

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98526 / September 26, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21726

In the Matter of

**BRIAN BARTLETT AMOAH
and ELBERT “AL”
ELLIOTT,**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Brian Bartlett Amoah (“Amoah”) and Elbert “Al” Elliott (“Elliott”) (collectively, “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. SUMMARY

1. From approximately August 2018 through November 2019, Amoah and Elliott conducted an unregistered offering of a crypto asset security called BXY. The BXY offering was not registered with the Commission and did not satisfy any exemption from registration. Further, neither of the Respondents were registered with the Commission as brokers, despite the fact that they each effected transactions in BXY for customers’ accounts, advised prospective investors about the merits of investing in BXY, and received transaction-based compensation.

2. In addition, Amoah and Elliott knowingly, recklessly or negligently made materially false and misleading statements in the offer and sale of, and in connection with the purchase and sale of, BXY, including about the markup charged, the delivery of account statements, the liquidation of an investor's BXY, their personal investments in BXY, and the financial and management problems occurring at BXY's issuer in late 2019. Amoah also failed to deliver repurchased BXY to certain investors. All told, Amoah and Elliott raised at least \$1.5 million in proceeds through the unregistered and fraudulent offers and sales of these securities to approximately 100 individuals, many of whom had no experience investing in crypto assets.

B. RESPONDENTS

3. Amoah, age 41, resides in Oswego, Illinois. From April 2017 through September 2022, Amoah was the president and sole owner of Chicago Crypto Capital LLC ("CCC"), an Illinois limited liability company that offered and sold crypto assets, including crypto asset securities. CCC has never been registered with the Commission as a broker-dealer. From 2015 until April 2017, Amoah was employed by a Chicago-based dealer of precious metals. From September 2007 until April 2009, Amoah was associated with a commodities broker located in Los Angeles, California. Amoah has never been registered with the Commission or associated with a registrant in any capacity.

4. Elliott, age 66, is a resident of East Chicago, Indiana. From February 2019 through at least January 2020, Elliott was employed by CCC where he offered and sold crypto assets, including crypto asset securities. Elliott has never been registered with the Commission or associated with a registrant in any capacity. In December 2005, Elliott was charged by the State of Indiana with fraud, misappropriation and selling securities in an unregistered offering. Elliott entered a guilty plea and served five years in prison.

C. OTHER RELEVANT ENTITIES

5. CCC has its headquarters in Chicago, Illinois. CCC sells crypto assets and markets other blockchain-related investments. CCC has never been registered with the SEC as a broker-dealer, nor has it ever registered or attempted to register any offering of securities under the Securities Act or any class of securities under the Exchange Act.

6. Beaxy Digital Ltd. ("Beaxy") was a Saint Kitts and Nevis corporation with its principal place of business in Chicago, Illinois. Beaxy operated a crypto asset trading platform known as the "Beaxy Exchange" until October 2019.

D. ENTRY OF THE INJUNCTION

7. On September 14, 2022, the Commission filed a complaint in the United States District Court for the Northern District of Illinois against Amoah, Elliott, CCC, and another defendant concerning the same conduct and violations described below. *SEC v. Chicago Crypto Capital LLC, et al.*, 22-cv-4975.

8. On May 10, 2023, the district court entered a final judgment by default against Amoah and Elliott, permanently enjoining them from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.

9. Amoah and Elliott have not acknowledged any wrongdoing or offered any assurances against future violations of the federal securities laws.

E. AMOAH AND ELLIOTT WERE UNREGISTERED BROKERS AND CONDUCTED AN UNREGISTERED OFFERING OF BXY TOKENS

10. Around August 2018, Amoah entered into an arrangement with Beaxy on behalf of CCC to sell BXY, a crypto asset security. The companies agreed that CCC would sell BXY to investors for up to \$0.05 each, but that CCC would pay Beaxy only \$0.02 each and retain the \$0.03 difference. Beaxy intended to use the profits of the BXY offering to fund its development of the Beaxy Exchange and related applications.

11. CCC also was permitted to purchase tokens for its own account at the same price. CCC was not required to sell or purchase any specific quantity of BXY. Instead, CCC’s role was to sell BXY to a large number of retail investors in order to increase the number of users of the Beaxy Exchange and generally to raise money for Beaxy.

12. The BXY offering was not registered with the Commission and did not satisfy any exemption from registration. Further, Amoah and Elliott were not registered with the Commission as brokers and were not associated with a Commission-registered broker-dealer.

13. Nevertheless, from August 2018 through November 2019, Amoah, Elliott, and other CCC salespeople offered and sold BXY, raising at least \$1.5 million from approximately 100 individuals, many of whom lacked experience investing in crypto assets and were not accredited investors.

14. CCC salespeople, including Amoah and Elliott, used a variety of methods to generally solicit investors, including cold-calling potential investors from all over the United States.

15. Amoah supervised and approved the creation of sales scripts and written materials, which CCC provided to its salespeople. The CCC scripts and written materials touted the potential for investors to realize significant profits by investing in BXY through CCC.

