline will see ROI projections between 73% and 7342%.

11. On November 21, 2018, a review of the registration files of the Alabama Securities Commission revealed no record of registration, nor any perfected exemption from registration for the securities offered and sold by **UNIFOX**. In addition, the **RESPONDENTS** were neither registered to offer or sell securities in Alabama, nor exempt from registration.

12. A corporation search of the Alabama Secretary of State's online website revealed no registration for **UNIFOX** as a business entity or a foreign corporation to do business in the State of Alabama.

CONCLUSIONS OF LAW

13. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes investment contracts and profit sharing agreements. **RESPONDENTS'** investment

plans require investors to invest money into the common investment plan in order to pool their investments with other investors. Investors share and expect a profit, as represented by **RESPONDENTS**, and the profit is derived from the managerial efforts of **RESPONDENTS**. Therefore, **RESPONDENTS'** ICO development plans constitute investment contracts and profit sharing agreements and are "securities" as defined by the Act.

14. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities, i.e. the investment contracts and/or profit sharing agreements offered and sold by **RESPONDENTS** were neither registered nor subject to a perfected exception from registration in Alabama at the time of solicitation or sale and were offered and sold in violation of the Act.

15. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of an "issuer" includes every person who proposes to issue, or has issued any security. **RESPONDENTS**, by issuing securities, to wit: investment contracts and/or profit sharing agreements, are an "issuer" as defined by the Act.

16. Pursuant to Section 8-6-17(a)(2), Code of Alabama 1975, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, to make or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading. **RESPONDENTS** failed to disclose that the investments offered and sold by **RESPONDENTS** were securities, which required registration in the state of Alabama, a material omission, in violation of the Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment

imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 26th day of November 2018.

ALABAMA SECURITIES COMMISSION

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BY:

Joseph P. Borg

Director