16. Amoah also encouraged CCC salespeople to use aggressive language and tactics in phone conversations with potential investors, and trained them not to “take the first no for an answer.”

17. Elliott employed these sales tactics, and one of his BXY customers was an older person with no prior knowledge or experience with crypto assets. This investor relied on Elliott to educate her about investing in crypto assets, and told him that she needed to preserve her assets for retirement and could not afford to lose her investment. However, Elliott assured the investor that BXY was a safe investment. After numerous telephone, text and email conversations, Elliott persuaded this investor to purchase \$47,000 in BXY, which are essentially worthless today.

18. In return for its solicitation efforts, CCC was compensated through its markup of up to 150% on each BXY sold to investors. CCC compensated its salespeople, including Elliott, by paying them a portion—typically 40%—of the markup CCC received on each BXY sale.

19. CCC also handled investors' funds and held BXY on investors' behalves without first purchasing BXY from the issuer for later resale.

F. AMOAH AND ELLIOTT ENGAGED IN FRAUD AND MISREPRESENTATIONS

20. In various sales-related communications, including sales scripts and oral communications, CCC's salespeople told investors they were providing them with a discount from the price of \$0.05 per BXY. But CCC's salespeople failed to inform investors that CCC actually acquired BXY at a cost of only \$0.02 each and that CCC was charging the investors a markup above that price.

21. After BXY became publicly tradable, from June 12, 2019 through November 2019, CCC sold BXY based on the price quoted on certain crypto asset trading platforms, plus a significant markup that CCC salespeople failed to explain or disclose to investors.

22. On July 11, 2019, when the quoted closing price of BXY was \$0.055 per token, Elliott sold \$10,000 in BXY to an investor for \$0.11 each, without disclosing that this price was about twice the cost to CCC.

23. Although Amoah and Elliott both knew CCC was collecting a substantial markup commission on each BXY sale, they each failed to disclose this commission to investors. To the contrary, they each represented that funds from the sale would be used by Beaxy to develop the Beaxy Exchange.

24. In reality, Amoah and CCC used proceeds retained from the BXY offering to fund Amoah's personal expenses, including travel, dining, and flowers for Amoah's wedding, as well as to compensate CCC's salespeople and purchase BXY for CCC's own account.

25. In addition, Amoah failed to deliver any BXY to at least a dozen investors who prepurchased BXY between August 2018 and November 2019. And even though certain investors repeatedly contacted him to request delivery of their prepurchased BXY, Amoah failed to answer their requests, falsely promised to look into their requests but failed to follow up, or provided various excuses why he could not comply.

26. Further, Elliott made statements to several BXY investors that were either materially false or highly misleading, including that he personally had invested in BXY, as had members of his family, and that he had other customers who had investments of at least \$250,000 in BXY. Elliott even told an investor that BXY had “strong [price] support” and would not fall for a period of time. Elliott knew or was reckless in not knowing that all of these statements were false.

27. Finally, Amoah and Elliott told investors in the fall of 2019 that they expected BXY to generate large returns, but failed to tell those investors that they each were aware of serious financial and operational problems at Beaxy that threatened the viability of Beaxy and the BXY crypto asset security.

G. VIOLATIONS

28. As a result of the conduct described above, Amoah and Elliott violated:

a. Securities Act Sections 5(a) and (c), which respectively state that, unless an exemption applies:

i. “Unless a registration statement is in effect as to a security, it shall be unlawful for any person, directly or indirectly, (1) to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such a security through the use or medium of any prospectus or otherwise, or (2) to carry or cause to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale”; and

ii. “It shall be unlawful for any person, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to such security”;

b. Securities Act Section 17(a), which prohibits directly or indirectly, in the offer or sale of securities, employing devices, schemes, or artifices to defraud, obtaining money or property by means of untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were or are made, not misleading, or engaging in transactions, practices or courses of business which operated, operate, or would operate as a fraud or deceit upon the purchaser, while using the means or instruments of transportation or communication in interstate commerce or using the mails;

c. Exchange Act Section 15(a), which, unless an exemption applies, prohibits a broker or dealer from using the mails or any means or instrumentality of interstate commerce to effect any transactions in, or induce or attempt to induce the purchase or sale of, securities, without being registered as, or associated with, a registered broker-dealer; and

d. Exchange Act Section 10(b) and Rule 10b-5, which prohibit directly or indirectly, in connection with the purchase or sale of a security, employing devices, schemes, or artifices to defraud, making untrue statements of material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were or are made, not misleading, or engaging in acts, practices or courses of business which operated, operate, or would operate as a fraud or deceit upon any person while making use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondents shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondents fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondents by any means permitted by the Commission's Rules of Practice.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an appearance on behalf of the Division, and not by paper service.

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system access through the Commission's website, www.sec.gov, at <http://www.sec.gov/eFAP>. Respondents also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17

C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary