

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**MAURICIO CHAVEZ,
GIORGIO BENVENUTO, and
CRYPTOFX, LLC,**

Defendants,

and

CBT GROUP, LLC,

Relief Defendant.

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CIVIL ACTION No. 4:22-cv-03359

JUDGE ANDREW S. HANEN

**RESPONSE TO RECEIVER’S MOTION FOR AN ORDER TO
SHOW CAUSE WHY DEFENDANT MAURICIO CHAVEZ
SHOULD NOT BE HELD IN CIVIL CONTEMPT FOR FAILING
TO COMPLY WITH THIS COURT’S ORDER APPOINTING RECEIVER**

Table of Contents

Table of Authorities iii

I. Statement of Issues to be Ruled upon by the Court and Stage of Proceedings 1

II. Summary of the Argument..... 1

III. Factual Background 1

 A. Mr. Chavez Starts in Crypto 2

 B. CryptoFX’s Venture Agreements Disclosed Risk. 2

 C. CryptoFX’s Classes were no Pretext. 3

 D. CryptoFX’s Returns were far Below What Crypto was Offering..... 4

 E. CryptoFX Grew Beyond its, or Mr. Chavez’s, Management Capabilities. 5

 F. The Candid Texts Belie Any Claim of Fraud. 10

 G. Mr. Chavez did not try to Hide any Assets..... 10

 H. Mr. Chavez’s Efforts to Comply with the Court’s Order. 11

IV. The Receiver’s Issues 14

 A. Sworn Statements..... 14

 B. Cars 15

 C. Mr. Chavez’s 2021 Tax Return..... 16

 D. Trust Documents..... 16

 E. Continuing Operations 17

 F. Passwords and Safe Combinations 18

 G. Funds..... 19

 H. Laptop and Phones..... 19

V. Conclusion 20

Table of Authorities

Cases

Commonwealth v. Davis,
656 Pa. 213 23

United States v. Doe,
465 U.S. 605(1984)..... 23

US v. Hubbell,
530 U.S. 27 (2000)..... 21, 23

Defendant Mauricio Chavez responds to the Receiver's Motion for an Order to Show Cause Why Defendant Mauricio Chavez Should not be Held in Contempt for Failing to Comply with this Court's Order Appointing Receiver [ECF No. 39] ("Receiver's Motion") and would respectfully submit that the Receiver's Motion should be denied.

I. Statement of Issues to be Ruled upon by the Court and Stage of Proceedings

The issue before the Court is whether it should issue an order to show cause why Mr. Chavez should not be held in contempt of this Court's Order Appointing Receiver. The movant must prove contempt by clear and convincing evidence.¹ This case is in the discovery phase. No trial date has been set.

II. Summary of the Argument

While Mr. Chavez may have struggled to adjust to having his life turned upside down by the seizure of his business and his inability to retain counsel, he has not disregarded this Court's orders. Among other things, Mr. Chavez has shown the Receiver around the around the office and introduced him to staff, Mr. Chavez and his counsel have turned over assets to the Receiver, and Mr. Chavez has permitted the Receiver to search and inventory his home. Mr. Chavez's invocation of his Fifth Amendment rights, including the act of production privilege, prevents him from providing the sworn statements and materials the Receiver requests.

III. Factual Background

The pleadings in this case to date give the impression that Mauricio Chavez devised an evil scheme to "target" the Latin community and defraud them of their money. That is *not* what happened.

¹ Receiver's Motion [ECF No. 39] ¶ 27.

A. Mr. Chavez Starts in Crypto.

Mauricio Chavez was born in El Salvador, but he has lived in the United States since he was in middle school. He is a United States citizen.² He started trading cryptocurrency for his own account in late 2015 at the age of 36. At that time bitcoin's price hovered around \$350. Over the next several years, he traded and learned about bitcoin and its price just kept doubling and doubling again and again and again. As people Mr. Chavez knew saw press reports of the fortunes being made in bitcoin and heard that he knew how to invest, they asked him to teach them about it. He started giving seminars at Denny's restaurants explaining to people how they could open a bitcoin wallet and trade and invest. As part of those classes, he would sometimes conduct live trades using his own bitcoin wallet. Those trades were often profitable. When the students saw this, they started asking if they could just give him money to trade for them.

B. CryptoFX's Venture Agreements Disclosed Risk.

In early 2020, Mr. Chavez started CryptoFX along with his partner, Eduardo Taffinder, and Gustavo Gomez. In exchange for a payment, students gained access to classes on how to trade crypto or forex and the chance for a return on what they had paid. This was recorded in single-page carbon paper forms they called a "Venture Agreement," that had only the barest of terms. The forms had handwritten in the student's name, the amount they were contributing and whether they wanted their reward monthly, every three months, or six months. The papers show generous potential returns that varied, but were most often 15% per month.³

Over time, the forms, which were printed in all caps, were modified and more terms and disclaimers were added to the still hand-completed forms, including provisions that "WE ARE

² The Receiver also asks the Court, without citing authority, or any actual support, to order Mr. Chavez to surrender his passport. (Receiver's Motion [ECF No. 39] ¶ 30). There is no basis for any such relief against a person who is a citizen of the United States and not of any other country and who has lived exclusively in this country for his entire adult life.

³ Ex. 25.

TAKING YOUR MONEY AND INVESTING IN OUR BEHALF. IF WE RECEIVED (sic) ENOUGH RETURN ON CRYPTO CURRENCY, WE WILL REPAY THE STUDENT A PORTION OF THE TOTAL TUITION,” “THE VENTURE IS VERY SPECULATIVE AND RISKY. FOREIGN EXCHANGE AND CRYPTOCURRENCY TRADING IS HIGHLY SPECULATIVE AND THE STUDENT UNDERSTAND (sic) AND IS WILLING TO ASSUME THE ECONOMIC, LEGAL AND OTHER RISKS INVOLVED AND (B) IS FINANCIALLY ABLE TO ASSUME LOSSES,” and that “THERE IS NO INVESTMENT PLAN.” The forms stated that “CRYPTOFOX LLC IS A SIMPLE EDUCATIONAL ACADEMY NOT REGISTERED WITH THE TEXAS WORKFORCE COMMISSION NOR HAS ANY REGISTRATION WITH THE SECURITY AND EXCHANGE COMMISSION AS A DEALER OR AS AN AGENT NOR HAS ANY INSURANCE COVERAGE.”⁴

Testimony has confirmed that the students were told and understood that “they could get 15 percent or they might get zero.”⁵

C. CryptoFX’s Classes were no Pretext.

The classes were not a pretext to solicit financial participation. The classes were real. CryptoFX had classes six days a week during the day and Zoom classes in the evening.⁶ They even taught classes in the early morning and at 10 pm, so the students could see live trades on various markets.⁷ One teacher testified that there were six teachers and he said students found his classes “valuable”⁸ and one of the students testified that she “took a lot of classes” and “learned to open bitcoin wallets” and to “buy and sell bitcoin.”⁹ Another testified she attended a forex class

⁴ Ex. 25.

⁵ Ex. 1 (“Saravia Tr.”) 218:16 to 218:24; Gonzalez Tr. 254:9 – 257:17.

⁶ Ex. 2 (“Benvenuto Tr.”) 30:25 – 33:22.

⁷ Benvenuto Tr. 30:25 – 33:22.

⁸ Ex. 3 (“Taffinder Tr.”) 369:2 to 370:23; Gonzalez Tr. 257:18 – 258:12 (Saw “a lot of people there . . . attending classes” and heard people “speak positively about learning a lot.”)

⁹ Saravia Tr. 218:25 - 219:3.

and three one-and-a-half hour-long crypto classes, but like some of us, “I just went, but I didn’t learn.”¹⁰ Mr. Benvenuto testified that the classes covered various topics like Ethereum and Shiba and “how do you set up a virtual wallet.”¹¹ He did not recall “a pitch for investment or trading with CryptoFX . . . being part of the classes.”¹² “[I]t was a true learning experience.”¹³ After the Receiver shut down the CryptoFX office, some people wanted their money back, but “[s]ome people were concerned about the – the classes.”¹⁴

D. CryptoFX’s Returns were far Below What Crypto was Offering.

The 15%, or in some cases, 20%, potential returns referenced in CFX’s venture agreements may now look generous in hindsight, but they looked skinny at the time given what was happening in the crypto market. In the 20 months from March 2020 to November 2021, bitcoin’s price went up 1,125% (from \$5,343 to \$65,509.87). It was not unreasonable for Mr. Chavez and the others at CryptoFX to believe they could provide the referenced returns. One witness testified that Mr. Chavez once told him he had made \$50,000 in five minutes and then showed him the transaction on his phone.¹⁵ Texts that a CryptoFX forex trader sent to Mr. Chavez include statements like, “24 hours back in the market and we have done 27% not bad,” “\$1.5M [profit] this week,” “2.2 this week brother,” and over the course of two days: “5Mill this week. It’s done already,” “1M down [meaning \$1 million realized profit],” to which Mr. Chavez responded “I know bro, That’s amazing,” “1.3M down,” “\$1.6 M,” to which Mr. Chavez responded with

¹⁰ Ex. 4 (“De La Cruz”) Tr. 22:13 to 23:2. Her friend disagreed, testifying that while she never traded crypto, “but she had a lot of knowledge.” Taffinder Tr. 54:7 to 55:3.

¹¹ Benvenuto Tr. 32:23 – 33:22.

¹² Benvenuto Tr. 32:13-32:22.

¹³ Benvenuto Tr. 32:13-32:22.

¹⁴ Taffinder Tr. 36:1 – 36:6.

¹⁵ Taffinder Tr. 111:21 – 112:20.

clapping hands emojis, and finally, the forex trader reported a profit of “2,120,000.00” over those two days.¹⁶

E. CryptoFX Grew Beyond its, or Mr. Chavez’s, Management Capabilities.

With the exploding public fascination with crypto and spreading word of mouth, the CFX “office” grew from a few guys working at a table at Panera Bread (and teaching classes in a motel conference room) to having an office that was so busy that other tenants were complaining and “building management threaten[ed] to cancel CryptoFX’s lease as a result of too much uncontrolled foot traffic caused by the increased business.”¹⁷ Even after CryptoFX moved to even larger space in its own building, parking was still a problem.¹⁸

Mauricio Chavez’s role was to trade crypto (and to some degree forex).¹⁹ The administration of the office was more the role of Gustavo Gomez and Eduardo Taffinder. Mr. Taffinder “primarily, he handled more of the day-to-day -well, what I would – it appeared to me he handled the day-to-day operations of that business.”²⁰ “Eduardo [Taffinder] ran the office environment; Mauricio ran the trading as it were; and I understood that Gustavo [Gomez], I guess handled the education piece, slash, the crypto trading as well.”²¹ But in the first half of 2021, Mr. Chavez and Mr. Gomez had a falling out and Mr. Gomez left the firm, which left only Mr. Taffinder to handle the administration of the business.²² But then a few months later, tragically Mr. Taffinder - “the guy that kind of held it together,²³ - contracted COVID and fell into a coma and died.²⁴ So, Mr. Chavez was left alone with a management task for which he was

¹⁶ Ex. 7 (excerpts).

¹⁷ Benvenuto Tr. 88:13 – 88:24 and 49:25 – 52:16.

¹⁸ Ex. 6 (“Turcios Tr.”) 78:20 – 79:14.

¹⁹ Benvenuto Tr. 28 (Chavez “was the main trader at that point because he didn’t actually do any teaching.”)

²⁰ Benvenuto Tr. 27-28.

²¹ Benvenuto Tr. 51.

²² Ex. 5 (“Gonzalez Tr.”) 260:8 – 261:9.

²³ Benvenuto Tr. 120:5 – 120:10.

²⁴ Gonzalez Tr. 260:8 – 261:9.

terribly ill-suited and that neither he – nor likely anyone – could have handled.

CryptoFX’s operation had no real management structure and almost no systems or formal procedures. As the public fascination with crypto grew, CryptoFX was taking in and paying out ever growing sums – mostly in cash - and its primary record-keeping method was still the single-page carbon paper forms that were filled in by hand when money was received and then annotated - again in handwriting - when funds were paid out. The business was understaffed. As Mr. Benvenuto put it in a text “I will take anybody you throw at us but we need more admin help.”²⁵ The firm had a few people assigned to bookkeeping and some of them apparently made spreadsheets and some effort to track transactions, but the business lacked any central or effective method of tracking how much it was taking in and how much it planned to try to pay out. It had no CPA, no HR program (the late Mr. Taffinder had handled that), and no real CRM system. To make matters worse, because the company had “crypto” and “FX” (a/k/a foreign exchange) in its name, it could not even keep a bank.²⁶ CryptoFX had to change banks at least three times.

One witness who was just one of the people with responsibility for receiving and disbursing funds testified that he bought his own spiral-bound receipt book so he would have something for people to sign when they came in for payments and had only a picture of their CFX contract on their phone.²⁷ He did not know whether other people kept such receipts, it was just something “he did personally” and he kept those records in his possession.²⁸ That same witness testified that he bought a safe to keep CFX funds.²⁹ Another witness testified that she too bought a safe and that only she (and not anyone else at CFX, including Mr. Chavez) had the combination to it.³⁰ She was

²⁵ Ex. 8.

²⁶ Benvenuto Tr. 112:6 – 112:15.

²⁷ Turcios Tr. 115:4 - 125:9.

²⁸ Turcios Tr. 116:3 - 116:20.

²⁹ Turcios Tr. 113:19 – 113:21.

³⁰ Saravia Tr. 197:8 - 198:16.

one of the people who accepted contracts and received and disbursed money, but she and others just came in and left when they liked. When asked whether someone at CFX “organized various shifts the people worked,” she responded “That was if I wanted to go, I would go. If not, not.”³¹ When she was again asked, “And people in your role would come in and out?” she explained, “Yes, we didn’t have a schedule.”³²

CFX had no IT department, or even an IT person. When one witness was asked what people would do if they had IT problems, he explained that “[p]eople would ask me for assistance as the crypto teacher.”³³ But, in addition to not being an IT person, he was not there all the time, so if people needed help in his absence “resetting passwords or anything like that,” he explained, “Oh, that was their – their own doing.”³⁴ Passwords were “individually managed by the device owner . . . each employee would manage their own computer.”³⁵

Mr. Chavez was the polar opposite of a hands-on manager. In 2021 his marriage was failing and after his falling out with Mr. Gomez, Mr. Gomez threatened him physically, so Mr. Chavez had to pretty much stop coming into the office. As Mr. Benvenuto testified, Mr. Chavez was “looking like he’s stressed out” and “at that point, I knew something was up, and I could see the office becoming more disorganized as he did not appear – did not make appearances at the office any longer.”³⁶ “CryptoFX, had evolved to the point they – they needed more bodies, they needed more staff. And unfortunately, because of what was going on in Mauricio [Chavez]’s personal life, he didn’t witness what I witnessed.”³⁷ The text messages produced are full of pleas

³¹ Saravia Tr. 149:10 – 149:15.

³² Saravia Tr. 149:15 – 149:17.

³³ Taffinder Tr. 330:23 – 331:7.

³⁴ Taffinder Tr. 331:3 – 331:12.

³⁵ Taffinder Tr. 331:15 – 331:22.

³⁶ Benvenuto Tr. 49:12 – 49:24.

³⁷ Benvenuto Tr. 71:11 - 72:10.

to Mr. Chavez like, “Everybody is looking for you”³⁸ and “[I] have been trying to reach out multiple times and there has been no communication in return at all. . . . I understand you may be going through many things right now.”³⁹ While Mr. Chavez would improve some with time and others, including Julio Taffinder (the son of Mr. Chavez’s late partner, Eduardo Taffinder) and Mr. Benvenuto, tried to help out, the company was still mostly unmanaged. Julio Taffinder said that in his months at CryptoFX, he only saw Mr. Chavez in the office during business hours one time.⁴⁰

As the SEC points out in its Complaint, CryptoFX had a two-tiered referral program where “Sponsors” were paid 7% for people they introduced to the program and 3% for people those others referred to the program.⁴¹ This program further complicated attempts, such as they were, to track finances, because these commissions were also recorded in handwriting on the single-page carbon paper forms. There was apparently little or nothing beyond that form to track primary and secondary referrals. The persons owed the commissions had to keep track of it themselves.⁴² One witness testified that she received a \$90,000 payment (a remarkably round number) for commissions and contract payments for one period, but she was not aware of any record that broke out how much was for commissions and how much was for contracts she owned, and she could not remember whether it was correctly calculated.⁴³

Not surprisingly, this system did not work very well. One witness testified that he learned months after the fact that some of his referrals had made further referrals on which he had not been

³⁸ Ex. 9.

³⁹ Ex. 10.

⁴⁰ Taffinder Tr. 370:24 – 371:13.

⁴¹ SEC Complaint [ECF No. 3] ¶ 21.

⁴² Turcios Tr. 69:8 – 71:20.

⁴³ Saravia Tr. 128:22 – 129:16.

paid his 3%.⁴⁴ He learned this when some people came to his house and told him.⁴⁵ He had no idea what would happen to the referral fee if someone lost the paper form.⁴⁶ When asked how he kept track of commissions, he explained, “You cannot have ever something exact or a correct amount.”⁴⁷

Of course, there is nothing improper about a referral program and the testimony to date suggests such “network marketing” programs were quite common in the Latin community. One witness testified that she had been in four such programs prior to CryptoFX, starting with Amway, which she explained was still operating today and “has been around for 50 years.”⁴⁸ And, at the time of her deposition, she was looking forward to a trip to Dubai that she received for inviting nine people to join yet another program in which she is currently participating.⁴⁹

CryptoFX did not advertise, but with the public’s growing fascination with bitcoin the business still grew far beyond anything its systems could handle. Cryptocurrency was all over the news and the limit was beyond the sky. El Salvador adopted bitcoin as legal tender.⁵⁰ JP Morgan compared it to *gold* and said it could reach \$146,000 per bitcoin.⁵¹ The retirement giant Fidelity “launched a way for workers to put some of their 401(k) savings and contributions directly in bitcoin.”⁵² The 2022 Superbowl featured not one, but four, ads for crypto products.⁵³ eToro’s ad included the song “Fly me to the Moon.”⁵⁴ FTX’s ad had Larry David comparing crypto to

⁴⁴ Turcios Tr. 77:19 – 78:12.

⁴⁵ Turcios Tr. 77:19 – 78:12.

⁴⁶ Turcios Tr. 68:6 – 68:9.

⁴⁷ Turcios Tr. 70:17 – 70:20.

⁴⁸ Saravia Tr. 217:4 - 218:15.

⁴⁹ Saravia Tr. 37:1 - 37:12.

⁵⁰ Ex. 11.

⁵¹ Ex. 12.

⁵² Ex. 13.

⁵³ [https://en.wikipedia.org/wiki/List_of_Super_Bowl_commercials#2022_\(LVI\)](https://en.wikipedia.org/wiki/List_of_Super_Bowl_commercials#2022_(LVI))

⁵⁴ <https://www.youtube.com/watch?v=7O4rP3qwlfo>

innovations like the wheel and included the tag line “Don’t Miss Out On Crypto,” reflecting the widespread fear of missing out that was driving the market.⁵⁵

But the decline that had started in November 2021 continued and by mid-2022, bitcoin was down to about \$20,500, which is about where it is today. Despite those devastating declines, CryptoFX still paid returns to all its investors until it was shut down by the Receiver.⁵⁶ And, of course, it is still early days for crypto. It was not that long ago that there was a “tech wreck” market collapse that appeared to spell the end of investing in companies that purported to allow you to order groceries (Webvan.com) or dogfood (pets.com) over the internet, but both practices are common today (see, e.g., Kroger.com and Chewy.com).

F. The Candid Texts Belie Any Claim of Fraud.

The evidence in this case already includes hundreds of pages of text messages. But in those remarkably candid, contemporaneous messages, there is not a single reference to Mr. Chavez trying to target, or cheat, or defraud anyone. To the contrary, they reflect concern that the company might not be complying with TWC and IRS regulations and the desire to bring it into regulatory compliance and obtain a license from the SEC. Those text messages even include talk of who would be their broker “when we actually are granted the license to be a dealer entity.”⁵⁷ Mr. Chavez responded to that text by writing “Lets do it brother.”⁵⁸

G. Mr. Chavez did not try to Hide any Assets.

It is also clear that Mr. Chavez did not attempt to hide any assets. The few corporate entities he formed (using LegalZoom) are all registered in his own name on the records and website of the Texas Secretary of State.⁵⁹ The SEC itself alleges that the defendants “diverted several

⁵⁵ <https://www.youtube.com/watch?v=hWMnbJJpeZc>

⁵⁶ Saravia Tr. 220:2 – 220:5; Benvenuto Tr. 194:14 – 195:1; Turcios Tr. 66:7 – 66:9.

⁵⁷ Ex. 14.

⁵⁸ Ex. 14.

⁵⁹ See, e.g., Ex. 15; Ex. 16.

million dollars in investor funds to the Relief Defendant, CBT Group, LLC (“CBT Group”), a real estate development company they co-own.”⁶⁰ CBT was registered with both the Texas Secretary of State and the United States IRS with Mr. Chavez’s name. CBT’s primary assets are immovable real estate in Texas that the Receiver has had no difficulty locating. Indeed, the Receiver has already listed two of the properties for sale.⁶¹ The Receiver also recovered over \$440,000 of cash from the CryptoFX offices and over \$3.5 million in various bank and crypto accounts.⁶² In total, the Receiver has already found more than \$10.3 million in assets.⁶³

H. Mr. Chavez’s Efforts to Comply with the Court’s Order.

Prior to asserting his Fifth Amendment privilege, Mr. Chavez sat for a full day of deposition by the SEC in which he answered as best he could every question the SEC had for him. After the Receiver was appointed in this case, Mr. Chavez and his counsel at that time went with the Receiver and his lawyer to the offices of CryptoFX. Mr. Chavez then spent several hours there touring the office with them, introducing the Receiver to people in the office, and showing the Receiver the security camera system in the office.

To be sure, Mr. Chavez has struggled with seizure of the business and even his personal assets and with being thrust into a legal system he does not understand. Mr. Chavez had never had anything more than a speeding ticket prior to this case. His struggles have been exacerbated by his struggles to retain counsel. The counsel who had been representing Mr. Chavez and Mr. Benvenuto terminated the representation because of a potential conflict. Mr. Chavez then moved to a prior counsel, but that counsel moved to withdraw on November 3, 2022.⁶⁴ This left

⁶⁰ SEC Complaint [ECF No. 3] ¶3.

⁶¹ Receiver’s First Interim Report [ECF No. 33] ¶ 25.

⁶² Receiver’s First Interim Report [ECF No. 33] ¶¶ 4 and 15 and [ECF No. 33-9] at 2.

⁶³ Receiver’s First Interim Report [ECF No. 33] ¶ 3.

⁶⁴ Unopposed Motion to Withdraw as Counsel [ECF No. 25].

Mr. Chavez needing to find counsel with all of his assets frozen.⁶⁵ Mr. Chavez was essentially without counsel in this case from then to December 2, 2022, when the undersigned counsel appeared in this case.⁶⁶

The same day that the undersigned counsel appeared in this case, he emailed counsel for the Receiver that Mr. Chavez would be turning over a fully paid for Mercedes SUV to the Receiver.⁶⁷ Mr. Chavez did so the next day.

The Monday following the undersigned counsel's appearance in the case, he informed counsel for the SEC and counsel for the Receiver, "Regarding the requests for sworn accounting and information, [Mr. Chavez] cannot do that since his records were all seized and because he would assert his 5th Amendment rights."⁶⁸

At about the same time, Mr. Chavez's criminal counsel (David Gerger) delivered to the Receiver over \$189,000 from a retainer Mr. Chavez had provided him.⁶⁹ One of Mr. Chavez's prior civil counsel also returned over \$150,000 that he had held as a retainer.⁷⁰ Mr. Chavez's current counsel has no retainer.

Between December 7 and December 15, the undersigned counsel also appeared and attempted to effectively question witnesses at five more than full-day depositions in a case he knew almost nothing about. There had already been a deposition of Mr. Chavez's estranged wife during the period when Mr. Chavez was not represented by counsel.

⁶⁵ Mr. Chavez would likely still be looking for counsel today had the Court not provided in its Order Appointing Receiver that the Receiver shall make allowances for reasonable attorneys' fees for the Defendants. [ECF No. 011].

⁶⁶ Notice of Appearance [ECF No. 034].

⁶⁷ Ex. 17.

⁶⁸ Ex. 18.

⁶⁹ Receiver's First Interim Report [ECF No. 033-9] at 2.

⁷⁰ Receiver's First Interim Report [ECF No. 033-9] at 2.

On December 24, 2022, in response to the SEC's concerns that some websites of the business were still functional, the undersigned wrote to inform them that the "websites no longer work."⁷¹

The undersigned counsel informed the Receiver on December 27, 2022, that he had \$55,000 to be turned over to the Receiver.⁷²

On January 10, 2023, Mr. Chavez's counsel escorted the Receiver, the Receiver's counsel, and an appraiser to Mr. Chavez's personal residence.⁷³ There they spent two hours searching and inspecting his personal possessions. They looked in every drawer, cabinet, and laundry hamper in his apartment, including his bedroom and bathroom.⁷⁴ Mr. Chavez has also agreed to permit the Receiver to search a house Mr. Chavez had purchased. The same day as the Receiver's search of his apartment, Mr. Chavez received an eviction notice from his landlord.⁷⁵ So, now he faces having to find a new place to live, which will be challenging since he does not even have a bank account.

Since the undersigned counsel appeared in the case, the Receiver has also served at least a dozen subpoenas on banks, credit card companies, and others with whom Mr. Chavez had done business. Mr. Chavez has not objected to any of those subpoenas.

The undersigned has been working with Mr. Chavez to develop a budget and request for allowance for living expenses to submit to the Receiver, but with the press of other matters, and Mr. Chavez's struggles with his situation, they have not yet been able to complete that process.

⁷¹ Ex. 19. Another website, laacademia247.com, about which the Receiver expressed concern is also no longer functional.

⁷² Ex. 20.

⁷³ Ex. 21.

⁷⁴ Ex. 21.

⁷⁵ Ex. 22.

Throughout this time, Mr. Chavez has also had to deal with having his life turned upside down. He receives calls daily from disgruntled participants and former friends, some of whom threaten his life.⁷⁶ On December 14, 2022, some of those contract-holders and community activists held a rally in front of the federal courthouse.⁷⁷ Some held large pictures of Mr. Chavez with his personal information.⁷⁸ The attendees, and those who saw this reported on the news, were encouraged to harass Mr. Chavez (and others). Mauricio Chavez fears not only for his own safety, but that of his four-year-old daughter and others he cares about.

IV. The Receiver's Issues

Since the undersigned counsel entered this case on December 2, 2022, he has emphasized repeatedly and forcefully to Mr. Chavez his need to comply with the Court's orders. As outlined above, Mr. Chavez has taken many steps to do just that and he has committed to continuing those efforts.

A. Sworn Statements

The Receiver argues that Mr. Chavez should be held in contempt because he has not provided “the sworn statement and accounting required by the Receivership Order” and has “blatantly ignored,” the Receiver's requests for such information.⁷⁹ Mr. Chavez has not ignored any requests, at least not since the undersigned counsel has appeared in this case. The next business day after the undersigned counsel appeared in this case, he wrote to the Receiver's counsel (and counsel for the SEC) and explained, “Regarding the requests for a sworn accounting and information, [Mr. Chavez] cannot do that since his records were all seized and because he would assert his 5th Amendment rights.”⁸⁰ Mr. Chavez had started asserting his Fifth Amendment rights

⁷⁶ Turcios Tr. 187:25 – 188:8.

⁷⁷ Ex. 23.

⁷⁸ Ex. 24.

⁷⁹ Receiver's Motion [ECF No. 39] at p. 9, ¶

⁸⁰ Ex. 18.

even before this case was filed. He provided the SEC with a detailed declaration asserting his Fifth Amendment rights, which the SEC even attached to its motion for TRO in this case.⁸¹ On December 27, 2022, the undersigned counsel again explained that Mr. Chavez was asserting his rights under the Fifth Amendment and that, even if he were not, he could not provide an accounting⁸²:

Regarding paragraphs 9 and 10 of the order, those paragraphs call for sworn statements and accountings. Mauricio [Chavez] is asserting his Fifth Amendment rights against providing such things. He has been asserting his Fifth Amendment rights ever since his June 7, 2022 Declaration. I told Matt Gulde [counsel for the SEC] at one of the deposition breaks that he was still taking the Fifth and I believe I wrote that to you in a prior email. Matt said something about possibly needing Mauricio to update the Declaration. I don't think doing that would be a problem, but I defer to Mauricio's criminal lawyer for the final say on such issues. Moreover, as a practical matter, I don't think Mauricio could provide an accounting or the other information requested, especially since he no longer has access to the company records.

B. Cars

The Receiver complains that Mr. Chavez has not turned over some cars.⁸³ As explained above, Mr. Chavez returned a fully paid for Mercedes the day after the undersigned counsel appeared in this case. He has one other car, a BMW SUV. It is not paid for and he needs it to transport himself and his daughter. Given that he owes money on that car, it would not likely have much value in any case. The other cars the Receiver references are not in Mr. Chavez's possession.

The Volkswagen Tiguan, the Volkswagen Atlas, and the Mercedes GLS are all in the possession of Mr. Chavez's estranged wife (and the mother of his daughter), Angelica Vargas.⁸⁴ The undersigned counsel's understanding is that none of those cars are in Mr. Chavez's name and he does not have possession of any of them, so he cannot deliver them to the Receiver. Mr. Chavez

⁸¹ Plaintiff's Motion for Preliminary Injunction, *Ex Parte* Temporary Restraining Order, Asset Freeze, etc. [ECF No. 006], Appendix Ex. B.

⁸² Ex. 20.

⁸³ Receiver's Motion [ECF No. 039] at p. 5.

⁸⁴ At her deposition, Ms. Vargas testified that she had the Mercedes and a Volkswagen and, as to the Mercedes at least, it was titled in her name and not Mr. Chavez's. (Vargas Tr. 35:4 – 35:9).

has no objection to the Receiver taking possession of two of those cars, but Ms. Vargas needs one for herself and for her two daughters. Coordination of delivery of those cars would need to be arranged with Mr. Chavez's estranged wife's counsel.

The remaining car is a Lexus ES. According to the Receiver, that car is titled in the name of JM Monarchy, an LLC of which both Mr. Chavez and Ms. Gonzalez are members. However, Mr. Chavez does not have possession of that car. It is in the possession of Ms. Gonzalez and she drives it. In her deposition, Ms. Gonzalez confirmed that fact and that Mr. Chavez sold it to her/JM Monarchy for \$35,000.⁸⁵ Accordingly, again, any turnover of that vehicle should be coordinated with Ms. Gonzalez's counsel.

C. Mr. Chavez's 2021 Tax Return

The Receiver acknowledges that he already has a copy of Mr. Chavez's 2020 tax return but complains that Mr. Chavez has not provided a copy of his 2021 tax return. Putting aside the privilege issue (addressed below), Mr. Chavez does not have a 2021 tax return. The reasons for this include, but may not be limited to, the fact that Mr. Chavez's tax preparer died and the fact that when the Receiver was appointed, Mr. Chavez lost access to the records any preparer would need to be able to prepare such a return.

D. Corporate and Trust Documents

The Receiver argues that Mr. Chavez failed to turn over documents about JM Monarchy LLC, Luxury Real Estate LLC, JJ Trust, and JCA Trust.⁸⁶

As the Receiver already knows, JM Monarchy owns one house at 24923 Tidmor Lane, which Mr. Chavez has agreed to let the Receiver tour/search, and it owns one car, the Lexus ES referenced above. JM Monarchy has no office, no employees, and no other assets.

⁸⁵ Gonzalez Tr. 224:19 – 227:4.

⁸⁶ Receiver's Motion [ECF No. 039] at 7.

Luxury Real Estate owned a house at 2030 Greenhaven Court in Missouri City, Texas prior to it being transferred to the JJ Trust. The Receiver already knows that, too. Luxury Real Estate also has no office, no employees, and no assets.⁸⁷

The JJ Trust and the JCA Trust are both trusts established by Ms. Gonzalez. Mr. Chavez does not claim to be a settlor, trustee, or beneficiary of those trusts or to have any interest in those trusts. Ms. Gonzalez testified that she used LegalZoom to establish each of those trusts (one for her brothers and one for her son) with herself as the sole trustee.⁸⁸ Ms. Gonzalez testified that she had the documents for at least one of those trusts and offered to send them to the Receiver's counsel.⁸⁹ It is the undersigned counsel's understanding that after her deposition, Ms. Gonzalez's counsel did, in fact, provide the documents for those trusts to the Receiver's counsel.

E. Continuing Operations

The Receiver complains that CryptoFX operations continued after the TRO was entered and even to some degree after the Receiver was appointed. While CryptoFX apparently continued operating after the TRO and perhaps for a time after the Receiver was appointed, the undersigned understands that Mr. Chavez has had no involvement in any such operations since the time the undersigned counsel entered the case on December 2, 2022. On the day the undersigned filed his appearance, he spoke with counsel for the SEC about his concerns about ongoing operations. The following business day, the undersigned wrote: "I have heard both of your [the SEC's and the Receiver's] concerns about people continuing to solicit people for CFX and I have emphasized to Mauricio [Chavez] his need to have nothing to do with anything like that."⁹⁰

⁸⁷ Gonzalez Tr. 56:14 – 56:20, 58:4 – 58:6, 86:8 – 86:9.

⁸⁸ Gonzalez Tr. 207:14 – 207:22 and 223:3 – 223:15.

⁸⁹ Gonzalez Tr. 222:24 – 223:2.

⁹⁰ Ex. 18.

Many people at CryptoFX had operated largely autonomously from Mr. Chavez long before the SEC filed this case. That practice apparently continued after this case was filed. For example, the Receiver complains that “at the direction of Chavez, CryptoFX investors were asked via WhatsApp messages to come to the CryptoFX offices on Park Drive, Houston, Texas with their contracts in October 2022.”⁹¹ But in the testimony the Receiver cites, the witness actually said that the WhatsApp posting “does not come directly from the academy” and that he “talked to my friend Ena and together we created this message.”⁹² He said some of the information in the posting came from “Nancy,” and that he thought she got it from Mauricio, but that Nancy did not “say anything about Mauricio.”⁹³ He testified that he had had a “brief call” with Mauricio, but that he did not give him “any idea about how reimbursements might happen” and that he did not “run any of this by Mauricio before [he] sent it.”⁹⁴ And, again, to the extent Mr. Chavez may have been involved that was long before the undersigned counsel became involved in this case.

F. Passwords and Safe Combinations

The Receiver complains that Mr. Chavez has failed to provide passwords and access codes for CryptoFX computers, safes, and security system.⁹⁵ First, as explained above, Mr. Chavez is asserting his Fifth Amendment rights, which would cover all such information in his head.⁹⁶ Second, witnesses have already testified that Mr. Chavez never had the combination to at least two of the safes and that passwords were “individually managed by the device owner . . . each employee would manage their own computer.”⁹⁷ In any case, the Receiver has already gained access to the

⁹¹ Receiver’s Motion ¶ 14.

⁹² Turcios Tr. 153:18 – 154:17.

⁹³ Turcios Tr. 156:23 – 158:13.

⁹⁴ Turcios Tr. 158:20 – 160:3.

⁹⁵ Receiver’s Motion at pp. 4-5.

⁹⁶ A witness cannot be compelled to disclose combinations and passwords in his own mind. *US v. Hubbell*, 530 U.S. 27, 43 (2000).

⁹⁷ Taffinder Tr. 331:15 – 331:22.

safes and the cash therein.⁹⁸ The security system only retained recordings for a day or two and in any case, the Receiver has also apparently accessed the security system.⁹⁹

G. Funds

The Receiver complains that Mr. Chavez has not delivered more money to the Receiver and claims that records show “Chavez himself received at least \$607,000.”¹⁰⁰ But the Receiver does not base this on some receipts signed by Chavez or any wire transfer records. It is apparently based on “Daily Records.”¹⁰¹ Those records include one note that somewhat cryptically states “\$127,000 LO TOMO MAURICIO” [Mauricio took], and other entries that do not mention Mauricio Chavez at all. Rather, they state only “Entrega Cash,” meaning “cash delivered.” For reasons not stated, the affiant claims to “understand[] that all of these references indicate the cash that was delivered to o (sic) Chavez.”¹⁰² The Receiver also acknowledges that funds were also being paid out to students during this same time, which would have diminished any such funds in Mr. Chavez’s possession. In any case, Mr. Chavez does not have any \$607,000 to deliver to the Receiver.

H. Laptop and Phones

The Receiver complains that Mr. Chavez has failed to turn over his computer and cell phones. These devices were purchased by Mr. Chavez personally, not by CryptoFX. They contain personal, intimate information and communications with his counsel. The undersigned counsel has taken possession of them and delivered them to a forensic expert for preservation. Mr. Chavez’s Fifth Amendment privilege covers the act of production of such items. This Court

⁹⁸ Receiver’s First Interim Report [ECF No. 33] ¶ 27j and Ex. I [ECF No. 33-9] at 2. The Receiver also complains of needing passwords to a Google drive, but it appears the Receiver obtained access at the deposition of Mr. Taffinder. (Taffinder Tr. 106:7 – 106:11).

⁹⁹ Receiver’s Motion [ECF No. 039] Ex. C [ECF No. 039-3].

¹⁰⁰ Receiver’s Motion [ECF No. 039] at p. 6.

¹⁰¹ Receiver’s Motion [ECF No. 039] Ex. E [ECF No. 39-5] ¶ 9.

¹⁰² Receiver’s Motion [ECF No. 039] Ex. E [ECF No. 39-5] ¶ 8.

was careful to note in its orders and in its comments at the hearing regarding appointment of the Receiver that the Receiver “shall not have the power to waive the Fifth Amendment rights of the individual defendants; nor can he compel a waiver of their attorney-client privilege.”¹⁰³ “The receiver can’t waive the privilege either. . . I think he would know that instinctively, but if he didn’t, I’m saying it now.”¹⁰⁴ That privilege, of course, includes the act of production privilege. *See, e.g., United States v. Doe*, 465 U.S. 605, 613-16 & n.11 (1984) (holding that the “act of producing” business records in response to a subpoena is protected by the Fifth Amendment because enforcement would compel the witness to admit that the records exist, that they are in his possession or control, and that they are authentic); *United States v. Hubbell*, 530 U.S. 27, 43-44 (2000) (holding that the Fifth Amendment is implicated where the target of a subpoena must use “the contents of his own mind” to identify responsive documents or where he is compelled to identify sources of evidence); *Commonwealth v. Davis*, 656 Pa. 213 at 234-235, 220 A.3d 534 (Pa. 2019) (revealing password to seized computer was testimonial and protected by Fifth Amendment; see also cases cited therein.).

Here there is certainly no compelling need that would justify prejudicing Mr. Chavez’s Constitutional rights. If the Receiver believes there is actual value in the devices themselves, Mr. Chavez should be permitted to remove and preserve the information prior to delivering the property to the Receiver.

V. Conclusion

For the reasons stated above, the Receiver’s motion should be denied.

¹⁰³ Order Appointing Receiver [ECF No. 011] ¶ 7L.

¹⁰⁴ September 29, 2022 Hearing Transcript at p. 16.

Respectfully submitted,

By: /s/ Paul D. Flack

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Counsel for Defendant Mauricio Chavez

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was served on all counsel of record via the Court's CM/ECF electronic service of process on or before January 17, 2023.



Paul D. Flack

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE))
COMMISSION,))
Plaintiff,))
vs.)) Case No. 4:22-cv-3359
MAURICIO CHAVEZ,))
GIORGIO BENVENUTO, and))
CRYPTOFOX, LLC,))
Defendants.))
and))
CBT GROUP, LLC,))
Relief Defendant.))

ORAL AND VIDEOTAPED DEPOSITION OF
MARIA SARAVIA
DECEMBER 15, 2022

ORAL AND VIDEOTAPED DEPOSITION OF MARIA SARAVIA,
produced as a witness at the instance of the PLAINTIFF,
and duly sworn, was taken in the above-styled and
numbered cause on DECEMBER 15, 2022, from 9:17 a.m. to
6:19 p.m., before Donna L. Garza, CSR, in and for the
State of Texas, reported by machine shorthand, at the
law offices of Shook, Hardy & Bacon, LLP, 600 Travis
Street, Suite 3400, Houston, Texas, pursuant to the
Federal Rules of Civil Procedure and the provisions
stated on the record or attached hereto; that the
deposition shall be read and signed before any notary
public.
JOB No. 221215WWC

1 Q. Where is Ascira headquartered?

2 A. In Dubai.

3 Q. Did you ever get to travel to Dubai?

4 A. But I've won a trip to go there in February

10:23 5 for my husband and me.

6 Q. How did you win a trip to Dubai through

7 Ascira?

8 A. You have to invite nine people, and I did.

9 Q. Does everyone who invites nine people get to

10:23 10 go to Dubai?

11 A. They go to Dubai. If you want to come with

12 me...

13 Q. How do I get in touch with these people? I'm

14 serious. How do I get in touch with these people?

10:24 15 A. Well, you have my telephone.

16 Q. Do you know who I -- so, their contact
17 information is listed under Ascira on your telephone
18 number?

19 A. That's through the Internet. But I have
10:24 20 photographs there of what I won, if you want to see
21 them.

22 Q. Who -- who here got you into Ascira?

23 A. The husband of my sister invited me. He also
24 won the trip.

10:24 25 Q. Are you going at the same time?

1 bonus or commission payment from CFX?

2 A. Yes. After that, I wasn't paid.

3 Q. Do you --

4 A. That's why I'm mad.

14:45 5 Q. Do you believe that you received \$10,000 in
6 bitcoin?

7 A. He was going to send it to me in bitcoin, but
8 I didn't want it. He gave it to me in cash. I didn't
9 want him to send that.

14:46 10 Q. And when you say "He was going to send it,"
11 who are you talking about?

12 A. Mauricio.

13 Q. Okay. Did you have a personal conversation
14 with Mauricio about whether this would be in bitcoin or
14:46 15 in cash?

16 A. Yes.

17 Q. What does \$80,000 in "contratos" mean here?

18 A. I don't know -- I don't know what it is
19 referring to, but it was bonuses that I was paid. And
14:47 20 bonuses and contracts, perhaps that's why they put it in
21 there.

22 Q. So, are -- are you saying to us today that
23 this \$90,000 includes both bonus and commission payments
24 to you and contract payments?

14:47 25 A. Yes.

1 Q. Okay. Is -- would this be broken out anywhere
2 so we could know what belonged to what?

3 A. No.

4 Q. Did you believe that this \$90,000 had been
14:47 5 correctly calculated?

6 A. I don't remember, because I don't even
7 remember this date.

8 Q. Do you remember getting paid \$90,000?

9 A. Yes.

14:48 10 Q. And did you think that's what you were owed?

11 A. I believe so. I don't -- I don't remember, to
12 tell you the truth.

13 Q. Do you think you would recall -- do you think
14 you would have known if Mauricio was shortchanging you?

14:48 15 A. I don't remember. I'm not able to tell you
16 "yes" or "no."

17 Q. After this date in February, did you earn more
18 bonuses that haven't been paid?

19 A. Bonuses I have not been paid. I don't
14:49 20 remember. I don't remember contracts. Bonuses, I have
21 not been paid.

22 (Marked Saravia Exhibit 47.)

23 Q. (BY MR. GULDE) Okay. I'm going to hand you
24 what I put exhibit sticker No. 47 on. And it's a
14:50 25 collection of documents, some of which have been

1 A. Yes.

2 Q. Were you just scheduled not to come in that
3 day?

4 A. I would go Tuesday and Wednesdays.

15:29 5 Q. Okay. Who kept that schedule, by the way?
6 How did -- how did CFX know who was going to show up?

7 A. I would go Tuesdays and Wednesdays. Because
8 on Wednesdays, I would stay for the classes. That's why
9 I scheduled it what way.

15:29 10 Q. My question to you is: Was there someone at
11 CFX who organized various shifts that people worked?

12 A. That was if I wanted to go, I would go. If
13 not, not.

14 Q. Were there ever days when nobody showed up to
15:30 15 work?

16 A. Yes. Nobody showed up to make contracts, or
17 do you mean to work?

18 Q. Either one. Let's talk about contracts.

19 So, were there days when people didn't
15:30 20 show up to -- to become -- to create a contract for
21 themselves?

22 A. Yes. There were days that nobody would show
23 up.

24 Q. Were there days when CFX was just
15:30 25 understaffed?

1 A. Yes, inside a cabinet.

2 Q. Was it like a white or a black cabinet? Do
3 you recall the color?

4 A. The cabinet was white, but the safe was black.

17:23 5 Q. And that's the only safe that you saw at the
6 Blalock office?

7 A. Yes. That's the only one, the only I saw.

8 Q. Who had the codes to that safe or the keys?

9 A. I.

17:24 10 Q. Did anybody else have the keys or the codes to
11 the safe?

12 A. No. Only I so they wouldn't steal.

13 Q. And who gave you the codes to the safe?

14 A. Where it was bought, the code was with it.

17:24 15 Q. How come Norma, the accountant, didn't have
16 the codes to that safe?

17 A. Because that's where I kept my money. If all
18 of a sudden it was stolen, they wouldn't know if it was
19 her or if it was me.

17:25 20 Q. And, so, you -- in all of CFX employees and
21 representatives, you were the only person who had the
22 codes to that safe?

23 A. Yes.

24 Q. Okay. And who knew that you were the only
17:25 25 person who had the codes to that safe?

1 A. Norma. I told her because she was the
2 manager.

3 Q. And did Mauricio also know that you were the
4 one who had the codes to that safe?

17:26 5 A. I don't remember if I told -- I told him, too.
6 But I informed her so that she would know.

7 Q. Now, if Mauricio wanted to have access to that
8 safe, what would he have to do?

9 A. He would have asked. He would have had to ask
17:26 10 me for the number.

11 Q. Would you have given it to him?

12 A. If I would be present, yes. If not, no.

13 Q. And why is that?

14 A. For my safety. If it was lost, then they
17:27 15 would want -- if it was lost, they -- then they would
16 want me to pay it back.

17 Q. Okay. And the other leaders at CFX, did they
18 have their own safes?

19 A. No.

17:27 20 Q. Okay. So, why were you so special to have
21 your own safe?

22 A. Because I asked for it for safety. Because if
23 they -- if they asked me to work and if there was nobody
24 upstairs, then who is going to manage that money?

17:27 25 Q. What do you mean "if there was nobody

1 A. No. I didn't know you.

2 Q. Okay. Let me first say congratulations on
3 paying off your house.

4 Now, you mentioned several companies that
18:12 5 you were involved with. I believe it was Melaleuca,
6 Zurvita, Ambit, Organo Gold?

7 A. No. Organo Gold, no.

8 Q. You were not involved.

9 But you were with the other three?

18:13 10 A. Correct.

11 Q. And I think you mentioned with Melaleuca, you
12 went to a sales meeting?

13 A. Yes.

14 Q. People speaking very positively about the
18:13 15 company and its products?

16 A. Correct.

17 Q. And then with Ascira, that's the one you're
18 doing currently and you're expecting to take a trip to
19 Dubai in February; is that correct?

18:13 20 A. Yes, sir.

21 Q. And with each of those, you receive some
22 compensation if you bring other people to the company,
23 correct?

24 A. Yes, sir.

18:13 25 Q. Okay. And I think during a break, I heard you

1 say you also sold Amway long ago, correct?

2 A. Yes, in the '90s.

3 Q. And did you receive compensation if you
4 brought other people to Amway?

18:14 5 A. Everywhere they have paid me.

6 Q. And Amway is still operating today, correct?

7 A. No, not anymore.

8 Q. You're not doing Amway anymore, or the company
9 is no longer operating?

18:14 10 A. No. Amway still functions, but I don't work
11 with it anymore. Amway has been around for 50 years.

12 Q. Right. And those other companies we
13 mentioned -- Melaleuca, Zurvita, Ambit, and Ascira --
14 all those are still operating, correct?

18:14 15 A. Yes, sir.

16 Q. Okay. Now, I want to make sure I heard this
17 right. When you first heard about CryptoFX, it was
18 explained to you that you might get 15 percent, that you
19 might not get anything, correct?

18:15 20 A. From zero to 15.

21 Q. And did you explain to the people that you
22 told about CFX that they had the same situation; they
23 could get 15 percent or they might get zero?

24 A. Yes, sir.

18:15 25 Q. And you took a lot of classes at CFX, correct?

1 A. Yes, sir.

2 Q. You learned to open bitcoin wallets?

3 A. Yes, to buy and sell coins.

4 Q. And you started with CFX, you believe, in June
18:16 5 of 2020?

6 A. Yes.

7 Q. But I think we saw some documents that said it
8 might have been as late as December 2020, you thought?

9 A. The contract was with that date. I don't know
18:16 10 why. I started before.

11 Q. But in any case, you had no knowledge of CFX
12 prior to June of 2020, correct?

13 A. No.

14 Q. And did you ever meet or communicate with
18:17 15 Gustavo Gomez?

16 A. I saw him two or three times at the office.

17 Q. And what did you understand him -- his role to
18 be at CFX?

19 A. I -- I know that he was part of CFX. I never
18:17 20 knew if he was owner or whatever.

21 Q. Okay. Do you have any knowledge of whether
22 Mauricio Chavez was successful in trading bitcoin?

23 A. Yes, sir.

24 Q. And what did you know about that?

18:18 25 A. That he earned a lot of money with the

1 purchase and selling of coins.

2 Q. And up to mid-September of 2022, had CFX, to
3 your knowledge, made all the payments it was supposed to
4 make on all the contracts that students had?

18:18 5 A. Yes. They always paid because I always paid.

6 MR. FLACK: Okay. Thank you. I don't
7 have any further questions.

8 MR. GULDE: We can close?

9 MR. FLACK: You can take off your
18:19 10 microphone.

11 THE VIDEOGRAPHER: Off the record at
12 6:19 p.m.

13 THE COURT REPORTER: Are you getting a
14 copy?

18:19 15 MR. FLACK: Yes.

16 MS. AGUILAR: Yes, please.

17 MS. THEMELI: Yes.

18 (The deposition concluded at 6:19 p.m.)
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1 THE STATE OF TEXAS)
2 COUNTY OF POLK)

3
4 I, Donna L. Garza, Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above and foregoing contains a true and
7 correct transcription of all portions of evidence and
8 other proceedings in the above-styled and numbered
9 cause, all of which occurred and were reported by me.

10 I further certify that I am neither counsel
11 for, related to, nor employed by any of the parties or
12 attorneys in the action in which this proceeding was
13 taken, and further that I am not financially or
14 otherwise interested in the outcome of the action.

15 GIVEN UNDER MY HAND AND SEAL OF OFFICE, on
16 this, the 20th day of December, 2022.

17
18 *Donna Garza*
19 _____



DONNA L. GARZA, TEXAS CSR NO. 4785

Expiration Date: 12-31-22

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1 **trade, or would you pay \$100,000 for them to trade for**
2 **you?**

3 A The -- and so the contract was offered as a -- an
4 incentive to more or less do what you are suggesting,
5 which is them trading on my behalf, because I felt
6 completely uncomfortable. But I was educating myself in
7 that area, you know, YouTube and Google and I've been
8 following several crypto channels at that point. And I
9 just felt that it was an opportunity at the beginning
10 wave of this Bitcoin phenomenon, and I felt comfortable
11 enough that these people knew what they were doing. And
12 so yeah, I went made the decision to "go ahead, just
13 pull the trigger".

14 **Q Gio, I appreciate that. But that was not a clear**
15 **answer, so I'd like to have you help me clarify. You**
16 **said that you attended classes, but you also said that**
17 **the contract was an incentive to have them trade on your**
18 **behalf. Did you give them \$100,000 to attend classes,**
19 **or did you give them \$100,000 for them to trade for you?**

20 A The ability to attend classes, again, you'd --
21 you would open a contract of whatever amount -- the
22 minimum amount of whatever that was, and then you are
23 offered the classes as a result of being a member of the
24 academy.

25 **Q Okay. That's helpful. So you give them**

1 **\$100,000, but they trade for you. But you also get the**
2 **benefit of the classes, correct?**

3 A Yes.

4 **Q Okay. Who was teaching the classes?**

5 A There were three individuals. Obviously,
6 educators have changed positions since then. I'm trying
7 to remember the name of the gentleman over Forex.
8 Forgive me. But at any rate, he was very good, very
9 talented at what he did. He would even have classes --
10 Zoom classes at the one a.m. hour to catch the London
11 trade sessions. And I could see his face but I can't
12 recall his name at the moment. I'm sorry.

13 **Q That's correct. I don't want you to speculate.**
14 **Was his name John Fernandez?**

15 A No.

16 **Q Okay. So there were three educators. Was it**
17 **Gustavo?**

18 A I'm sorry. Then that would mean -- that would
19 mean four. Gustavo was more -- yes, he was an educator
20 in the crypto space. But he was more obviously a
21 business partner with -- the original business partner
22 with Mauricio and Eduardo.

23 **Q Was Eduardo Taffinder an educator?**

24 A Yes, he was. But primarily, he handled more of
25 the day-to-day -- well, what I would -- it appeared to

1 me he handled the day-to-day operations of that
2 business. You got -- so just that reference, CityCentre
3 when they moved there -- CityCentre is structured in
4 such a way where all rooms, including the conference
5 room which is centrally located, have all-glass walls.
6 So you can literally see everybody's business, hallway
7 traffic, all that good business.

8 So, you know, I got to see some of that stuff
9 because I was there pretty much regularly because I was
10 interested in learning about Forex. So I -- I took on
11 everything they offered. So just so you understand, you
12 know, if you're questioning how did I find out about the
13 business or know so much about the business, it's
14 because I was around it a lot as a student.

15 **Q Okay. That's helpful.**

16 **So we have three educators: Gustavo, Eduardo --**
17 **was Mauricio an educator?**

18 A No. Mauricio, I would think he was the main
19 trader at that point because he didn't actually do any
20 teaching. But Eduardo and Gustavo would be the two
21 others. They actually had three full-time traders on
22 top of those two individuals, so three other traders --
23 three other educators. Sorry.

24 **Q I want to stick with the educators for now --**

25 A Yeah.

1 **Q -- and then we can go to the traders.**

2 **You said we have four educators. Who are the**
3 **four educators? We have Gustavo, Eduardo. I know**
4 **there's one you can't think of. Who is the third one?**

5 A I remember there being a gentleman by the name of
6 Marco and another one by the name of Adam.

7 **Q You've already named four. So we have Marco --**

8 A I -- forgive me.

9 **Q Gio, this will go much easier if we don't**
10 **interrupt each other.**

11 **You said that there were four educators? You**
12 **named four. But then you also said there was one that**
13 **you couldn't remember?**

14 A Right. So there's five in total.

15 **Q Okay. Marco, Gustavo, Adam, and Eduardo are the**
16 **four of the five people teaching classes; is that**
17 **correct?**

18 A Correct.

19 **Q So --**

20 A I will -- sorry.

21 **Q Go ahead.**

22 A I'll preface this with saying that although I've
23 witnessed Gustavo and Eduardo perform functions as
24 educator, they were more involved in running the
25 business. So they had primary -- three primary

Page 30

1 educators that were doing just that, educational.

2 **Q Okay. They are teaching classes in Forex trading**

3 **and cryptocurrency trading, correct?**

4 A Yes.

5 **Q And when you go into City Center, do they have**

6 **different terminals or do you bring in your own**

7 **computer?**

8 A No, you bring in your own laptop.

9 **Q Okay. Did all the students -- were all the**

10 **students also investors? Were some people just there to**

11 **learn?**

12 A Jill, I can only comment on what I did. I -- you

13 know, I met many of them, but I never got into any of

14 their business. So if they did, that was their

15 decision. But if you're asking me if they were there,

16 were they a member? Yeah, they were a member.

17 **Q Understood. Were the classes held in English or**

18 **Spanish?**

19 A Primarily in Spanish. Most of the -- most of the

20 members are Spanish-speaking. I do not speak Spanish.

21 They did accommodate the English-speaking folks, which

22 at the time I joined was a pretty small group. But

23 I'm -- I believe it has grown since then, but it's

24 primarily Latino.

25 **Q How often were the classes held?**

Page 31

1 A Daily -- every day except Sunday.

2 **Q One class per day?**

3 A Yes.

4 **Q How long were the classes?**

5 A Classes were approximately an hour but typically

6 would go over that. And of course, to complement the

7 in-person daytime learning, they would also have

8 nighttime Zoom classes. So if you couldn't attend day,

9 you'd log on at night.

10 **Q How would one have access to the Zoom classes?**

11 A An invite through -- I believe it was WhatsApp

12 that they were using. So there would be, like, a

13 channel with over 100 or whatever -- a large number of

14 people. They would send this blast notification out,

15 and I simply was included.

16 **Q How many people were attendance in the in-person**

17 **classes?**

18 A The conference room was limited to roughly, I'm

19 going to say, a max of 20 people. But again, most --

20 most people, assuming they had a daytime life, or let's

21 call it a job, this is why the evening sessions were

22 offered. At the time I had much more flexibility. So I

23 chose to be -- I'm a better learner in person than I am

24 online.

25 **Q We have that in common.**

Page 32

1 **Do you know how many people would attend the**

2 **WhatsApp classes?**

3 A I don't know the exact numbers. But you know how

4 you see people pop up on a WhatsApp? There were --

5 there were quite a few involved taking those classes at

6 night.

7 **Q Any estimate on the number?**

8 A It had to have been over -- on average, at least

9 80 to 100. But I -- you know, I remember, like, the --

10 again, I don't expect you to follow this, but when this

11 Bitcoin having occurred, there was a spike. I mean,

12 there was, like, 300 people or something on because they

13 needed to understand or wanted to understand what was

14 the significance of this event. You know, again, it was

15 the beginning of this Bitcoin wave scenario that

16 everyone needed -- from my experience, that is, I wanted

17 to understand "what is the importance of this, what is

18 Bitcoin, how does it affect, you know, other

19 cryptocurrencies and what not. And that's what they

20 pretty much provided that education in understanding

21 what these cryptocurrencies were; what they were

22 attached to; you know, projects, this type of scenario.

23 **Q Describe the substance of the classes. Was it**

24 **understanding cryptocurrency, or was it understanding**

25 **how to trade cryptocurrency?**

Page 33

1 A You had a variety of classes that were offered

2 throughout the week. Ones were more directed toward

3 what cryptocurrency was about, and others were more

4 about, you know, how do you set up a virtual wallet;

5 what are exchanges; what do they mean; how useful are

6 they to you. And of course the bigger player in the

7 alternate coin markets, you know, you'd come out with

8 these -- like Ethereum and Shiba and whatever, again, to

9 me they're just, like, terms. But apparently, they are

10 attached to projects that mean something that are of

11 value. And so that's my understanding of what an

12 altcoin is and how it establishes value.

13 **Q At any time during these classes, would there be**

14 **a pitch for investment or trading with CryptoFX?**

15 A I don't recall that being part of the classes. I

16 mean, it was a -- it was a true learning experience.

17 Actually, some of the classes caught -- I remember some

18 of the classes caught the New York session, which begins

19 at the -- I believe it's a 6:30 a.m. So we'd have class

20 early in the morning, those who were willing to come to

21 actually listen to trades live, to understand the

22 concept of trading.

23 **Q Were any of the classes reported?**

24 A Some were; not all.

25 **Q Do you know where we could find these reportings?**

1 the initial investment, I'm probably going to be more
2 comfortable telling you because I don't want to perjure
3 myself. I want to say that I paid them or reopened that
4 contract with cash again. Because I had, of course.

5 **Q Were there any disclosures about the trading
6 practices with that second investment?**

7 A No, nothing that I recall that stood out.

8 **Q Were there any disclosures about management fees?**

9 A As I recall.

10 **Q I apologize. I didn't catch your answer. Were
11 there any disclosures about management fees?**

12 A Not as I recall, ma'am.

13 **Q Thank you.**

14 **When you signed these contracts, do you recall
15 anything on the contract? And I unfortunately don't
16 have your contract. Do you recall any signatures
17 related to a CryptoFX representative or a CryptoFX
18 receiver?**

19 A Yes. I remember the last part of the contract,
20 there would be -- you know, obviously, I would sign and
21 then of course, the CryptoFX representative, I'm
22 assuming, was one of the admin staff signed verifying
23 that I had, you know, purchased this contract.

24 **Q Do you know what these individuals did?**

25 A As I understood it, they were administrative-type

1 roles. Either they were helping fill out new contracts
2 or paying out existing maturing contracts. And again,
3 this is me just seeing the activity.

4 **Q Okay.**

5 A And of course, there was the -- sorry.

6 **Q Apologies. Go ahead.**

7 A Again, and all this as a result of the third
8 piece which is the educators. So if you're asking me
9 components of the company, primarily administration-type
10 duties of. Filling out contracts, some folks would do
11 that. I see other folks responsible for fulfilling the
12 contracts. And then, of course, there were the
13 educators that did their all.

14 **Q So you don't actually know what a CFX
15 representative or a CFX receiver actually did?**

16 A That information was not privileged to me.

17 **Q Okay. Were you a VIP investor?**

18 A I remember the initial offering, something being
19 mentioned about a founders club. I don't believe that
20 ever materialized on -- to -- you know, to recall, that
21 never materialized in any way. It was mentioned that
22 they would -- and again, we're talking the group had --
23 who were looking at doing something like that, although
24 I don't believe it ever culminated to anything.

25 **Q Okay. I want to make sure that the record's**

1 **clear: At no point did anyone at CFX represent to you
2 that you, Gio, were a VIP investor?**

3 A No, no.

4 **Q Did anyone ever represent to you that you were a
5 member of the founders circle?**

6 A They were attempting to do something like that,
7 and I had inquired. But I -- I don't believe I was part
8 of that group either.

9 **Q Understood. And I know, Gio -- and we're going
10 to get into this a little bit later -- that you became
11 more involved with the company. So when you became more
12 involved with the company, did you have any discussions
13 about creating a VIP club or creating a founders circle?**

14 A At the time I -- I asked Mauricio -- you know,
15 again, we were pretty close at that point, and I
16 observed some inconsistencies with -- with what was
17 happening. I simply asked him what I could do to help
18 because of other factors that were affecting him and
19 what I perceived to be his business in a negative way.

20 **Q I appreciate that. I'm not quite sure you
21 answered my question. Was there any discussion when you
22 were more involved with CFX about a VIP or a founders
23 club?**

24 A No.

25 **Q So you have no insight on that?**

1 A No.

2 **Q Okay. Thank you.**

3 **With your second investment, how long did it take
4 for you to get paid out that 18 percent?**

5 A Of that contract, again, I -- I -- I signed up
6 for a six-month interval, so six months from that time
7 frame.

8 **Q So you've now made two investments. You get a
9 return. We're around mid 2021, correct?**

10 A And I'm just kind of doing the quick math. So
11 that would have been the August so, yeah, mid-2021.

12 **Q At what point do you start getting more involved
13 with CFX?**

14 A So again, forgive me. I'm going to look at the
15 time line to make sure I'm accurate about this.

16 So -- so it was about the April 2021 time frame.

17 I observed Mauricio at that point, considering him my
18 friend, just not being himself and what appeared to me
19 having -- looking like he's stressed out. Yeah. So
20 that -- at that point, I knew something was up, and I
21 could see the office becoming more disorganized as he
22 did not appear -- did not make appearances to the office
23 any longer.

24 If you want me to go further into why.

25 **Q You previously testified that you saw**

Page 50

1 **inconsistencies with the business. Please elaborate.**
 2 A Again, as a result of the setup of City Center
 3 with the glass walls, what I saw were potential
 4 customers, I'm assuming, or I'm going to guess that they
 5 were referrals. But they would -- they would simply
 6 come on into the office, disregard any type of an
 7 appointment-type scenario or structure that I understood
 8 was in place, wanting to be involved. So it appeared
 9 that the business was more or less exploding, and I'm
 10 assuming because word got out.
 11 So that being said, unfortunately, these folks
 12 with -- you know, Latinos bringing their family's kids
 13 in a -- what I considered a corporate environment and
 14 the other tenants on the floor complained and eventually
 15 got back to building management. And so they had
 16 received, I think, two or three violations at that point
 17 as far as, you know, protocols for the building as it
 18 were. And so that -- I didn't see anyone really kind of
 19 take charge, and I didn't want my friend's business to
 20 fail.
 21 Call it selfish but I -- you know, clearly, I was
 22 vested as to why. But it was because, predominantly,
 23 he's my friend. I didn't want it to fail. So I simply
 24 asked him what I could do to help. So he, knowing my
 25 background, simply turned to me and said, "Can you

Page 51

1 please be more visible?" And I go, "What do you mean?"
 2 He said, "I can't come to the office." I said, "Why?"
 3 Well, later, he divulges to me that there's a reason.
 4 And Gustavo had split at this point, he left.
 5 And also, with Gustavo leaving, Eduardo contracted COVID
 6 and he was hospitalized at that point. So this left
 7 Mauricio trying to run this business. And my
 8 understanding was Eduardo ran the office environment;
 9 Mauricio ran the trading as it were; and I understood
 10 that Gustavo, I guess, handled the education piece,
 11 slash, the crypto trading as well. But clearly, it had
 12 seemed to me that Mauricio -- this was not his strong
 13 suit.
 14 And so he came to me and said, "Hey, can I -- can
 15 I just get you to be more visible in the office and look
 16 after things?" I go, "What do you mean by that?" So,
 17 you know, I became -- I guess we'll call it an advisor
 18 and kind of an office resource, sometimes a glorified
 19 bouncer because of all the foot traffic that was
 20 happening, and then eventually, I guess we'll term it a
 21 legal facilitator because I started educating myself
 22 about different subjects that could potentially affect
 23 the business as, obviously, I was really interested in
 24 helping him. So I became a legal facilitator as well.
 25 I mean, that -- I led him to -- to Robert as a

Page 52

1 result of all of this. So that would have been one
 2 aspect of it. So it was just an effort to control
 3 what's happening. I mean, I get it, the business was
 4 exploding, but we still needed to maintain some type of
 5 corporate environment, which no one was abiding by,
 6 meaning our membership base or, you know, the potential
 7 customers that came in that wanted to open up new
 8 contracts. So that -- that was the reason. And of
 9 course, it eventually culminated with management
 10 absolving his lease, we had to move, and I knew he was
 11 stressed as a result of it.
 12 Going back to Gustavo, unfortunately, it was a
 13 result of what I came to later learn, that alleged
 14 affair between Gustavo's wife and Mauricio. I believe
 15 that was the main issue why Gustavo said, "We're done,"
 16 and understandably so.
 17 **Q Okay. So I understand why you started helping.**
 18 **But you previously testified as to inconsistencies.**
 19 **Talk to me about what inconsistencies you saw with the**
 20 **business.**
 21 A Meaning when -- when I refer to that, meaning as
 22 I was attending these classes -- you know, again, a
 23 mirrored wall, I would see all this commotion in the
 24 hallways and people barging into offices that I knew
 25 that was not the protocol, I knew that was not how they

Page 53

1 handled members. So at that point, I realized
 2 something's up. Nobody is trying to control the
 3 situation, and I -- I felt that I needed to do
 4 something.
 5 So that's -- that's when I asked him, "What I can
 6 I do?" So he was very much involved -- he was very much
 7 involved, don't get me wrong. Because of what happened
 8 with Gustavo, I mean, obviously, it became public
 9 knowledge so he couldn't show his face, and I believe
 10 that's the reason he asked me to be present on his
 11 behalf. But he was very much involved remotely.
 12 **Q Okay. And he is still the main trader at this**
 13 **time?**
 14 A I believe, yes. I believe the only trader at
 15 this point.
 16 **Q Okay. You pin this around April of 2021. But**
 17 **you were also involved with him as a business partner in**
 18 **CBT in July of?**
 19 A No. The company was formed in October of 2020 if
 20 we're looking at the time line -- I'm sorry. That would
 21 have been the official formation of the company.
 22 Forgive me.
 23 **Q No, forgive me. You're right. I got CBT and CFX**
 24 **mixed up. CBT started in October of 2020. Okay. I**
 25 **want to clarify that because it seems like there might**

Page 70

1 **did you ever attend a class where CFX taught people how**
 2 **to purchase cryptocurrency?**
 3 A I attended -- I remember attending a class or
 4 several classes because I'm a -- I'm a poor learner.
 5 But regardless, attempting to learn how to open a
 6 digital wallet, which is still a bit of a mystery to me.
 7 But as far as your direct question, no. And I -- I
 8 clearly remember the educator stating the -- again, this
 9 is not -- I remember the disclaimer putting out there
 10 "hey, we're not giving trading advice. This is simply
 11 meant for educational purposes". You know, that
 12 disclaimer was always out there.
 13 **Q When you say "it was always out there", where was**
 14 **it?**
 15 A Meaning any class that was given. I remember
 16 the -- that phrase would keep coming up, and now looking
 17 back in retrospect, I get why.
 18 **Q Did you ever observe Mr. Chavez with an investor**
 19 **that he was trading on behalf of?**
 20 A No, ma'am.
 21 **Q Okay. But he did trade on behalf of some**
 22 **investors?**
 23 A I -- I will not disagree with what you said,
 24 although I cannot confirm it because I did not witness
 25 it.

Page 71

1 **Q Okay. But that is part of the business model?**
 2 A Yeah.
 3 **Q Okay. Do you have any idea of how much money**
 4 **CryptoFX had raised?**
 5 A I couldn't tell you. I know, or at least I feel
 6 comfortable saying that he's been pretty profitable. If
 7 everyone is getting paid out, he's got to be making
 8 money in my position. Otherwise, you'd have some pretty
 9 angry Latinos after you, and they're not afraid of
 10 showing that.
 11 **Q Did you ever witness anyone complain about not**
 12 **being paid out or not getting their return or anything**
 13 **like that?**
 14 A No. If there were any complaints that I could
 15 talk about was more, you know, scheduling. Because
 16 clearly, to me, you know, CFX, or rather CryptoFX, had
 17 evolved to the point they -- they needed more bodies,
 18 they need more staff. And unfortunately, because of
 19 what was going on in Mauricio's personal life, he didn't
 20 witness what I witnessed. Even though I would tell him,
 21 you know, what was happening, he just -- you know, he
 22 didn't -- he didn't act on my advice about "hey, maybe
 23 we should bring on some more people because you're
 24 starting to get a backlog in appointments". So that was
 25 a frustrating point for most. But I mean, you know,

Page 72

1 again, I felt that they'd understood. You'd get the odd
 2 person saying "hey, why is this happening?" And I'd sit
 3 there and kind of tilt my head, "Is this really" -- you
 4 have to ask this question, look around you when there's
 5 a line out the door. So I mean, again, I'm not -- I'm
 6 being somewhat sarcastic here, but that was my way of
 7 handling somebody who was frustrated about the
 8 situation. I'd go, "This is a good thing to have. If
 9 all you're frustrated about is when you're going to be
 10 seen, just know you will be seen. That's all."
 11 **Q So were there ever complaints about payments**
 12 **being late?**
 13 A Not that I'm aware of.
 14 **Q You just described being backlogged and a line**
 15 **out the door. Can you imagine some complaints about**
 16 **payments being late?**
 17 A If they were verbalized, I never got wind of it.
 18 **Q Okay. Fair enough. Have you ever had any**
 19 **conversations with Mauricio about how much money he's**
 20 **made?**
 21 A No, no. It was never -- again, Mauricio was
 22 pretty protective about financial information, so
 23 clearly, that was a topic that I never -- I never spoke
 24 to him about. I mean, I -- I had my hands full. I was
 25 running another company.

Page 73

1 **Q Do you have any idea of how much money he's made?**
 2 A No idea, ma'am.
 3 **Q Do you know whether he has been paying himself**
 4 **any commissions, bonuses, salaries?**
 5 A I will not even begin to speculate on that
 6 answer. I don't know.
 7 MS. HARRIS: All right. We have been going
 8 about another hour. I'm going to propose we take a
 9 forty minute lunch.
 10 MR. BURFORD: Okay.
 11 MS. HARRIS: Let's just take it to the hour.
 12 Let's come back at one p.m., if that's okay with
 13 everyone. So let's go off the record at 12:15 and come
 14 back at one.
 15 (Whereupon, a luncheon recess was taken from
 16 12:15 p.m. to 1:02 p.m.)
 17 AFTERNOON SESSION
 18 MS. HARRIS: Let's go back on the record at
 19 1:02 p.m. Central Time.
 20 **Q All right, Gio. When we left before lunch, we**
 21 **were talking about CryptoFX, what you were doing at**
 22 **CryptoFX, helping out the company, and you were paid for**
 23 **that. You were helping organize. You were doing a lot**
 24 **of things. And --**
 25 A The -- forgive me.

Page 86

1 A It wasn't going to -- yeah. Correct.

2 **Q You see these funds come in the checks with CBT**

3 **written out to -- excuse me. Strike that.**

4 **You see these funds come in with individuals**

5 **writing checks to CBT Group. Do you ask Chavez, "Hey,**

6 **are these people also investors in CFX?"**

7 A So if you're asking me to turn away money, the

8 answer is "no". If you're asking me "am I going to

9 probe him about his financial affairs and his business",

10 the answer, again, is "no". So if you've asked me what

11 my role in CBT Group is, I just told you I manage the

12 company. So that's the extent of my knowledge

13 financially from Mr. Chavez's side. I couldn't verify

14 or deny who these people are. All I know is it's an

15 individual that made a check to CBT. I will take that

16 and run.

17 **Q I didn't ask you any of those things, actually.**

18 A Yeah, I know.

19 **Q I asked you -- and I'd like a direct answer to my**

20 **question. I asked you did you ask Mr. Chavez who these**

21 **people were?**

22 A No.

23 **Q Thank you. Okay.**

24 **Do you know if Gabriel Torres was out trying to**

25 **get investors from -- excuse me -- if Gabriel Torres was**

Page 87

1 **actually out trying to solicit investors for CBT?**

2 A He is our contractor. So remember, he runs his

3 own full-time business. So in an effort to be my

4 contractor, I gave him the five percent of the business

5 to incentivize him. He doesn't need us; we need him.

6 **Q Okay. That wasn't an answer to my question. Do**

7 **you know if he was out trying to get investors for CBT?**

8 A No.

9 **Q "No", you don't know or "no", he was not doing**

10 **that?**

11 A No, he wasn't doing that.

12 **Q Okay. So he took a very small nonoperational**

13 **role in the management and fundraising of CBT, correct?**

14 A No management, no fundraising. He's my

15 contractor.

16 **Q Got it. Okay.**

17 **Let's talk about the lease at 1124 Blalock: So**

18 **we talked about the Town and Country address, and you**

19 **alluded to before there's a lot of foot traffic, there**

20 **were a lot of complaints, you got kicked out. Tell me**

21 **what happens next with the offices of CFX.**

22 A And CBT because it affected me directly.

23 MR. BURFORD: I'd just like to -- you said

24 he got kicked out, and I don't think --

25 MS. HARRIS: Okay. Fair enough. Let me

Page 88

1 clarify.

2 MR. BURFORD: Just change the companies or

3 the people.

4 MS. HARRIS: Sure.

5 **Q I think, Gio, I might be mischaracterizing your**

6 **statement unfairly. I believe you said CFX got -- their**

7 **lease was terminated. Is that a fair statement?**

8 A That is a fair statement, CryptoFX.

9 **Q I apologize. I may have been sloppily**

10 **characterizing your testimony, and that's my fault.**

11 MS. HARRIS: Thank you, Mr. Burford, for

12 correcting me.

13 **Q Their lease was terminated. When did that**

14 **happen?**

15 A I couldn't pinpoint a date, but I'm looking at

16 the time line.

17 **Q If it helps you out, you obtained the new lease**

18 **on 1124 Blalock in September of 2021.**

19 A It was -- so I'm going to say it was the

20 August -- yeah, here it is: 2021/08/31, "CityCentre

21 building management threatens to cancel lease as a

22 result of too much uncontrolled foot traffic caused by

23 the increased business." So about that time range.

24 August, we'll call it.

25 **Q I see that. I'm going to put your time line of**

Page 89

1 **events -- if your counsel is okay with this, I'm going**

2 **to put your time line of events and mark it as**

3 **Exhibit 58 since you're referring to this. This is a**

4 **helpful time line.**

5 (SEC Exhibit No. 58 was marked.

6 for identification.)

7 **Q And you're referring to the date at the top of**

8 **page 2. I see that. So that happens in August of 2021,**

9 **and you move to the 1124 -- "you" being CBT and CFX move**

10 **to 1124 Blalock in September of 2021; is that correct?**

11 A Yes. And just -- sorry. Just to clarify a

12 little bit further, these days reflect the information

13 that is on the WhatsApp dialogue that was provided to

14 me. So that's why I'm referring to these time lines, to

15 make sure it's reflective of these WhatsApp dialogues.

16 **Q Absolutely. And for further clarification, the**

17 **WhatsApp dialogue that you're referring to is Exhibit**

18 **35, which we will get into later.**

19 **Who held the lease on 1124 Blalock?**

20 A So the lease agreement was between BZO Wheel and

21 Tire, which is the owner. His name: Daniel Sun, S-U-N,

22 is the owner of the property. He leased Suite A to CBT

23 so that I could renovate the space for office use.

24 **Q Am I correct in saying that CryptoFX was never**

25 **a -- strike that.**

1 **Q Okay. Got it. There was also a Cadence account**
2 **for the Maurizio Group. But you did not have access to**
3 **this account; is that right?**

4 A I did not.

5 **Q Do you remember making out a check to Maurizio**
6 **Group?**

7 A I can't recall if I did that, ma'am. I'd have to
8 see -- I'd have to see the check.

9 **Q Okay. We'll circle back to that one.**

10 **There's also, as we previously spoke about, a**
11 **personal checking at Cadence, bank account, for**
12 **Mr. Chavez's. But you did not have access to that; is**
13 **that correct?**

14 A That is correct.

15 **Q At some point in -- at some point the bank**
16 **accounts were switched from Cadence to Lone Star. Can**
17 **you describe to me why that happened?**

18 A I was -- and I forget what time frame. I'm sure
19 we can deduct that information from the ending of one
20 account and the start of the other. That was all
21 submitted. But I was informed at some point that the
22 account at Cadence was closed, reasons not divulged to
23 me. As I recall, we were in the midst of this Tomball
24 project, so we were scrambling to open another account
25 so I could conduct business.

1 MS. HARRIS: Okay. Let's take a five-minute
2 break. Let's come back at -- actually, let's come back
3 at 2:20, and we will pick up with the Lone Star account.
4 We will go off the record at 2:13 p.m. Central Time.
5 Thank you.

6 (Whereupon, a brief recess was taken.)

7 MS. HARRIS: Let's go back on the record at
8 2:24 p.m. CT.

9 **Q Okay. So before we left off before, I said we**
10 **were going to go to Lone Star Bank, but I have one more**
11 **question about Cadence: You said that Mr. Chavez had**
12 **signing privilege as well on the Cadence CBT account; is**
13 **that correct?**

14 A That is correct.

15 **Q Okay. When did he get signing privileges?**

16 A When we opened the account at Cadence. I think
17 you may have displayed that document initially, did you
18 not?

19 **Q I may have. In this case, it's your testimony**
20 **that he always had signing privileges; is that correct?**

21 A Yes.

22 **Q Okay. Thank you.**

23 **Tell me about why you opened up a Lone Star Bank**
24 **account.**

25 A Well -- and again, you'd have to look at the

1 records. Don't pin me on a date. But at some point, I
2 was informed that the Cadence Bank accounts were being
3 closed. So in a scramble had to find another bank to --
4 to -- you know, obviously, to conduct business for CBT
5 as well as his side or CFX.

6 **Q Were you given a reason why the Cadence Bank**
7 **accounts were closed?**

8 A No specific reason. But personal commentary:
9 Banks don't like the word "crypto", so I assume it has
10 something to do with the name CryptoFX, you know this
11 type of scenario -- again this -- I'm take making this
12 commentary because I have a couple of friend in the
13 financial realm that tell me this. So I'm thinking,
14 "Oh, okay. I guess I can relate." These friends, by
15 the way, being in Canada.

16 **Q Did you see any documents for anything related to**
17 **the account closure?**

18 A No, no.

19 **Q Okay. I'll put up -- let's put up Exhibit 50,**
20 **please, Lone Star.**

21 (SEC Exhibit No. 50 was marked
22 for identification.)

23 **Q So was it your understanding that -- before we**
24 **get into the exhibit, first, let me ask was it your**
25 **understanding that CBT and CryptoFX opened up an account**

1 **at Lone Star Bank?**

2 A Yes. But I'm going to correct you: If I -- if I
3 recall -- again, we'd have to look at the records to
4 verify. But at this point, I think it's CFX Lifestyle,
5 but I'm not entirely sure. But yes, you're correct.

6 **Q Our records show that Maurizio Group, CBT, and**
7 **Mr. Chavez personally opened up bank accounts at Lone**
8 **Star Bank. Does that sound right to you?**

9 A I was only aware of the CBT Group, yes, not the
10 others.

11 **Q Okay. Does it sound correct to you that CFX or**
12 **CryptoFX or CFX Lifestyle did not open up an account at**
13 **Lone Star Bank?**

14 A I'm going to have to agree. If you're telling me
15 the other banks are -- what their names are and you
16 haven't mentioned CFX Lifestyle, then I'm going to guess
17 that one CFX Lifestyle was not opened up.

18 **Q Was there any conversation about why CryptoFX or**
19 **CFX Lifestyle did not open an account at Lone Star Bank?**

20 A No.

21 **Q No?**

22 A No, there was not.

23 **Q Okay. So can you look at Exhibit 50? I'll give**
24 **you some time.**

25 A If you could scroll down a little bit. Scroll

1 I'm misquoting this: But since we both had the account,
2 obviously, he had signing privileges. It appears he
3 wrote a check to this person.

4 **Q Some of these are your signature?**

5 A Me?

6 **Q One of them is your signature.**

7 A The Frank Comiskey?

8 **Q Yes.**

9 A Yeah. Would you like me to comment on that?

10 **Q Let me take a couple steps back here. But**
11 **essentially yes. Would he ask you to wire people from**
12 **this account, this Lone Star account?**

13 A Again, unless I look at the actual records -- I
14 know it has happened with this current account -- excuse
15 me -- with the Spirit of Texas account. He's asked me
16 to do that. I can't -- unless I look at the records, I
17 can't verify if it happened in the Lone Star time frame.

18 **Q Okay. Fair enough. You said it was his money.**
19 **Is it your understanding that the money that he put in**
20 **from those checks that went into the Cadence Bank**
21 **account that then went into the Lone Star account was**
22 **Mr. Chavez's money, or is it your understanding that it**
23 **was investor money?**

24 A Frankly, I never cared to ask deeper questions
25 than what you're proposing, and I may have in -- may be

1 misreferencing because you could be pointing to "yeah,
2 it could be member money". Again, I -- I can't verify
3 it. I'm sorry.

4 **Q That's okay. Thank you.**

5 **Can you now speak to the check that you wrote to**
6 **Frank Comiskey?**

7 A Yeah. Frank Comiskey is an insurance agency of
8 which we required to have insurance for the labor that
9 was being performed on the Tomball property. So there
10 had to be a rider in the event of a slip and fall, that
11 type of thing.

12 **Q Thank you. That's helpful.**

13 **Did you ever ask Mr. Chavez about why he was**
14 **writing checks to individuals on the CBT account?**

15 A I never did, no.

16 **Q Okay. I don't want you to speculate too much.**
17 **But I don't want you to look at the amounts that he's**
18 **writing with these checks on Exhibit 51. Are these**
19 **amounts the amounts that Mr. Chavez in the CryptoFX**
20 **business would pay out in returns?**

21 A Sorry. I could not verify that either way.

22 **Q Okay. That's fine. Do you know why Mr. Chavez**
23 **never memorializes any of these payments? And when I**
24 **say "memorializes", he doesn't appear to put a lot of**
25 **detail in the memo line, if any.**

1 A Yeah, and I've never asked him why. You know,
2 again, what you and I consider normal business-keeping
3 practices, clearly, that should not be applied to all.

4 **Q Okay.**

5 A Just to remind you, back in the CityCentre-era
6 days, I mean, what I saw, you know, his -- his office
7 guy really, the guy that kind of held it together, in my
8 opinion, was Eduardo Taffinder.

9 **Q Okay.**

10 A I mean, I know that that's what he excelled at.
11 MS. HARRIS: Okay. Tawnya, let me ask you
12 to put up Exhibit 52, please.

13 (SEC Exhibit No. 52 was marked
14 for identification.)

15 **Q Gio, take your time with this. But I'm just**
16 **going to signal to you, this is a closing document to**
17 **close the account that we were looking over previously,**
18 **the CBT account at Lone Star Bank. And I will note that**
19 **this account was open from May 5th, 2021, to May 28th,**
20 **2021, so it was only open a couple of weeks.**

21 A Yes. Well, less than a month, yeah -- I'm sorry.
22 Your question to me now?

23 **Q I want you to take your time with the document**
24 **and just let me know whenever you're done.**

25 A I've read it.

1 **Q Why did you close this account?**

2 A Well, it -- we didn't voluntarily. And sorry.
3 Let me ask, which account is this?

4 **Q This is the CBT account.**

5 A Yeah. I didn't voluntarily ask to close this
6 account. As I recall, I was informed that we had to
7 close the account because Mauricio's name was on it.
8 And I suspect, you know, it has to do with something
9 with crypto-related. Again, the whole "banks don't like
10 the word 'crypto'".

11 **Q But this account did not have crypto on it?**

12 A No. But it had his name on it.

13 **Q Okay. And it was your understanding that he is**
14 **so intertwined with crypto, that's why they closed the**
15 **account?**

16 A If I had to guess why we had such a short
17 relationship with Lone Star, at some point I'm -- I'm to
18 guess that -- you know, that they -- either he
19 inappropriately wrote the word or, you know, they saw
20 the word attached to his name and so they asked him to
21 remove all the assets including the one with me.

22 **Q Okay. Is that your signature on the first page?**

23 A Looking at what appears to be Mr. Mauricio's
24 signature where it says "cashier's check"?

25 **Q Yes.**

Page 194

1 A Yes. Richmond, Texas.
 2 MS. HARRIS: Okay. That is the end of my
 3 questions for you today. Thank you, Gio.
 4 THE WITNESS: Okay Jill.
 5 MR. BURFORD: All right, Jill. I've got
 6 just a few.
 7 MS. HARRIS: Sure.
 8 MR. BURFORD: Just make sure the record's
 9 clear on a couple points.
 10 You have testified, I think, that you've
 11 been in the offices of -- the CFX Lifestyle offices for
 12 quite some time, correct?
 13 THE WITNESS: Correct.
 14 MR. BURFORD: And during that time, have you
 15 ever heard of any member voice a complaint that they had
 16 not been paid according --
 17 THE WITNESS: No.
 18 MR. BURFORD: -- to an agreement?
 19 THE WITNESS: Sorry for cutting you off.
 20 No, I've not heard any complaints, Robert.
 21 MR. BURFORD: Have you ever heard anyone
 22 complain about the amount of the return that they
 23 received on the amount of money that they gave to the
 24 company?
 25 THE WITNESS: No, I've not heard any

Page 195

1 complaints related to that either.
 2 MR. BURFORD: Okay. Now, you now know that
 3 it certainly appears that members of crypto company paid
 4 moneys that were put into CBT, true?
 5 THE WITNESS: Yes.
 6 MR. BURFORD: Mr. Mauricio Chavez, has he
 7 told you anything about whether or not those members had
 8 been repaid the amount of money that was put into CBT?
 9 THE WITNESS: He did share with me that they
 10 were paid from the CFX -- were compensated through CFX,
 11 yes.
 12 MR. BURFORD: All right. Have you received
 13 any complaint from any of the people that wrote checks
 14 to CBT?
 15 THE WITNESS: No.
 16 MR. BURFORD: Are you aware that there are
 17 any dissatisfied individual members of either of the
 18 crypto companies?
 19 THE WITNESS: Never been voiced to me at
 20 either company.
 21 MR. BURFORD: All right. Now, you discussed
 22 a period of time when there was a disorganization of the
 23 business, I think during the period in which one of the
 24 partners of CFX crypto was in the hospital and
 25 ultimately died, and the other partner was -- had left

Page 196

1 the agreement -- partnership or was terminated somehow
 2 and that it created a lot of personal animosity between
 3 that partner and Mr. Chavez, correct?
 4 THE WITNESS: Yes.
 5 MR. BURFORD: And that you then -- at least
 6 you perceived a lot of disorganization around the
 7 offices?
 8 THE WITNESS: Yes.
 9 MR. BURFORD: Now, during that period of
 10 time, despite the fact that you perceived
 11 disorganization, did you hear anyone complain that they
 12 weren't being paid back in a timely manner?
 13 THE WITNESS: There was no complaints to
 14 that effect. And I know, you know, because I kept
 15 with -- in touch with Mauricio, he was still actively
 16 trading on behalf of the company. I knew that. And he
 17 just felt he couldn't show his face around the office.
 18 It just made life easier for him and allowed him to
 19 concentrate on what he did, which was trading. And
 20 that's why he asked me for my help. I'm sorry.
 21 MR. BURFORD: I want to make sure this is
 22 clear: Has Mauricio indicated to you that he is worried
 23 about any inability to pay back current investors?
 24 THE WITNESS: No, he's never expressed that.
 25 In fact, he's rather optimistic about paying everyone

Page 197

1 back, which leads me to believe that the company is
 2 profitable.
 3 MR. BURFORD: I think I don't have any
 4 further questions at this point.
 5 THE WITNESS: And I guess I'll -- forgive
 6 me. I just ask --
 7 MR. BURFORD: You may have some things you
 8 want to say, but I'm done.
 9 THE WITNESS: Again, so you know Jill has
 10 been asking -- and I -- and I understand the nature of
 11 the questions. But, you know, the -- I guess the ball I
 12 want to throw back to your side of the court, Jill, is
 13 would I really -- you know, would I, at 55, get involved
 14 with a crook? I mean, obviously, I trust this guy.
 15 Again, this is my personal opinion here. But I believe
 16 I'm an educated individual enough to know between right
 17 and wrong and kind of, you know, who's not on the up and
 18 up. But I've been around the block a little bit.
 19 So that was my characterization about
 20 Mauricio, which I -- honestly, for me, he just seemed
 21 like a good guy. He has very good intentions. Clearly,
 22 there was some trouble, and I just felt like I couldn't
 23 abandon it.
 24 MS. HARRIS: Okay. Thank you.
 25 **Q I want to clarify one thing you said about the**

Page 198

1 payouts to people who wrote checks to CBT: You just
 2 testified that Mauricio told you that all the people who
 3 wrote checks to CBT had been paid back; is that right?
 4 A That's in light of, you know, providing
 5 information --
 6 THE WITNESS: If I can share this, Robert.
 7 A -- providing information to our attorneys, that
 8 question came up and he did state exactly that.
 9 **Q But you don't have personal knowledge that all**
 10 **the people who wrote checks to CBT were actually paid**
 11 **back?**
 12 A No. This is just a comment that, "yes, everyone
 13 was paid back". That was my understanding.
 14 **Q Do you know where -- do you know how they were**
 15 **paid back?**
 16 A Again, that would have been taken care of with
 17 him, and I assume it was through CFX.
 18 **Q Did he comment to you what account that they were**
 19 **paid back from?**
 20 A No.
 21 **Q Okay. Did he comment to you if they were paid**
 22 **back via cash or via check?**
 23 A No. He just made the comment that they were paid
 24 back.
 25 **Q Okay.**

Page 199

1 A Yeah.
 2 MS. HARRIS: I don't have any further
 3 questions. But at this time, I always like to kick it
 4 to my paralegal who's has been taking notes and who
 5 might have just some clarify questions and stuff like
 6 that for the glossary. So with that, Tawnya, any
 7 questions or any follow-up?
 8 MS. GODSEY: No. I believe we're all good.
 9 MS. HARRIS: Nicole, any questions or
 10 follow-up?
 11 THE COURT REPORTER: No. Thank you. I have
 12 all the spellings.
 13 MS. HARRIS: Then we will go off the record
 14 at 5:55.
 15 (Whereupon, at 5:55 p.m., the examination
 16 was concluded.)
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Page 200

1 PROOFREADER'S CERTIFICATE
 2
 3 In the Matter of: CRYPTO FX LLC
 4 Witness: Giorgio Benvenuto
 5 File Number: FW-04464-A
 6 Date: Thursday, May 12, 2022
 7 Location: Fort Worth, Texas
 8
 9 This is to certify that I, Christine Boyce,
 10 (the undersigned), do hereby certify that the foregoing
 11 transcript is a complete, true and accurate transcription
 12 of all matters contained on the recorded proceedings of the
 13 investigative testimony.
 14
 15
 16 _____
 17 (Proofreader's Name) 5-19-2022
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Page 201

1 CERTIFICATION
 2
 3 I, NICOLE WEXLER, a Notary Public in and
 4 for the State of New York, do hereby certify:
 5 THAT the witness(es) whose testimony is herein
 6 before set forth, was duly sworn by me; and
 7 THAT the within transcript is a true and
 8 accurate record of the testimony given by
 9 said witness (es).
 10 I further certify that I am not related either
 11 by blood or marriage, to any of the parties
 12 to this action; and
 13 that I am in no way interested in the outcome
 14 of this matter.
 15 IN WITNESS WHEREOF, I have hereunto
 16 set my hand this 12th day of May 2022.
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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

vs.) Case No. 4:22-cv-3359

MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)

Defendants.)

and)

CBT GROUP, LLC,)

Relief Defendant.)

ORAL VIDEOTAPED DEPOSITION

ORAL VIDEOTAPED DEPOSITION OF

MR. JULIO E. TAFFINDER

December 14, 2022

ORAL VIDEOTAPED DEPOSITION OF MR. JULIO E.
TAFFINDER, produced as a witness at the instance of
the Plaintiff and duly sworn, was taken in the
above-styled and numbered cause on the 14th day of
December, 2022, from 9:15 a.m. to 6:43 p.m., before
Michelle Hartman, Certified Shorthand Reporter in and
for the State of Texas and Registered Professional
Reporter, reported by computerized stenotype machine

1 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
2 Chase Tower, 600 Travis Street, Suite 3400, Houston,
3 Texas 77002, pursuant to the Federal Rules of Civil
4 Procedure and the provisions stated on the record or
5 attached hereto.

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1 Q. In general, were people more concerned
2 about the classes continuing or the money getting
3 paid back?

4 A. Some people were concerned about the --
5 the classes, and then some people obviously wanted
6 their -- their money back.

7 Q. Can you -- can you say what people were
8 more concerned about?

9 A. I mean, after this was published, it is
10 evident that people wanted their -- their student
11 membership back.

12 Q. And what do you mean by "student
13 membership"?

14 A. So whatever they purchased, so like the
15 5,000, they wanted it back.

16 Q. They wanted their money back?

17 A. Yes, sir.

18 Q. Okay. Looking at that last entry, just
19 to help me understand the way you would talk to
20 Mauricio, you're asking him for a specific number of
21 BitCoin here, right?

22 A. Yes, sir.

23 Q. And BitCoin -- at this time in early June
24 of 2022, was a BitCoin worth about \$30,000?

25 A. I don't remember, sir.

1 together an event and make it a gala.

2 MR. PATEL: Just so -- just so it's
3 clear, when you say his friend, who's the "he" in
4 there?

5 THE WITNESS: Oh, Henry Pineda.

6 MR. PATEL: And whose friend is it?

7 THE WITNESS: Mauricio's friend.

8 MR. PATEL: Okay.

9 Q. (BY MR. GULDE) So he asked you and
10 Carlos?

11 A. Uh-huh.

12 Q. What is Carlos' last name?

13 A. Campos. C-A-M-P-O-S.

14 Q. And what was -- what was Carlos' Campos'
15 day job?

16 A. Marketing.

17 Q. Okay. And then you also mentioned Henry
18 Pineda, P-I-N-E-D-A?

19 A. Yes, sir.

20 Q. And what was Henry's day job?

21 A. He didn't work at CFX, sir.

22 Q. Do you know what he did?

23 A. He was Mauricio's friend and was there
24 for support.

25 Q. Is he someone that you had interacted

1 with before?

2 A. Not previous to CFX, no, sir.

3 Q. Okay. How about during your -- your
4 activity with CFX?

5 A. Yes, sir.

6 Q. Okay. What did you see -- what kinds of
7 things did you see Henry Pineda doing?

8 A. He would provide guidance on business.
9 For example, he mentioned that he thought that
10 Mauricio was spending too much money on -- on lunch
11 for the company. So there was lunches that were
12 provided for the employees -- employees on a daily
13 basis.

14 Q. And who would he give that advice to?

15 A. Mauricio, sir.

16 Q. And how would you become aware of it?

17 A. Because he would tell me, sir.

18 Q. Because he, Mauricio, would tell you?

19 A. No, sir. Because Henry would -- would
20 share that, too.

21 Q. Okay. Was there any other business
22 advice that you know that Henry gave to Mauricio?

23 A. No, sir, other than general advice like
24 that.

25 Q. Okay. So Henry Pineda, other than being

1 names or any contract number in the text message,
2 right?

3 A. No, sir. No, there is -- there's a
4 document that is mentioned here that shows the
5 request amount that I would send him, and I needed
6 for him to see it so he could see the urgency.

7 Q. And did that document reside in Google
8 Drive?

9 A. Yeah, you guys can now have access to it.

10 Q. And it is still there as far as you know?

11 A. Yeah, everything should still be there.

12 Q. Is that a running document that was
13 altered as you go or would there be a September
14 version of that document?

15 A. There should be different iterations of
16 the document based on the dates of that document.

17 Q. Okay. Do you know anything about the
18 color codes on the rows here?

19 A. Oh, that was customer service, sir.

20 Q. Did they say anything to you?

21 A. Those were the ones they would highlight
22 that would call very often, sir.

23 Q. Okay. Which --

24 A. They're --

25 Q. Do you know which color indicated more

1 them?"

2 A. I was asking -- I was trying to
3 understand what was going on with that situation,
4 because I had never come across it, sir.

5 Q. Yeah. And what did you end up finding
6 out about that?

7 A. I don't exactly remember. I believe they
8 were, but did not seem to have answered my question.

9 Q. Now, does that 18 percent mean that they
10 were better at trading BitCoin than L.A.?

11 A. I don't know where it came from, sir.

12 Q. What's your understanding of how CFX was
13 able to pay any percent of return on amounts invested
14 by student investors?

15 A. Mauricio would conduct trading, sir.

16 Q. And you said trading, not training?

17 A. Trading, yes.

18 Q. Okay. So Mauricio would conduct trading
19 in -- in what assets?

20 A. I don't know, sir.

21 Q. Now, do you know if Mauricio conducted
22 trades in -- in crypto currency?

23 A. I witnessed a Coinbase Pro account once.

24 Q. And do you have any details of that
25 Coinbase Pro account?

1 A. No. He just mentioned that he had made
2 \$50,000 in five minutes once and then he showed the
3 transaction.

4 Q. When was this transaction?

5 A. It was when I was joining, sir.

6 Q. Would that have been around -- or when
7 was that?

8 A. It should have been around -- I started
9 volunteering for classes in February, so around that
10 time, sir.

11 Q. And this is February of 2022?

12 A. Yes, sir.

13 Q. And Mauricio -- Mauricio was telling you
14 that he just made \$50,000 in five minutes?

15 A. Yes, sir.

16 Q. And did he spin his monitor around and
17 show you?

18 A. Oh, no, he showed me on his phone, sir.

19 Q. On his phone?

20 A. Yeah.

21 Q. And is this something Mauricio did more
22 than once?

23 A. No, sir, I only saw it once.

24 Q. Did you ever see any -- anything on his
25 phone or in documentation that reflected other crypto

1 issues?

2 A. No, ma'am.

3 Q. What did y'all do when there were IT
4 issues? I have IT issues all the time. I cannot
5 live without IT, so that's why I wanted to --

6 A. People would ask me for assistance as the
7 crypto teacher.

8 Q. So were you always there to help?

9 A. No.

10 Q. Okay. And who would help them with
11 resetting passwords or anything like that?

12 A. Oh, that was their -- their own doing.

13 Q. Did CFX give anyone a laptop and I mean,
14 as a company laptop?

15 A. Yeah, people had company laptops.

16 Q. And who had company laptops?

17 A. Customer service had their company
18 laptop.

19 Q. Okay. Anyone else other than the
20 customer service employees?

21 A. No, ma'am, just that.

22 Q. What about the accounting personnel?

23 A. I recall them having the desktop, ma'am.

24 Q. Tell me about the security system at the
25 CFX offices of Blalock.

1 November 2021.

2 Q. Okay. Do you recall -- you were asked
3 about classes and I know you gave classes. Did
4 people find your classes valuable?

5 A. Yes, sir.

6 Q. How many classes do you think you gave to
7 them?

8 A. So I started off -- I slowly ramped up,
9 so --

10 Q. And I'm not looking for a hard number,
11 just a rough idea.

12 A. Over the last -- I mean, it started off
13 as once a week, and then it ramped up to twice a
14 week, and then it ramped up to three times a week;
15 and then it ramped up to three times a week, plus the
16 Chicago event or the L.A. event.

17 Q. Okay. So total overall, 30, 40, over 50?

18 A. I would say over 30, just high-level
19 ballpark off the top of my head.

20 Q. Was there a teacher that you replaced?

21 Was someone doing it before you came in,
22 giving classes I mean?

23 A. Yes, sir.

24 Q. And was there a particular person you
25 replaced or --

1 A. No, sir.

2 Q. And were there others giving classes at
3 the same time you were?

4 A. Yes, sir.

5 Q. How many others were giving classed?

6 A. So you have Juan Puac doing forex. You
7 have Marco, at the time he was doing forex as well.
8 Marco Barron. You have Eddie Carmona doing classes,
9 too. You have myself. You have Juan Lemus doing
10 motivational classes; and then you have Tony, at one
11 point Tony Lemus developing business talk, personal
12 development classes as well.

13 Q. And were you aware of there being -- I
14 heard there being forex classes that they would give
15 in the middle of the night so they could be giving
16 them while the exchange in London was active.

17 Were you aware of that?

18 A. Juan Puac starts them at 10:00 p.m., sir.

19 Q. And that was so they could see the market
20 moving live and demonstrate trades live?

21 A. I know they demonstrate trades live, but
22 I have never jumped in and witnessed anything other
23 than the time at the Chicago event.

24 Q. Okay. Now, if I heard correctly, you
25 said Mr. Chavez was not there very much or not there

1 very much during the day at the office on Blalock; is
2 that right?

3 A. That is correct, sir.

4 Q. Did you ever see him there during --
5 during normal business hours?

6 A. Only once, sir.

7 Q. And when was that? Or what was the
8 occasion?

9 A. It was August, sir. He came to inspect.

10 Q. Inspect what?

11 A. The -- the company.

12 Q. Okay. And how long was he there?

13 A. A full day.

14 Q. Okay. Now the 79 -- sorry -- 79 Protons
15 people, is that business still operating as far as
16 you know?

17 A. 79 Protons?

18 Q. Yeah.

19 A. I don't really know, sir.

20 Q. Okay. At the time when it was being
21 offered through CFX or CryptoFX, did you believe that
22 the product they were offering was, indeed, going to
23 be backed by gold?

24 A. Based on the information they provided
25 and their asset -- their -- the gold examples, that

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STATE OF TEXAS
COUNTY OF HARRIS

REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MR. JULIO E. TAFFINDER

December 14, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

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SUBSCRIBED AND SWORN TO under my hand and
seal of office on this 19th day of December, 2022.

Michelle Hartman



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
vs.)
)
MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)
)
Defendants.)
)
and)
)
CBT GROUP, LLC,)
)
Relief Defendant.)
_____)

Case No. 4:22-cv-3359

ORAL VIDEOTAPED DEPOSITION
MS. CARMEN DE LA CRUZ
December 9, 2022

Reported by:
Michelle Hartman
JOB No. 221209WWC

1 ORAL VIDEOTAPED DEPOSITION OF MS. CARMEN DE LA
2 CRUZ, produced as a witness at the instance of the
3 Plaintiff and duly sworn, was taken in the
4 above-styled and numbered cause on the 9th day of
5 December, 2022, from 9:12 a.m. to 1:14 p.m., before
6 Michelle Hartman, Certified Shorthand Reporter in and
7 for the State of Texas and Registered Professional
8 Reporter, reported by computerized stenotype machine
9 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
10 Chase Tower, 600 Travis Street, Suite 3400, Houston,
11 Texas 77002, pursuant to the Federal Rules of Civil
12 Procedure and the provisions stated on the record or
13 attached hereto.

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1 Q. Where did you meet Mauricio Chavez?

2 A. I met him at a class about crypto and
3 forex that was taking place in the academy.

4 Q. Were you already an investor in CryptoFX
5 at this time?

6 A. Yes.

7 Q. And did you speak with Mauricio Chavez?

8 A. I just asked him because we had a chat
9 about people that were receiving the classes and we
10 needed to know the schedule and the times. I asked
11 him about that, about the times, and told him that I
12 was interested in learning.

13 Q. And did you attend the classes?

14 A. Yes.

15 Q. And have you learned about crypto --
16 crypto trading?

17 A. No, I just went, but I didn't learn.

18 Q. How many classes did you attend?

19 A. I went like three times.

20 Q. And how long were the classes?

21 A. Like one hour and a half, more or less,
22 with a crypto teacher.

23 Q. And do you know who the crypto teacher
24 was?

25 A. Yes, Julio Taffinder, Taffinder, yes,

1 something like that, and a forex one, too, a forex
2 teacher.

3 Q. Do you know who the forex teacher was?

4 A. Yes, Juan Puac.

5 Q. And that last name is spelled P-U-A-C?

6 A. Yes.

7 Q. But as you are sitting here today, you
8 can't tell us what you learned?

9 A. Well, I learned is that the BitCoin is
10 like a crypto currency that is the most famous crypto
11 currency, and those who invest in BitCoin are
12 investing for the future, and that the BitCoin was
13 what they were doing with the money. I was listening
14 to that, that they were using our money to invest in
15 BitCoin.

16 Q. And were you involved in any of the
17 decisions about what was done with the actual trades?

18 A. No.

19 Q. Did you learn how to make any of the
20 trades yourself?

21 A. No, never.

22 Q. Did you learn how to make any forex
23 trades?

24 A. No.

25 Q. So did they describe what they were doing

1 STATE OF TEXAS
2 COUNTY OF HARRIS

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REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MS. CARMEN DE LA CRUZ
December 9, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

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SUBSCRIBED AND SWORN TO under my hand and
seal of office on this 14th day of December, 2022.

Michelle Hartman



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

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IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

vs.)

Case No. 4:22-cv-3359

MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)

Defendants.)

and)

CBT GROUP, LLC,)

Relief Defendant.)
_____)

ORAL VIDEOTAPED DEPOSITION
MS. JANETTE HERNANDEZ-GONZALEZ
December 7, 2022

Reported by:
Michelle Hartman
JOB No. 221207WWC

1 ORAL VIDEOTAPED DEPOSITION OF MS. JANETTE
2 HERNANDEZ-GONZALEZ, produced as a witness at the
3 instance of the Plaintiff and duly sworn, was taken
4 in the above-styled and numbered cause on the 7th
5 day of December, 2022, from 9:19 a.m. to 4:38 p.m.,
6 before Michelle Hartman, Certified Shorthand Reporter
7 in and for the State of Texas and Registered
8 Professional Reporter, reported by computerized
9 stenotype machine at the offices of Shook, Hardy &
10 Bacon, LLP, JPMorgan Chase Tower, 600 Travis Street,
11 Suite 3400, Houston, Texas 77002, pursuant to the
12 Federal Rules of Civil Procedure and the provisions
13 stated on the record or attached hereto.

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1 looked at the same kind of properties as the Maurizio
2 Group?

3 A. Approximately.

4 Q. Okay. And so did you also help them make
5 appointments like you did at the Maurizio Group?

6 A. Yes.

7 Q. Okay. Did you have any roles to play in
8 transactions with Luxury Real Estate Group?

9 A. No.

10 Q. And so other than helping Mauricio make
11 appointments and conducting market research, did you
12 do anything else at Luxury Real Estate Group?

13 A. No.

14 Q. Is there an office for Luxury Real Estate
15 Group?

16 A. No.

17 Q. There is no central office for that
18 business?

19 A. I don't know the office. I just know
20 that I worked from my house.

21 Q. Okay. Were you ever present for meetings
22 that Mauricio had as part of the Luxury Real Estate
23 business?

24 A. No.

25 Q. How did you present your market research

1 Q. So you're saying the 3,500 was a direct
2 deposit to your bank account?

3 A. Yes.

4 Q. Were there any other employees at Luxury
5 Real Estate?

6 A. Not that I know of.

7 Q. Did you negotiate this pay range with
8 Mauricio Chavez?

9 A. Yes.

10 Q. Did you ask for more money?

11 A. No.

12 Q. Who suggested the number 3,500?

13 A. Himself.

14 Q. Okay. And that was fine with you?

15 A. That was fine with me, yes.

16 Q. How many hours would you work per -- per
17 day and per -- per week for the Luxury Real Estate
18 Group?

19 A. It was from 9:00 to 5:00. So 9:00 to
20 5:00 five days a week.

21 Q. That is a pretty big pay cut from what
22 you made at the Maurizio Group; is that right?

23 A. Yes.

24 Q. Yeah. How did you -- but roughly the
25 same hours; is that right?

1 testified earlier that this is your current
2 residence, correct?

3 A. Correct.

4 Q. And this was also a new construction when
5 the house was purchased?

6 A. Yes.

7 Q. Now, in August -- so the house was
8 purchased in April of 2022 from Perry Homes, and then
9 in August 11th, 2022, it was transferred from Luxury
10 Real Estate to Janette Gonzalez as trustee of the JJ
11 Trust. Does that sound correct to you?

12 A. I don't remember the dates, but I know
13 that we did that transfer.

14 Q. What is the JJ Trust?

15 A. It is a trust fund that I created for my
16 son's future.

17 Q. Is there a co-trustee, another trustee to
18 this trust?

19 A. Just myself.

20 Q. And did you hire an attorney or some
21 other professional to help you create the JJ Trust?

22 A. Yes, through LegalZoom.

23 Q. And what type of trust is this?

24 A. I believe it is a -- I don't remember to
25 be honest. I would have to check because I don't

1 trust from the one that we discussed previously --

2 A. Yes.

3 Q. -- correct?

4 And this trust is called JCA Trust?

5 A. Yes.

6 Q. Okay. And when did you create this
7 trust?

8 A. I don't remember the -- the date.

9 Q. Well, the property records show that the
10 house was transferred from JM Monarchy, LLC to
11 Janette Gonzalez as trustee of the JCA Trust in
12 January of 2022.

13 Does that sound correct to you?

14 A. I don't remember if it was that day.

15 Q. Okay. What type of trust is JCA Trust?

16 A. JCA Trust is a living trust, and I don't
17 recall very much.

18 Q. So it's a -- but you recall it's a living
19 trust?

20 A. It's a living trust from what I remember.

21 Q. And the other trust, the JJ Trust, is
22 that a living truth as well?

23 A. I'm sorry?

24 Q. The other trust we discussed, is that a
25 living trust as well?

1 A. I believe so. I have the documents and
2 it was -- I can send them to you so you can check.

3 Q. And are you the only trustee for JCA
4 Trust?

5 A. Yes.

6 Q. And did you use LegalZoom for this trust
7 as well?

8 A. Yes.

9 Q. And who are the beneficiaries of this
10 trust?

11 A. From my recollection, I put my brother,
12 two of them, but I don't remember which -- who
13 they -- who they were.

14 Q. And other than this house, what other
15 assets does this trust own?

16 A. No other assets.

17 Q. Is the Polaris house insured?

18 A. Not from my recollection.

19 Q. And there is no note on that house,
20 right? There's no mortgage or anything like that?

21 A. No, ma'am.

22 Q. And what about the property taxes, do you
23 receive the bill for this house?

24 A. Yes. I paid it.

25 Q. And you paid it?

1 A. Yes, through the company's bank.

2 Q. What -- what do you mean?

3 A. I paid it. I don't remember to be
4 honest. I'm so sorry, I'm just tired.

5 Q. That's okay. I understand. We're all a
6 little bit tired today.

7 You said you paid the property taxes for
8 Polaris Lane house through the company's bank
9 account?

10 A. No. I'm sorry. I made the payment. I
11 don't remember how, but I have all the receipts that
12 I can show it where -- how I made it.

13 Q. Is there a bank account associated with
14 the JCA Trust?

15 A. No.

16 Q. Do you own any other houses or real
17 estate properties we have not discussed?

18 A. No.

19 Q. What type of vehicle do you drive?

20 A. A Lexus ES 350.

21 Q. And when did you have purchase the Lexus?

22 A. I don't remember the date.

23 Q. Did you personally purchase the Lexus?

24 A. Myself, I didn't purchase the Lexus.

25 Q. And when -- let's -- let's -- let me ask

1 you this: When did you come to get possession of
2 this Lexus 350 -- did you say 350?

3 A. Yes.

4 Q. Is that an SUV or a sedan?

5 A. Sedan.

6 Q. Okay. What year is the car?

7 A. 2021.

8 Q. 2021. Okay. So when -- when did you
9 take possession of the -- of this car?

10 A. My company, JM Monarchy, purchased it
11 from Mauricio, but I don't remember when exactly.

12 Q. When did you start driving it?

13 A. Since I purchased the car. Well, since
14 the company purchased the car. I don't remember what
15 date.

16 Q. Was it sometime in 2021?

17 A. I don't remember.

18 Q. So you were saying JM Monarchy purchased
19 the car?

20 A. Yes.

21 Q. What funds did JM Monarchy use to pay for
22 the Lexus?

23 A. The funds were from the bank.

24 Q. What bank account?

25 A. B -- Bank of America.

1 Q. And were you there when the car was
2 purchased?

3 A. No, I was not there.

4 Q. And do you know what dealership it was
5 purchased from?

6 A. No.

7 Q. And do you know how much the car -- how
8 much JM Monarchy paid for the car?

9 A. Yes, I believe he said \$35,000 from my
10 recollection.

11 Q. Who said that?

12 A. Mauricio. That's the amount he sold it
13 to me for approximately.

14 Q. I'm sorry?

15 A. That's the amount he approximately sold
16 it to me for.

17 Q. Okay. Let's take a step back.

18 So JM Monarchy sometime in 2021 purchased
19 this Lexus, correct?

20 A. Yes.

21 Q. And then at some point Mauricio sold you
22 the car?

23 A. No, Mauricio was the first one to
24 purchase the car --

25 Q. Okay.

1 A. -- and I -- well, JM Monarchy purchased
2 it from Mauricio.

3 Q. Okay. So JM Monarchy paid Mauricio
4 \$35,000 for the Lexus?

5 A. Yes.

6 Q. Is this car insured?

7 A. No.

8 Q. There's no liability insurance on the
9 car?

10 A. No.

11 Q. So you're driving without an insurance
12 card?

13 A. Yes, ma'am.

14 Q. Is there a reason for that?

15 A. I haven't got the insurance. I forgot to
16 get it.

17 Q. When was the last time that the car was
18 insured?

19 A. I don't remember.

20 Q. And when did JM Monarchy purchase the
21 car, this Lexus car, from -- from Chavez?

22 A. I don't remember the date, but I do have
23 the cashier's check in my history that I can check
24 for you and give you an exact date.

25 Q. Do you drive your son in this car?

1 MR. FLACK: Okay. I have just a few.

2 EXAMINATION

3 Q. (BY MR. FLACK) For the record, I'm Paul
4 Flack. I represent Mauricio --

5 A. Okay.

6 Q. -- Cavales -- or Chavez. Sorry.

7 We have not met before today, correct?

8 A. I have never met you.

9 Q. Okay. And you entered into a contract
10 with CFX, correct?

11 A. Yes.

12 Q. And do you have in front of you

13 Exhibit 6?

14 A. Yes, I can get it. Yes, I have it.

15 Q. Okay. Counsel for the SEC asked you some
16 questions about this document and he referred to some
17 parts that are small print, but to me they look like
18 reasonably sized print, so let me just ask you.

19 Do you see the part where it says, "I,
20 Janette Gonzalez, fully decided to contribute to
21 CryptoFX -- CryptoFX, LLC the amount of \$140,000"?

22 A. Yes, plus the 2 -- 20,000 that states
23 there.

24 Q. Okay. And you recall seeing similar
25 language to this in the first one you signed,

1 correct, the first contract you signed for CryptoFX?

2 A. Yes.

3 Q. And I think you said you read it that
4 time but you didn't read it the other time?

5 A. Yes.

6 Q. Okay. And do you recall whether that
7 first one that you read said, "We are taking your
8 money and investing on our behalf. If we received
9 enough return on crypto currency, we will repay the
10 student a portion of the total tuition"?

11 Do you recall reading that when you first
12 invested with CFX or something to that effect?

13 A. The first time that I had the contract,
14 yes.

15 Q. Okay. And do you see the part where it
16 says, "The venture is very speculative and risky.
17 Foreign exchange and crypto currency trading is
18 highly speculative and the student understand and is
19 willing to assume the economic, legal and other risks
20 involved and (B) is financially able to assume
21 losses"?

22 Do you remember reading something like
23 that when you first invested?

24 A. Something like that, but --

25 Q. Okay. You recall --

1 A. -- to me that --

2 Q. -- reading warnings about the risk of the
3 investment?

4 A. Yes.

5 Q. And did you understand when you invested
6 that there was risk?

7 A. Yes.

8 Q. And then it says, "The student
9 understands that CryptoFX is a simple educational
10 academy, not registered with the Texas Workforce
11 Commission, nor has any registration with the
12 Security and Exchange Commission as a dealer or as an
13 agent nor has any insurance coverage."

14 Do you recall reading something like that
15 when you first invested?

16 A. I don't recall at this time, but I might
17 have read it at that first time.

18 Q. Okay. And then skipping down to the part
19 underneath "Confidential Agreement," there's again a
20 paragraph that begins, "I, Janette Gonzalez," and
21 then the second paragraph, "the student" --

22 That would be you, correct?

23 A. Yes.

24 Q. -- "further understand there is a high
25 risk in trading foreign currencies and acknowledges

1 he/she does not know nor understand the fees involved
2 in trading foreign currencies."

3 Do you recall reading something like that
4 when you first got involved with CryptoFX?

5 A. Yes.

6 Q. And there's the next paragraph, "The
7 student further understand there is a high risk with
8 the crypto currency and in trading in crypto
9 currencies because the volatility of the price may
10 decrease over a short period of time, resulting in
11 significant loss for the student. A possible hacking
12 incident from malicious attack may negatively impact
13 the price of the crypto currencies, and in the event
14 of theft or fraud are difficult to trace or recover."

15 Do you recall reading something like that
16 when you first invested?

17 A. Something like that.

18 Q. Now, it refers -- it talks some about
19 classes that investors were in. You understood that
20 you could take classes as part of this involvement
21 you were having with CryptoFX?

22 A. Yes.

23 Q. And did you understand that those classes
24 would teach you about crypto currency and how to
25 invest in them?

1 A. Yes.

2 Q. Did you see other people attend such
3 classes at CryptoFX?

4 A. During the day that I was in the office,
5 yes, I saw a lot of people there.

6 Q. Okay. And a lot of those people were
7 attending classes?

8 A. Yes.

9 Q. Did you ever see -- hear anyone speak
10 positively about learning a lot in any of those
11 classes?

12 A. Yes.

13 Q. Did CFX have a website?

14 A. Yes.

15 Q. And did it explain the programs and
16 classes that CFX offered?

17 A. Yes.

18 Q. As far as you know, was it available for
19 anybody to look at?

20 A. Yes.

21 Q. 24 hours a day?

22 A. Yes.

23 Q. Did CFX also give presentations to your
24 understanding that were open to the public where
25 anybody could come and learn about what their program

1 Q. Did that stop when the SEC filed its suit
2 in September of this year?

3 A. One contract still hasn't been paid.

4 Q. Right. And you haven't received a
5 payment on that contract, but you did on all the
6 prior ones, correct?

7 A. Yes.

8 Q. Who was Eduardo Taffinder?

9 A. One of the founders.

10 Q. And what happened to him?

11 A. He passed away.

12 Q. From Covid?

13 A. Yes, from Covid-19.

14 Q. And what was his role at CryptoFX to your
15 understanding, obviously prior to when he got sick
16 and passed away?

17 A. From my understanding, he was there with
18 Mauricio managing the company.

19 Q. Okay. So the company was being led by
20 Mauricio Chavez, Eduardo Taffinder, and who is the
21 third person?

22 A. Gustavo Gomez.

23 Q. And Mr. Taffinder got sick with Covid
24 and subsequently died, correct?

25 A. Yes.

1 Q. And Gustavo, he stepped back from the
2 company?

3 A. Yes.

4 Q. So that left just Eduardo -- or just
5 Mauricio to try to run things, correct?

6 A. Just Mauricio, yes.

7 Q. Okay. Was the office when you were there
8 a pretty hectic place at -- at Town & Country?

9 A. It was pretty busy.

10 Q. Okay. Was it your understanding that
11 Mauricio Chavez was trading BitCoin?

12 A. Not my fully understanding.

13 Q. Okay. Do you have any idea how much he
14 might have made trading BitCoin over the time --

15 A. No.

16 Q. -- he was at the company?

17 A. No, sir.

18 Q. Was it your -- did you have any
19 understanding whether he was very successful in
20 trading BitCoin?

21 A. Yes. From what he stated, he was.

22 Q. But you have no idea how much he made?

23 A. No, sir.

24 Q. Okay. I think that's all the questions I
25 have.

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STATE OF TEXAS

COUNTY OF HARRIS

REPORTER'S CERTIFICATE

ORAL VIDEOTAPED DEPOSITION OF

MS. JANETTE HERNANDEZ-GONZALEZ

December 7, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

1 SUBSCRIBED AND SWORN TO under my hand and
2 seal of office on this 12th day of December, 2022.

3
4
5 *Michelle Hartman*



6 Michelle Hartman, CSR, RPR

7 Texas CSR 7093

8 Expiration: 12/31/23
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IN THE UNITED STATES DISTRICT COURT
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HOUSTON DIVISION

SECURITIES AND EXCHANGE)
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MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)
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Defendants.)
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CBT GROUP, LLC,)
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Relief Defendant.)
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Case No. 4:22-cv-3359

ORAL VIDEOTAPED DEPOSITION
MR. ORLIN W. TURCIOS-CASTRO
December 8, 2022

Reported by:
Michelle Hartman
JOB No. 221208WWC

1 ORAL VIDEOTAPED DEPOSITION OF MR. ORLIN W.
2 TURCIOS-CASTRO, produced as a witness at the instance
3 of the Plaintiff and duly sworn, was taken in the
4 above-styled and numbered cause on the 8th day of
5 December, 2022, from 9:17 a.m. to 6:18 p.m., before
6 Michelle Hartman, Certified Shorthand Reporter in and
7 for the State of Texas and Registered Professional
8 Reporter, reported by computerized stenotype machine
9 at the offices of Shook, Hardy & Bacon, LLP, JPMorgan
10 Chase Tower, 600 Travis Street, Suite 3400, Houston,
11 Texas 77002, pursuant to the Federal Rules of Civil
12 Procedure and the provisions stated on the record or
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1 that they were -- there were classes also, but that
2 basically they were doing trading and that that was
3 the return.

4 Q. Did he show any records that reflected
5 the trades?

6 A. No.

7 Q. In this time, did you ever hear of CFX
8 not being able to make its payment?

9 A. No.

10 Q. And Ivonne never asked to see any
11 evidence of actual crypto currency trading?

12 A. Not that I know.

13 Q. So she opened a \$10,000 contract that
14 day; is that right?

15 A. Yes.

16 Q. Did you receive a referral payment for
17 bringing her in?

18 A. Yes, everybody would get a bonus referral
19 of seven percent.

20 Q. So did you get seven percent of \$10,000
21 on that day in January 2021 when Ivonne invested?

22 A. Yes, they would give it to you later on,
23 like two or three weeks after.

24 Q. Okay. How would that be recorded to you,
25 did you have to take any documentation in to show

1 yellow piece of paper with the same information?

2 A. Yes.

3 Q. And was there ever more than two pieces
4 of paper?

5 A. I never saw that.

6 Q. What would happen to your ability to
7 collect a referral fee if Ivonne lost her contract?

8 A. Honestly, I don't know. I don't have the
9 answer for that, but they always paid.

10 Q. Did you ever hear of that happening,
11 someone losing their contract?

12 A. No.

13 Q. Now, the seven percent was not the only
14 type of referral fee, correct?

15 A. They also had a two percent.

16 Q. And can you tell us how that worked?

17 A. For example, if I would invite you, they
18 would give me the seven percent. If I would invite
19 you and you would invite her, you would get the seven
20 percent and I would get the three percent, and that
21 would be it.

22 Q. Nobody gets -- or you wouldn't get
23 anything if -- if she signed somebody else up?

24 A. If she would invite somebody else, then
25 she would receive the seven, you would receive the

1 three, and I would stop receiving.

2 Q. Okay. How do you keep track of who --
3 who I'm referring?

4 A. For example, if I would invite you, you
5 would be aware of the people that have referred
6 because this was not another way.

7 Q. I'm not sure I understand your answer.

8 So let me ask this: How many people --
9 in the sum of your experience with CFX, how many
10 people did you refer?

11 A. Tops, eight to ten people.

12 Q. And you received seven percent for each
13 of those?

14 A. For the first referral.

15 Q. Okay. And then did any of those people
16 make referrals themselves?

17 A. Yes, a lot of the people that would get
18 to -- in the office of Aqua Remach, I didn't even
19 know them.

20 Q. But I'm asking you a more specific
21 question. The people that you referred personally,
22 you know that they also made referrals?

23 A. Yes.

24 Q. Okay. And so you were making the point
25 that a lot of them you haven't even met?

1 A. The ones that were referred by them.

2 Q. But you could still collect three percent
3 for each of their investments?

4 A. No. I'm going to explain why. No,
5 because I'm going to explain why. If I would invite
6 you and you would open a contract, then I would
7 receive the seven percent; but then if you would
8 decide to open a second contract, then I -- you would
9 receive that seven percent and I would only receive
10 three percent; and then if that person continued
11 inviting people, then he would get the two bonuses
12 because he had two contracts open.

13 Q. So for you to receive a three percent
14 bonus, your referrals would only have to be in for a
15 maximum of one contract?

16 A. Yes.

17 Q. That is more complicated than I had
18 realized. So how did you keep track of it?

19 A. You cannot have ever something exact or a
20 correct amount.

21 Q. Who was keeping track?

22 A. What I would say, if I would invite you,
23 I would say you are responsible of the people that
24 you invite, because I would not even know the people
25 that you are going to invite; and I would teach the

1 people to say the same thing with the people that
2 they would invite, "You are responsible for the
3 people that you invite."

4 Q. And by "you are responsible," do you mean
5 you're responsible for getting the information from
6 the people you invite about who they are inviting?

7 A. Yes, because I was not able to have
8 control of all of that.

9 Q. Was anyone at CFX keeping traffic of that
10 and making sure that people got their seven percent
11 and their three percent correctly?

12 A. Yes, because you would go to the office
13 to collect it.

14 Q. And would you see any records other than
15 the contracts that you've talked about that supports
16 whatever calculation that they were presenting as
17 correct?

18 A. No, I never saw a document. But I do
19 know that people would be paid at seven percent or
20 three percent.

21 Q. Did you also get a referral fee for
22 Carmen?

23 A. Yes.

24 Q. For Hans?

25 A. Yes.

1 record.

2 THE VIDEOGRAPHER: The time is 12:01
3 p.m., and we are off the record.

4 (Recess taken)

5 THE VIDEOGRAPHER: The time is 1:36 p.m.,
6 and we are on the record.

7 Q. (BY MR. GULDE) Mr. Turcios, we had been
8 talking about how CFX's business started to be
9 conducted out of the Aqua Rematch offices, and we
10 discussed Ivonne getting involved in CFX.

11 So would you continue telling us that,
12 and what happened after Ivonne started her first
13 contract with CFX.

14 (Phone buzzes)

15 MS. AGUILAR: Give me a moment, please.

16 THE VIDEOGRAPHER: Pardon?

17 MS. AGUILAR: Just give me a moment to
18 turn this phone off.

19 A. Yes, in January when I went to collect my
20 money of 2,022, over there I run into Tony Lemus and
21 Mr. Roberto Savala, and they told me that some of the
22 people that I have invited, have invited some other
23 people, and that there was a bonus that I was not
24 getting because I had not realized that this was
25 going on.

1 So I asked him, "Okay, then, what do I
2 have to do?" It had already gone since October of
3 2020 to January 2022, and they were paying me, so I
4 thought everything was fine.

5 So they came to my house and they
6 explained me what I have to do. So they explained
7 me, and I started to get in touch with the people
8 that I had invited. So that's when we started to go
9 on Mondays over there, and these people started
10 inviting some other people to come over here to these
11 meetings. Everybody was going over there to do their
12 contracts.

13 Q. (BY MR. GULDE) Let me hit timeout for a
14 second. You're saying "over there" and "here."

15 Are you talking about Mondays started --
16 Monday meetings started happening at the offices of
17 Aqua Rematch?

18 A. No, it was at Blalock. Right now I want
19 to do the link on how we end up in Aqua Rematch.

20 Q. Okay.

21 A. Uh-huh. And people were not only coming
22 on Mondays, but during the weekdays people were
23 coming over there to do their contracts; and the same
24 people would tell the person that had invited them,
25 "I went over there to have a contract done," and

1 that's how the person would find out that somebody
2 had entered into a contract and that he or she was
3 going to receive a bonus.

4 But it kept on growing and then we
5 started having problems in the parking spaces of
6 Blalock. So that's when we decided. I spoke with
7 Ivonne, I said, "Why don't we help people" -- I was
8 already there -- "help people get their contracts
9 done over there and so they wouldn't have to go to
10 the other place."

11 When I said that there was an extra
12 bonus, that they talked to me and they told me that
13 there was an extra bonus for me, it's a bonus that is
14 different from the seven and the three.

15 Q. Okay.

16 A. But that bonus was not only for me but
17 for everybody else, so we decided to do it there.
18 And everybody was very happy because they didn't have
19 to fix the issues that we were having with the
20 parking at Blalock, and that's how it started to be
21 done at Office Park.

22 Q. And when you say "Office Park," the Aqua
23 Remach office?

24 A. Yes.

25 Q. When was that?

1 A. Now I do.

2 Q. And so how did -- how did you get to --
3 on September 30th, this was a Friday?

4 A. Because I have gone on Thursday to the
5 office. Thursday, 28th? Let me check.

6 Q. Please check. And Thursday was the 29th.

7 A. I have been -- I have gone on the 28th.

8 Q. Your calendar reflects that you went to
9 the Blalock office on the 28th?

10 A. No, I'm just looking at what is the day
11 that I went. Because I remember that day because
12 those were the last days that I was working with
13 there with them. Uh-huh, yes, it was the 28th.

14 Q. So as to this \$3,300 and any other amount
15 that needed to be paid on the 30th, how did you store
16 that cash?

17 A. I would leave that money over there in
18 the office.

19 Q. Did you have a safe?

20 A. Yes, I had a small safe that I had
21 bought.

22 Q. Did you ever use paid security at Aqua
23 Rematch?

24 THE INTERPRETER: Interpreter needs to
25 clarify. The question is paid security?

1 Q. And that's your signature as you normally
2 sign it on the bottom of Exhibit 16?

3 A. Yes.

4 (Exhibit 17 marked)

5 Q. (BY MR. GULDE) Now I'm handing you a set
6 of documents that's been labeled Exhibit 17.

7 MS. AGUILAR: Can I take a picture of
8 this?

9 MR. GULDE: Huh?

10 MS. AGUILAR: Can I get a picture of it?

11 MR. GULDE: Yes.

12 Q. (BY MR. GULDE) Can you identify the
13 documents that I have labeled Exhibit 17?

14 A. Yes.

15 Q. And I don't mind that you've taken the
16 staple off -- or the paperclip off, but would you
17 take care to keep them in order.

18 A. Okay.

19 Q. Are you able to identify this? Do you
20 know what this is?

21 A. Oh, yes.

22 Q. Okay. What is it?

23 A. This is something that I did personally
24 when it was my time to pay a referral bonus, so I
25 could have evidence that I have paid the person.

1 Q. Was it your idea to keep these receipts?

2 A. Yes.

3 Q. Are you aware of anyone else at CFX who
4 kept these receipts?

5 A. No, I do not know really because this was
6 something that I did personally.

7 Q. And this is part of a spiral bound --
8 well, it is the entire contents of a spiral bound
9 receipt notebook that you brought here today; is that
10 correct?

11 A. No, I have one more.

12 Q. You have another notebook like this?

13 A. Yes, I can give it to her.

14 Q. You didn't bring it today?

15 A. No. No, I thought that maybe one would
16 be enough.

17 Q. Okay. Definitely give it to your lawyer,
18 and we have already requested all documents that are
19 related in any way to CFX, so we view this as
20 responsive to that request.

21 A. That's fine.

22 (Information to be supplied)

23 Q. (BY MR. GULDE) So this particular
24 notebook runs from February 21st, 2022 through
25 May 31st, 2022; is that right?

1 A. Yes.

2 Q. So those three months between February
3 and May, can we assume that your -- the other
4 notebook that you have covers three months as well?

5 A. I am not sure, because I think I have
6 two -- I don't want to give dates, so I would rather
7 just give it to you.

8 Q. Do any of these -- well, let's walk
9 through this. Let's just look at the first receipt
10 in the notebook. And that's from February 21st,
11 2022. I think you might be looking at the wrong page
12 because you flipped a couple over.

13 A. No.

14 Q. Oh, okay, my mistake. The very first one
15 is from CFX in the amount of \$7,000, correct?

16 A. Yes.

17 Q. And does your name in the "From" space
18 indicate that you authorized the payment of \$7,000?

19 A. No. What it says, that I paid that
20 amount; and if you can see here on the top, it says
21 "CFX," and then I would ask for the name of the
22 person and the signatures, but I wanted to keep some
23 evidence that had -- that I had issued that payment.

24 Q. Who authorized the issue of this \$7,000
25 payment?

1 A. Since they do the contracts over there,
2 this person was due for his -- his referral bonus.
3 So the company would give me the money, and I wanted
4 to have a receipt because I had to match my numbers
5 with them, I have to present to them proof.

6 Q. So other than giving you the money to pay
7 Mr. Hernandez in this case, did they give you a piece
8 of paper to indicate that he was owed a referral
9 bonus?

10 A. No. Because in the contract, the person
11 would do -- for example, in here, when you would see
12 here, you would already know who would take the first
13 bonus and who would take the second bonus.

14 Q. So, for the record, you're pointing to
15 one of the contracts within Exhibit 15 that lists the
16 direct and indirect sponsors, right?

17 A. Yes, those were the people that were
18 going to earn the money.

19 Q. Whose job was it to make sure that they
20 kept track of all of those direct and indirect
21 sponsors in those lines on all of the CFX contracts?

22 A. The person, the person that would bring
23 the referred individual would have to say, "This is
24 what I am owed."

25 Q. Okay. So in the case of this \$7,000

1 payment in Exhibit 17, this would be Dorian
2 Hernandez's job to know that he is owed \$7,000 in
3 this case?

4 A. Yes.

5 Q. And as the person who's going to hand him
6 that cash and give this receipt, would you review the
7 contracts to make sure he had done his math right?

8 A. I would have to get a copy of the
9 contract. I would have to take it to the office.
10 They would also check it, and then they would
11 authorize it.

12 Q. Okay. So if we're talking again about
13 this one, Dorian Hernandez would have come in to Aqua
14 Rematch sometime before February 21st, 2022 and tell
15 you that he expected a bonus payment of \$7,000; is
16 that right?

17 A. Yes.

18 Q. And then you would -- he would come with
19 his contract. Would you make a copy of that contract
20 at that time?

21 A. Yes, and I take it to the office.

22 Q. Okay. Now, this writing on the side that
23 gives the contract number, does that indicate that
24 this is what he is owed as a bonus in connection with
25 a single contract?

1 A. Yes.

2 Q. And then what does "bono doble" mean?

3 A. Okay. There were sometimes that the
4 academy would make promotions for a week or a few
5 days, for example, to say, "From this date to this
6 date, we are going to give a double bonus."

7 Q. So is there any way to know from this
8 document here in Exhibit 17 whether this represents a
9 direct or an indirect bonus?

10 A. This is a direct bonus, because the only
11 double bonus was the direct.

12 Q. Okay. So does that mean that \$7,000
13 represents 14 percent of Contract Number 16014?

14 A. Yes.

15 Q. Okay. So that makes this contract a
16 \$50,000 contract?

17 A. Yes.

18 Q. So is it your testimony that every single
19 receipt in here is only related to the payment of
20 bonus payments?

21 A. Let me check. Because sometimes when
22 they told me that I needed to pay the earnings, the
23 return for a person, that's when they need the
24 receipt. And they should be here. Let me check.

25 Okay. Okay. If you pass eight pages --

1 Q. Can you give me the receipt number?

2 A. It is not clear in here. It is 1962 --

3 Q. Uh-huh.

4 A. -- 233.

5 Q. Got it.

6 A. Here it says -- in some of them it says
7 "referral bonus" and in some others it says "contract
8 payment." This is one for 450 that was paid for this
9 person. The second one in that page is the same, it
10 is a contract payment, 2,250; and then there is
11 another one, \$7,200. There are some that are
12 payments for contracts.

13 Q. Why didn't you have receipts for all the
14 payments on contracts that you have made?

15 A. Because I did this when the person would
16 come to the office -- to the office to collect the
17 money and they would not have their original with
18 them. If they would have the original, then we would
19 do this; and if not, I would issue them a receipt.

20 Q. Okay. So you're indicating on
21 Exhibit 15, for the record, the packet of contracts
22 that if an investor had his contract, you would note
23 on the relevant month line how much money was being
24 paid pursuant to the contract; is that right?

25 A. Yes.

1 Q. And is that if someone came to Aqua
2 Rematch and did not have their contract, then that
3 would result in the creation of a receipt that's
4 reflected in Exhibit 17?

5 A. Yes.

6 Q. I thought you had testified earlier -- go
7 ahead.

8 A. Sorry. But I did that just because I
9 wanted to have an evidences that everything was
10 clean.

11 Q. That you weren't taking the money for
12 yourself?

13 A. Yes.

14 Q. I thought you had testified earlier,
15 maybe I misunderstood, that you were not aware of
16 situations in which people had lost their contract?

17 A. Yes.

18 Q. Okay. Does this reflect your -- does
19 this refresh your recollection about whether or not
20 that happened?

21 A. No. What happened is that when they
22 would come to the office, it is not that the
23 individual had lost their contract. Sometimes they
24 would come from their office, from work, and they
25 didn't have the contract with them at the time, and I

1 would attempt to issue a receipt so you don't have to
2 come back.

3 Q. I guess I'm still confused. There are
4 situations where you would hand them a receipt but
5 not hand them money?

6 A. No, no, I did. I mean, if the person
7 would not bring that (indicates) original contract,
8 then I would -- what I would do was protect myself
9 showing that I have given them the money by doing a
10 receipt.

11 Q. And did you ever end up seeing the
12 contract that they had left at work or whatever?

13 A. What happens is that for them, many times
14 it was easier for them just to take a photo of the
15 contract and bring it like that. That's why I would
16 know the contract number.

17 Q. Would you ever create a receipt like this
18 and pay out money without at least a picture of the
19 contract?

20 A. Yes.

21 Q. Explain that.

22 A. They would -- I mean, they would show me
23 the photo, and when I would take that to the office
24 and I would show this to them and they would see --

25 Q. To the Blalock office?

1 A. -- the contract number, they would find
2 it.

3 Yes.

4 Q. But the money had already been paid out
5 at that point?

6 A. Yes. At the moment they would sign it
7 here, it was because I was handing them the money.

8 Q. And just to be clear, did anyone ever
9 come in without even a picture of their contract and
10 get cash from you as reflected in one of these
11 receipts?

12 A. No, I would not pay them.

13 Q. Was there ever a situation where you took
14 one of these receipts and showed the Blalock people?

15 A. Yes, when I would go over there to match
16 our numbers, I would say, "This is the amount of
17 money you gave me and here are the receipts," and
18 they would see.

19 Q. It is something you did regularly?

20 A. Yes.

21 Q. Was there ever a time when you had to
22 claw money back because they disagreed?

23 A. No. Because we always know every time
24 you would make a contract, you will have the date and
25 the amount that they were going to collect.

1 Q. And that was a record that they
2 maintained at Blalock as well?

3 A. Yes.

4 Q. Okay. So just to make sure I have it
5 correct, the reason there are not many payments of
6 contract payments in here is because usually people
7 have their contracts with them and it has already
8 been cleared with Blalock?

9 A. Yes.

10 (Exhibit 18 marked)

11 Q. (BY MR. GULDE) Handing you what I've
12 marked Exhibit 18.

13 A. Okay, something that I want to clarify:
14 I do not know if the other people would work like
15 that, this was my own work -- my own way to work.

16 Q. And so when you're talking about "other
17 people," who are you talking about?

18 A. I am talking about somebody else that
19 would have a different group, I don't know how they
20 would work.

21 Q. Well, you know how they did things at
22 Blalock, right?

23 A. Yes, yes.

24 Q. Okay. And did -- they did not do
25 receipts like this for bonus payments, did they?

1 and we are off the record.

2 (Discussion off record)

3 THE VIDEOGRAPHER: The time is 4:52 p.m.,
4 and we are on the record.

5 Q. (BY MR. GULDE) Do you recognize what I
6 have labeled Exhibit 24?

7 A. Yes.

8 Q. And what is it?

9 A. It is a text message that was posted in
10 the chat.

11 Q. And by "the chat," do you mean -- is it a
12 WhatsApp chat?

13 A. Yes.

14 Q. And were the members CFX investors?

15 A. Yes.

16 Q. Had this chat existed before our lawsuit?

17 A. Yes.

18 Q. Do you know who wrote this particular
19 message?

20 A. Yes.

21 Q. Who was that?

22 A. Okay, this message -- message does not
23 come directly from the academy. When they say that
24 people could be helped, then I talked to my friend
25 Ena and together we created this message so that

1 people knew that it was no -- nothing personal of me,
2 but it was a message that we received from the
3 academy. Because people were looking at me like I
4 was the responsible one. People are looking at me
5 like I am the owner of the academy.

6 Q. So you got together with -- with Ena and
7 wrote this?

8 A. We talked on the phone and we put it
9 together.

10 Q. Which one of you hit send?

11 A. Well, since it is in the chat, we just
12 uploaded it there.

13 Q. Who uploaded it, you or her?

14 A. Well, we saw it, then I posted it.

15 Because people were pressuring me that they needed
16 information and I didn't have any other information
17 other than that.

18 MR. GULDE: Okay. Can I have the
19 translator go ahead and read it directly --

20 THE INTERPRETER: Uh-huh.

21 MR. GULDE: -- or translate it into
22 English.

23 THE INTERPRETER: "Good night, family.
24 We apologize for the delay of the academy, trying to
25 look for a way to initiate your process in a safe and

1 be."

2 "Three, if you decide to stay in the
3 academy and you have not received a pending payment
4 or payable payment, please bring the copy of your AP
5 and a copy of the contract to initiate the process of
6 your payment. The academy asked you that it is
7 important for all of us to collaborate in order to be
8 able to resolve this situation as quickly as
9 possible. Remember, family, that the academy has not
10 closed. Everything is normal and operating in other
11 cities and states."

12 "And, quote, this service will be
13 exclusively for the group of the Office Park Drive."

14 "Very good night and blessing."

15 Q. (BY MR. GULDE) When you say, Mr. Turcios,
16 that everything is still normal and operating in
17 other cities and states, what basis did you have to
18 say that?

19 A. Well, based on the information provided
20 to us by the academy, like that Chicago was
21 operating, that California was operating, and I just
22 transmitted that information.

23 Q. Who at the academy was telling you that
24 other cities were operating?

25 A. It was something from the academy, we

1 were called.

2 Q. You were called?

3 A. Yes.

4 Q. And you spoke to a human being?

5 A. Yes, yes.

6 Q. Who was it?

7 A. The person that called me that day to
8 give me that information was Nancy that I spoke to.

9 Q. Did you gave us Nancy's phone number
10 before? Do you have it?

11 A. I think so.

12 Q. And do you know Nancy's last name?

13 A. No. 346-577-6786.

14 Q. So your testimony is that in October,
15 Nancy, the same person who would later give you
16 \$38,000 after you called Mauricio, called you and
17 said that CFX is not closed and that everything is
18 still normal and operating in other cities and
19 states?

20 A. She said that they were working in those
21 states, yes.

22 Q. And that CFX had not closed?

23 A. No. That it was a civil lawsuit and that
24 it was a process, that was it.

25 Q. What else did Nancy say in this

1 conversation?

2 A. No, it was brief.

3 Q. Well, she said that it's a -- the lawsuit
4 is just a civil case and that the company is still
5 operating in other cities and states.

6 Did she say anything else?

7 A. No, that the lawsuit was going to be
8 resolved.

9 Q. Did she say anything about Mauricio?

10 A. No.

11 Q. Did you understand that this information
12 came from Mauricio?

13 A. Yes.

14 Q. And why did you understand that?

15 A. Because I believe that Nancy's not going
16 to come up with anything, that's all.

17 Q. Was that your experience with her role in
18 the past?

19 A. Yes.

20 Q. Now, this idea in the numbered paragraphs
21 that you guys gave to investors, that people would
22 not be able to obtain interest if they decided to
23 leave the academy, who came up with that?

24 A. That is information that I received from
25 Mauricio.

1 Q. When did Mauricio tell you this?

2 A. It was a brief call. In those calls that
3 I was making to him after everything happened, we
4 talked about that.

5 Q. Let's look at paragraph number two.

6 When you told people to come with printed
7 copies of their contracts, you told them that you
8 would be telling them how -- how the cash payments
9 would be handled; is that right?

10 A. No. What it says here is we are going to
11 be communicating how the reimbursements of the
12 capital are going to be, but I have no idea.

13 Q. Okay. At that point, did you know how
14 the reimbursements would happen?

15 A. No. No.

16 Q. Did Mauricio give you any idea about how
17 reimbursements might happen?

18 A. No, he didn't neither.

19 Q. And then similarly with the next
20 paragraph, when you tell people that they can start
21 their payment process, did you have any idea how that
22 payment process would start?

23 A. No, I didn't know.

24 Q. Did you run any of this by Mauricio
25 before you sent it?

1 A. No. No, because it was just based on the
2 conversation that I had with him, and I sent it to
3 the people.

4 MS. AGUILAR: Can we go off the record
5 for a minute?

6 MR. GULDE: Sure.

7 THE VIDEOGRAPHER: The time is 5:07 p.m.,
8 and we are off the record.

9 (Discussion off record)

10 THE VIDEOGRAPHER: The time is 5:08 p.m.,
11 and we are on the record.

12 Q. (BY MR. GULDE) Did you discuss that with
13 Carmen and Rossy?

14 A. Not really with Rossy. Because Rossy was
15 very affected by this issue. I think she needed
16 medical intervention because she had an anxiety
17 problem.

18 Q. Has she been involved in any discussions
19 since October?

20 A. No, she -- immediately given her
21 situation, she withdraw from the issue and she sent
22 me a text saying she is still sick.

23 (Exhibit 25 marked)

24 Q. (BY MR. GULDE) I am going to hand you a
25 photograph that's been labeled Exhibit 25. Can you

1 (Discussion off record)

2 THE VIDEOGRAPHER: The time is 6:05 p.m.,
3 and we are on the record.

4 Q. (BY MS. THEMELI) Mr. Turcios, are you
5 aware of any person who has or may possess
6 information regarding receivership assets, and by
7 that I mean assets that you think belong to Mauricio
8 Chavez or CFX, including documents or records?

9 A. No, I know nothing.

10 Q. Did you know where Mauricio lives?

11 A. Not at all.

12 MS. THEMELI: Thank you. I don't have
13 any other questions.

14 MR. FLACK: I have got just a few, but I
15 need somebody's microphone.

16 THE VIDEOGRAPHER: Pass him a microphone.

17 EXAMINATION

18 Q. (BY MR. FLACK) Mr. Turcios, my name is
19 Paul Flack, and I represent Mauricio Chavez; and let
20 me say, first of all, I'm very sorry to hear about
21 the threats and the other bad things that happened to
22 you in connection with CFX, and I appreciate your
23 being here this evening.

24 A. Thank you.

25 Q. Well, let me ask you first with respect

1 to -- you talked about a call you had with Mr. Chavez
2 regarding a threat with Ms. de la Cruz, correct?

3 A. Yes.

4 Q. In that call, did Mr. Chavez mention to
5 you that he had also received threats in connection
6 with CFX?

7 A. Yeah, he told me that he had been
8 threatened.

9 Q. Okay. Have you ever met or communicated
10 with Eduardo Taffinder?

11 A. No. Are you talking about father or son?

12 Q. Well, let's start with the father.

13 A. I saw him the very first time I went, but
14 I never had communication with him, and I know that
15 he died.

16 Q. Okay. What about the son?

17 A. I haven't had communication with him. I
18 saw him several times in there and I just said
19 "hello."

20 Q. Okay. What about Gustavo Gomez, have you
21 ever communicated with him?

22 A. No.

23 Q. Do you ever see him?

24 A. When I first arrived in October, somebody
25 pointed out "that this was Gustavo." I don't know

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STATE OF TEXAS
COUNTY OF HARRIS

REPORTER'S CERTIFICATE
ORAL VIDEOTAPED DEPOSITION OF
MR. ORLIN W. TURCIOS-CASTRO
December 8, 2022

I, Michelle Hartman, the undersigned
Certified Shorthand Reporter in and for the State of
Texas and Registered Professional Reporter, certify
that the facts stated in the foregoing pages are true
and correct.

I further certify that I am neither
attorney or counsel for, related to, nor employed by
any parties to the action in which this testimony is
taken and, further, that I am not a relative or
employee of any counsel employed by the parties
hereto or financially interested in the action.

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23
24
25

SUBSCRIBED AND SWORN TO under my hand and
seal of office on this 13th day of December, 2022.

Michelle Hartman



Michelle Hartman, CSR, RPR

Texas CSR 7093

Expiration: 12/31/23

Messages - John Fernandez TRADER

Yes lets do 4:45

Ok perfect 🙄👉

1/13/21, 4:45 PM

On the way boss

Hey boss I'm here

On the 3rd floor

1/14/21, 2:01 PM



Done for today

24 hours back in the market and we have done 27% 🙄👉 not bad

1/15/21, 8:18 AM

Hey bro we need to contact kot

They are messing up bad in your account

Ok brother lets contact them today

You see what happened ?

Messages - John Fernandez TRADER

Ok yeah send me the log in info imma screenshot all the balances and account numbers and I'm gonna contact them form mine as wel

Attachment stored in iCloud:
IMG_8911.HEIC (Image)

We can fix it if the chat is open like that

Attachment stored in iCloud:
63331038491__C386A693-B466-4BC9-BEAB-A979C76C48C4.HEIC
(Image)

Yeah I'll be there around 6:30

On my way !

1/26/21, 7:00 AM



256%

1/26/21, 8:31 AM

Thats crazy bro

Congratulations bro

Attachment stored in iCloud:
IMG_0258.jpeg (Image)

1.5M this week

I'll be at the office at 11:30

Messages - John Fernandez TRADER

Don't forget to send me the log in brother

Imma be up tonight again

1/26/21, 7:53 PM

*Attachment stored in iCloud:
IMG_0322.jpeg (Image)*

Woww brother

On our way to 1.5

1/26/21, 9:29 PM

Hey brother you still sending me the other account log in for me to trade it tonight?

1/27/21, 5:42 AM

*Attachment stored in iCloud:
IMG_0346.jpeg (Image)*

Damm bro

Are you taking profits

Ia already 500

No not yet

Lol remember trust me !

1.4 is easy

2.2 this week brother

It's already done

Don't forget to bring that bottle lol

Because we where able to get more entries we will hit it in half the time and distance

Wow bro amazing thats so crazy

Congratulations brother

Messages - John Fernandez TRADER

Hey brother

Please do it ASAP

I don't wanna get margin out

Done

Perfect check the account now

2/1/21, 1:39 PM

+300 k so far

Wowwww

5Mill this week

It's done already

Wow awesome brother

Lol I'm gonna make your company as big as mine 🙏

1 man can change it all !

Yes sir

*Attachment stored in iCloud:
IMG_0628.heic (Image)*

Elite Generators INC

Do you think you can get it down today ?

2/1/21, 7:38 PM

Hey brother were you able to do the wire

2/2/21, 8:38 AM

1M down

I know bro

That's amazing

1/5 to our target

Messages - John Fernandez TRADER

Lol

By tonight or tomorrow morning we should be halfway

Lol shiii i already have mine booked remember 😁

1.3M down



1.6M

Ok brother sounds good go take care of you daughter !!

2,120,000.00

How is she bro ? Is she ok !

?*

🙏 I'm sure she will be fine brother

2/2/21, 11:28 AM

2151 fort Laramie dr Katy tx 77449

Woww bro we will take a vacation lol

That's awesome brother



Hopefully bro

They are going to check her

Thanks bro

Whats the address for the account

Here at the bank

[9/28/21, 8:40:02 AM] M GROUP: Had a death in the family
[9/28/21, 8:40:24 AM] M GROUP: Moms husband son past away
[9/28/21, 8:53:30 AM] Gio CFX: Sorry to hear that brother. I will meet with her today to make sure about our order anyway and will ask her to come back when you are available.
[9/28/21, 5:12:30 PM] Gio CFX: audio omitted
[9/28/21, 5:14:38 PM] M GROUP: audio omitted
[9/28/21, 5:15:46 PM] Gio CFX: audio omitted
[9/28/21, 5:16:26 PM] M GROUP: Thanks brother
[9/28/21, 5:16:29 PM] M GROUP: Appreciate that
[9/28/21, 5:16:41 PM] Gio CFX: I got you brother
[9/29/21, 8:48:46 AM] Gio CFX: image omitted
[9/29/21, 8:52:16 AM] M GROUP: audio omitted
[9/29/21, 8:53:35 AM] Gio CFX: audio omitted
[9/29/21, 12:25:39 PM] Gio CFX: audio omitted
[9/29/21, 12:26:37 PM] M GROUP: audio omitted
[9/29/21, 1:00:40 PM] Gio CFX: audio omitted
[9/29/21, 1:09:55 PM] M GROUP: Amazing bro
[9/29/21, 1:29:13 PM] Gio CFX: I understand you have hired one to assistance here at the office with writing up contracts correct?
[9/29/21, 1:29:34 PM] Gio CFX: Juan to assist us
[9/29/21, 1:29:38 PM] M GROUP: audio omitted
[9/29/21, 1:30:19 PM] Gio CFX: I will take anybody you throw at us but we need more admin help
[9/29/21, 1:30:34 PM] M GROUP: Ee are on it bro
[9/29/21, 2:27:38 PM] Gio CFX: image omitted
[9/29/21, 2:28:04 PM] M GROUP: You deleted this message.
[9/29/21, 2:28:53 PM] M GROUP: Can you send someone who ever the receipt for that asap
[9/29/21, 2:29:19 PM] Gio CFX: Explain what you mean please?
[9/29/21, 2:29:37 PM] M GROUP: Marcos and Adrian have to take it back
[9/29/21, 2:29:42 PM] M GROUP: I told them yesterday
[9/29/21, 2:30:05 PM] Gio CFX: I'm on it
[9/29/21, 2:30:13 PM] M GROUP: Thanks
[9/29/21, 2:31:21 PM] Gio CFX: Are we swapping that piece of shit out with something you've already picked out at Micro Center?
[9/29/21, 2:31:37 PM] Gio CFX: They probably won't do cash back at Micro Center by the way and it would probably have to be an exchange
[9/29/21, 2:31:40 PM] M GROUP: I am going to buy the other ones
[9/29/21, 2:31:49 PM] M GROUP: All they have to do is drop it off
[9/29/21, 2:31:53 PM] M GROUP: And get money back
[9/29/21, 2:34:09 PM] Gio CFX: Ok
[9/29/21, 2:34:38 PM] Gio CFX: And what if Micro Center will only allow for exchange?
[9/29/21, 2:34:59 PM] M GROUP: Tell them to get gift card
[9/29/21, 2:35:03 PM] M GROUP: I am on that
[9/29/21, 2:35:09 PM] Gio CFX: OK
[9/29/21, 2:35:48 PM] Gio CFX: If you have a particular model in mind let's just do a swap at Micro Center? We will be right there anyway.
A.D. knows exactly what we need

[5/28/21, 5:12:39 PM] M GROUP: Let me ask him in a couple of hours to go and get it
[5/28/21, 5:12:56 PM] M GROUP: I will call you in. 2 hours
[5/28/21, 5:13:01 PM] Gio CFX: Ok brother
[5/28/21, 5:13:11 PM] M GROUP: Sorry for the headache bro
[5/28/21, 5:14:37 PM] Gio CFX: It's been a rough day brother. I'm not going to lie.
[5/28/21, 5:20:22 PM] M GROUP: Sorry man
[5/28/21, 5:20:41 PM] M GROUP: I really thought that account was not going to be ready today
[5/28/21, 5:21:44 PM] Gio CFX: Just get me the check and I will handle that part. When are you back in town to be able to transfer the rest of the money? Tuesday or Wednesday?
[5/28/21, 5:22:05 PM] M GROUP: Tuesday night
[5/28/21, 5:22:44 PM] Gio CFX: I will let you know when the account is active if you can possibly transfer any funds from where you are?
[5/28/21, 5:22:47 PM] M GROUP: It will be done
[5/28/21, 5:22:57 PM] M GROUP: Ok perfect bro
[5/28/21, 5:23:34 PM] Gio CFX: Ok brother. Enjoy your time away. I know you've been stressed too.

I really need your head in the game when you get back my brother.

[5/28/21, 5:24:12 PM] M GROUP: Yes brother thats the reason I did it bro
[5/28/21, 5:24:17 PM] M GROUP: Too much going on
[5/28/21, 5:25:33 PM] Gio CFX: I get it brother but you really need to tell me what you're up to so that I don't go bat shit crazy when you're gone. Lol
[5/28/21, 5:27:05 PM] M GROUP: Yes bro
[5/28/21, 5:27:12 PM] M GROUP: It won't happen again
[5/28/21, 5:27:22 PM] M GROUP: I did not tell anyone
[5/28/21, 5:27:30 PM] M GROUP: Hope you didnt bro
[5/28/21, 5:27:36 PM] Gio CFX: I know. Everybody is looking for you
[5/28/21, 8:44:27 PM] M GROUP: Contact card omitted
[5/28/21, 8:44:42 PM] M GROUP: audio omitted
[5/28/21, 8:45:00 PM] Gio CFX: On it
[6/1/21, 11:45:54 AM] Gio CFX: image omitted
[6/1/21, 11:46:22 AM] Gio CFX: image omitted
[6/1/21, 11:48:04 AM] Gio CFX: Please call me tonight. We need to take care of this tomorrow morning in order to make our deadline.

Fernando is wanting to meet with us both with regards to all of your accounts and how things should be handled to protect us and you specifically.

[6/1/21, 8:58:05 PM] Gio CFX: Contact card omitted
[6/1/21, 9:00:04 PM] Gio CFX: audio omitted
[6/2/21, 10:45:55 AM] Gio CFX: FYI: Jorge Moreno is able to expedite fund confirmations on wire transfers only.

We need to go to Magnolia if you want Maurizio group account to be opened.

[6/2/21, 11:35:56 AM] Gio CFX: audio omitted
[6/2/21, 11:40:22 AM] M GROUP: Where arw you
[6/2/21, 11:40:29 AM] M GROUP: Can you come to the office
[6/2/21, 11:41:43 AM] Gio CFX: audio omitted
[6/2/21, 4:41:38 PM] Gio CFX: audio omitted

Messages - John Fernandez TRADER

4/6/21, 9:33 PM

?

4/7/21, 11:37 AM

What's the plan brother ?

4/8/21, 10:20 AM

?

4/8/21, 7:35 PM

Good Evening boss,

I was reaching out to let you know that i am going to proceed and begin trading for my 2 clients.

I can honestly say that i have been trying to reach out multiple times and there has been no communication in return at all.

I understand you may be going through many things right now and honestly brother i hope and pray that everything works out for you.

I would love to continue to do business. But the communication has been terrible.

Let me know if you want to talk about it. As of right now the lack of communication does not assure me in anything, so i will Continue to move forward.

Sincerely,
John

4/12/21, 8:54 AM

The .20 lot you place som US30

On*

Hold it

Us30 is going to fall nasty

Morning brother ok thanks bro

🙏🤔 how is everything going with the family brother ? Getting better ?

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BUSINESS

El Salvador Just Became The First Country To Accept Bitcoin As Legal Tender

September 7, 2021 · 4:57 PM ET

JOE HERNANDEZ



El Salvador's President Nayib Bukele (shown here at a news conference in May 2020) spearheaded efforts to make Bitcoin legal tender in his country.

Yuri Cortez/AFP via Getty Images

El Salvador has become the first country in the world to make the cryptocurrency Bitcoin legal tender.

Advocates of the digital currency, including the country's president, Nayib Bukele, say the policy that took effect Tuesday morning was historic.

But the first few hours of Bitcoin's official status in El Salvador were marred by technological hiccups as the country opened its digital wallet app to residents and consumers for the first time.

Why El Salvador is choosing Bitcoin

Bukele previously suggested that legalizing Bitcoin would spur investment in the country and help the roughly 70% of Salvadorans who don't have access to "traditional financial services."

"We must break with the paradigms of the past," he said Monday in a statement translated from Spanish. "El Salvador has the right to advance toward the first world."

Bukele also has said that using Bitcoin would be an effective way to transfer the billions of dollars in remittances that Salvadorans living outside the country send back to their homeland each year, the Associated Press reported.

El Salvador's government holds 550 Bitcoin, Bukele said, which is equivalent to about \$26 million.

The country's other currency is the U.S. dollar.

The rollout included success stories and tech hang-ups

Among the stories on social media Tuesday were those of people successfully using Bitcoin to pay for goods.

"Just walked into a McDonald's in San Salvador to see if I could pay for my breakfast with bitcoin, tbh fully expecting to be told no," Aaron van Wirdum said in a tweet that was retweeted by Bukele.

"But low and behold, they printed a ticket with QR that took me to a webpage with

Lightning invoice, and now I'm enjoying my desayuno traditional!" he added.

Still, there were some minor hiccups during the official introduction of the new currency.

After the launch Tuesday morning, officials took down Chivo, El Salvador's virtual Bitcoin wallet, so they could attempt to increase the capacity of the image capture servers.

Opposition to Bitcoin ... and to Bukele

While much has been made across the world of El Salvador's historic economic move, excitement within the country may be much lower.

A recent poll by the Universidad Centroamericana José Simeón Cañas, a Jesuit college based in El Salvador, found that 67.9% of people disagreed with the decision to make Bitcoin legal tender. Many respondents said they didn't know how to use the cryptocurrency, the poll found.



BUSINESS

Tougher Rules Are Coming For Bitcoin And Other Cryptocurrencies. Here's What To Know

Critics of the experiment — including some of Bukele's political opponents — wore T-shirts to parliament on Tuesday to express their opposition to the new Bitcoin law.

But it's not just the economy. Bukele's government is also facing pushback from the international community over a recent court decision that was widely seen as unconstitutional.

On Friday, judges appointed by El Salvador's parliament, which is dominated by Bukele's party, concluded that the president could run for a second term in 2024, according to CNN. Experts say that is barred by the country's constitution.

The U.S. Embassy in El Salvador said in a statement that the decision "undermines

democracy" and "further erodes El Salvador's international image as a democratic and trustworthy partner in the region."

bitcoin el salvador

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Future of Money

January 5, 2021 7:50 AM Updated 2 years ago

Bitcoin emergence as 'digital gold' could lift price to \$146,000, says JPM

By Reuters Staff

3 Min Read

LONDON (Reuters) - Digital currency bitcoin has emerged as a rival to gold and could trade as high as \$146,000 if it becomes established as a safe-haven asset, investment bank JPMorgan (JPM) said on Tuesday.

Interest in the world's biggest cryptocurrency has soared this year, with investors viewing bitcoin as a hedge against inflation and an alternative to the depreciating dollar. The rush led to bitcoin prices more than tripling in the past six months to a record peak of \$34,800 on Jan. 2.

"Bitcoin's competition with gold has already started in our mind," the Wall Street bank's strategists said in a note, citing recent \$7 billion outflows from gold and more than \$3 billion of inflows into the Grayscale Bitcoin Trust.

That could mark a new dawn for the volatile digital currency after years as a play for speculators and retail punters.

"Considering how big the financial investment into gold is, a crowding out of gold as an 'alternative' currency implies big upside for bitcoin over the long term," JPM said.

Bitcoin is likely to outshine gold as millennials become a more important component of the investment market over time and given their preference for "digital gold" over traditional bullion, JPM added.

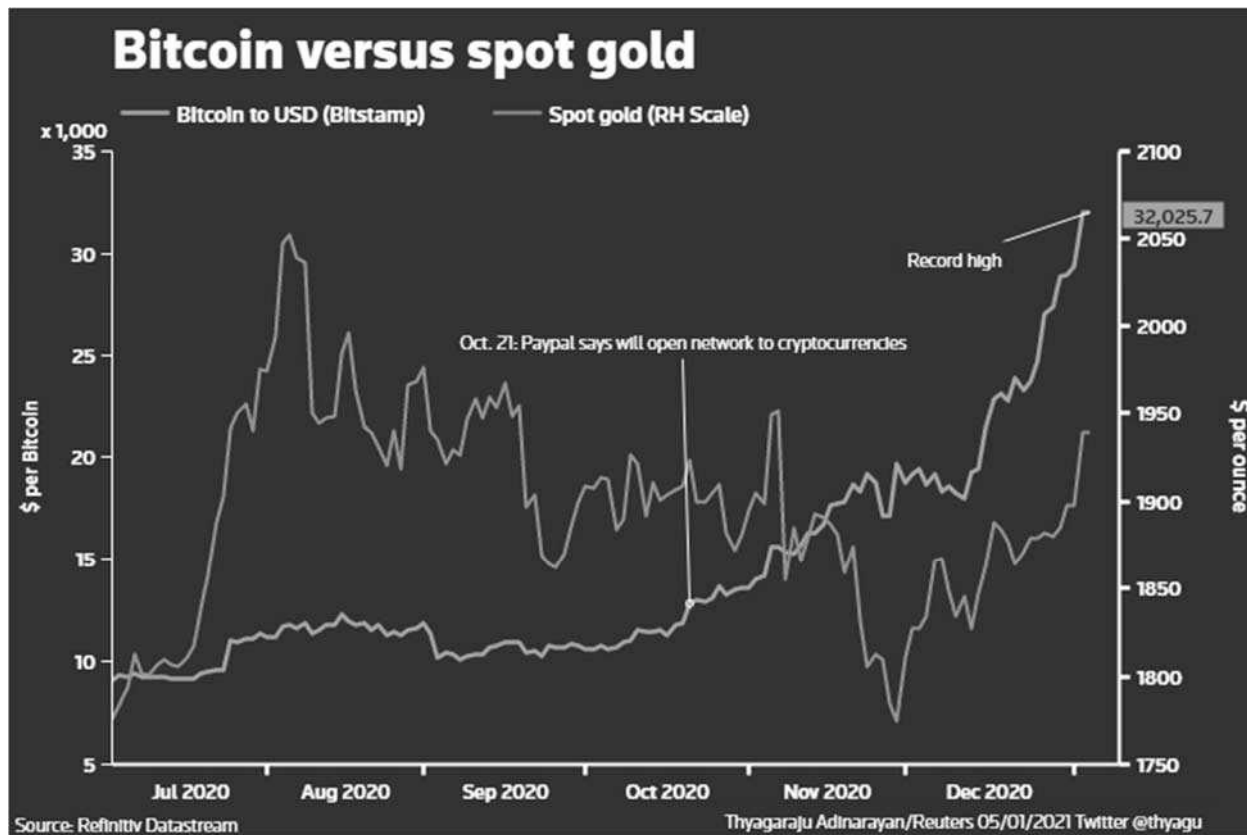
With a market capitalisation of \$575 billion, the bitcoin price would need a nearly fivefold jump to \$146,000 to match the value of private gold wealth held in gold bars, coins or exchange-traded funds, the bank's note added.

JPM strategists said the upside is conditional on the volatility of bitcoin converging with that of gold in the longer term.

Though JPM sees the possibility of "current speculative mania" propelling bitcoin to between \$50,000 and \$100,000, it warned that such levels would prove unsustainable until its volatility levels out.

“We note that the spectacular bitcoin rally of the past few weeks has moved bitcoin into more challenging territory, not only in terms of its positioning backdrop, but also in terms of its valuation,” the bank said.

For a graphic on Bitcoin versus gold:



Reporting by Thyagaraju Adinarayan; Editing by David Goodman

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YOUR MONEY

Fidelity will start offering bitcoin as an investment option in 401(k) accounts

April 26, 2022 · 12:06 PM ET

THE ASSOCIATED PRESS



A Bitcoin logo is displayed on an ATM in Hong Kong in 2017. More workers may soon be able to stake some of their 401(k) retirement savings to bitcoin.

Kin Cheung/AP

NEW YORK — More workers may soon be able to stake some of their 401(k) retirement savings to bitcoin, as cryptocurrencies crack even deeper into the mainstream.

Retirement giant Fidelity said Tuesday that it's launched a way for workers to put some of their 401(k) savings and contributions directly in bitcoin, potentially up to 20%, all from the account's main menu of investment options. Fidelity said it's the first in the industry to allow such investments without having to go through a separate brokerage window, and it's already signed up one employer that will add the offering to its plan later this year.



ECONOMY

Inflation has many retirees worried about outliving their savings

Fidelity's offering may be one of just a few for a while, given the substantial concerns about the riskiness of cryptocurrencies. The U.S. government last month warned the retirement industry to exercise "extreme care" when doing something like this, highlighting how inexperienced investors may not appreciate just how volatile cryptocurrencies can be, among other concerns.

Bitcoin had five days in the last year where it plunged by at least 10%. The stocks in the S&P 500, meanwhile, had only two such drops in the last 50 years. Beyond its volatility, there's still fundamental disagreement about how much a bitcoin is worth, or even if it's worth anything at all.

Proponents say cryptocurrencies can boost returns in a well diversified portfolio, without adding too much risk. That's because cryptocurrencies haven't always moved in the same direction as stocks and other investments, though they often have in recent months amid worries about rising interest rates.



WORLD

El Salvador's leader wants to go in even bigger on bitcoin

Some investors may believe in all those pros of bitcoin, but still prefer not having to open a new account to buy bitcoin, learn the intricacies of how to store them or deal

with taxes on gains made in the years running up to retirement. Or they may come around to that belief soon, and Fidelity wanted to be ready for them, said Dave Gray, Fidelity Investments' head of workplace retirement offerings and platforms.

"We have been developing this, anticipating some of the workforce trends that we see coming," Gray said. "Our clients expect us to be ahead and developing innovative solutions."

A big part of the thrill of crypto for some traders is just how volatile it can be. Not only did bitcoin quadruple over 2020, but traders can buy and sell it 24 hours per day. A regular day for stocks on Wall Street, meanwhile, lasts just six and a half hours.



YOUR MONEY

With federal rules unclear, some states carve their own path on cryptocurrencies

But the new Fidelity account won't offer that. It will update its price once per day, similar to traditional mutual funds. The account will also come with fees, which can range from 0.75% to 0.90% of assets. That means between \$7.50 and \$9 of each \$1,000 invested in the bitcoin account would go toward paying expenses every year. That's less than some specialty investments but more than vanilla stock index funds, which can be virtually free.

Other firms also want to offer cryptocurrencies in retirement accounts

Others in the industry are also working to offer similar products. At ForUsAll, a 401(k) provider, the company announced a product in June 2021 to allow workers to put some of their 401(k) in cryptocurrencies by sending it to a self-directed window.

CEO Jeff Schulte said the company spoke with the U.S. Labor Department throughout 2021 about marrying crypto and 401(k) accounts. Even after Labor's stern warning last month, Schulte said he still expects the product to launch this quarter. ForUsAll plans to require savers to take an interactive quiz about the risks of cryptocurrencies before

buying them, among other moves to educate investors.



LAW

DOJ arrests New York couple and seizes \$3.6 billion in bitcoin related to 2016 hack

"Protecting investors is paramount," he said. "We believe our solution meets all the fiduciary standards under ERISA," the federal law that oversees retirement plans.

Fidelity also places what Gray calls "digital speed bumps" in front of investors, forcing them to slow down and study the risks and rewards of crypto.

It may take a while for most employers to start offering something like this. The Plan Sponsor Council of America recently asked its members if the Labor Department's warning changed their minds at all in terms of considering crypto.

The majority — 57% — said that they would never consider crypto as a viable investment option regardless. Another third said the warning "simply affirms the concern we already had."

401(k) bitcoin

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[7/23/21, 12:10:44 PM] Gio CFX: Branch Mgr is assisting me
[7/23/21, 12:13:08 PM] Gio CFX: Can you provide me a phone number and contact for one cargo express?
They are asking me to verify the customer by phone
[7/23/21, 12:14:48 PM] Gio CFX: Missed voice call
[7/23/21, 12:30:58 PM] Gio CFX: Still here brother. Can you get me that phone number please???

[7/23/21, 1:02:58 PM] Gio CFX: image omitted
[7/23/21, 1:02:59 PM] Gio CFX: image omitted
[7/23/21, 1:04:48 PM] Gio CFX: Call me when you are free
[7/23/21, 1:07:19 PM] Gio CFX: image omitted
[7/23/21, 1:07:34 PM] M GROUP: Thanks
[7/23/21, 1:11:24 PM] Gio CFX: Admin needs at least two people to assist in processing these contracts.
I need physical bodies in the office. Niurka starts Monday.
Norma is aware.

[7/23/21, 1:14:58 PM] M GROUP: Brother
[7/23/21, 1:15:09 PM] M GROUP: audio omitted
[7/23/21, 1:21:08 PM] Gio CFX: I will be there in about 20 minutes. You have to let me fix the company brother.
We are committing so many violations and I'm really trying to avoid us getting into some serious trouble not only from the IRS but also the Texas workforce commission.
[7/23/21, 1:22:07 PM] M GROUP: audio omitted
[7/26/21, 8:36:19 AM] Gio CFX: Good morning brother,
I need to respond to that Kennedy email this morning and I'm going to decline their offer.
Let me know where you stand?

[7/26/21, 8:52:54 AM] M GROUP: audio omitted
[7/26/21, 8:54:14 AM] Gio CFX: I will call you at 9:30
[7/26/21, 9:22:41 AM] M GROUP: Ok
[7/26/21, 9:39:29 AM] Gio CFX: Call me please.
[7/26/21, 12:03:12 PM] Gio CFX: audio omitted
[7/26/21, 12:19:52 PM] Gio CFX: Can you get 100 K ready for tomorrow when I'm in?
[7/26/21, 1:24:30 PM] M GROUP: yes
[7/26/21, 1:27:28 PM] Gio CFX: What do you think of Bill Rapp becoming our broker when we actually are granted the license to be a dealer entity?
[7/26/21, 1:38:22 PM] M GROUP: Lets do it brother
[7/26/21, 1:41:22 PM] Gio CFX: Sounds awesome!
Let's submit your financials this week brother.
We are making all the right moves. I promise.

[7/27/21, 7:27:30 AM] Gio CFX: audio omitted
[7/27/21, 7:34:57 AM] M GROUP: Morning bro
[7/27/21, 7:34:59 AM] M GROUP: Yea
[7/27/21, 7:35:01 AM] M GROUP: Yea
[7/27/21, 7:35:08 AM] M GROUP: I will bro
[7/27/21, 7:35:28 AM] Gio CFX: Thank you brother. I should be there by 8:30 AM
[7/27/21, 7:36:37 AM] Gio CFX: Please have this meeting in English for my benefit?
I really need to understand the issues in order to find a path to correct them with our attorneys help.
[7/27/21, 7:37:02 AM] M GROUP: Ok bro

Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$300	 Certificate of Formation Limited Liability Company	Filed in the Office of the Secretary of State of Texas Filing #: 803537771 02/05/2020 Document #: 943644170002 Image Generated Electronically for Web Filing
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Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

CRYPTOFOX LLC

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

United States Corporation Agents, Inc.

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:
 9900 Spectrum Drive Austin TX 78717**

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: **Mauricio Chavez** Title: **Manager**

Address: **13411 Briar Forest Dr., Apt. 1033 Houston TX, USA 77077**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

LegalZoom.com, Inc. 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.

Signature of Organizer

FILING OFFICE COPY



Office of the Secretary of State

November 13, 2020

Attn: Legalzoom.com, Inc.

Legalzoom.com, Inc.
101 N. Brand Blvd, 10th Floor
Glendale, CA 91203 USA

RE: MAURIZZIO GROUP LLC
File Number: 803827371

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <https://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

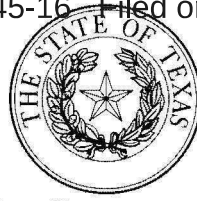
Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

MC_000001

Come visit us on the internet at <https://www.sos.texas.gov>



Office of the Secretary of State

CERTIFICATE OF FILING OF

MAURIZIO GROUP LLC
File Number: 803827371

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.


The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 11/12/2020

Effective: 11/12/2020



Ruth R. Hughs
Secretary of State

Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$300	 Certificate of Formation Limited Liability Company	<p style="text-align: center;">Filed in the Office of the Secretary of State of Texas</p> <p style="text-align: center;">Filing #: 803827371 11/12/2020</p> <p style="text-align: center;">Document #: 1007150090002</p> <p style="text-align: center;">Image Generated Electronically for Web Filing</p>
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Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

MAURIZIO GROUP LLC

Article 2 – Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

United States Corporation Agents, Inc.

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:
 9900 Spectrum Drive Austin TX 78717**

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members. The names and addresses of the governing persons are set forth below:

Managing Member 1: **Mauricio Antonio Chavez** Title: **Managing Member**

Address: **13411 Briar Forest Dr., Apt.1033 Houston TX, USA 77077**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

LegalZoom.com, Inc. 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Cheyenne Moseley, Asst. Secretary, LegalZoom.com, Inc.

Signature of Organizer

FILING OFFICE COPY

Paul Flack

From: Paul Flack
Sent: Friday, December 2, 2022 4:47 PM
To: Themeli, Sonila (SHB)
Cc: David Gerger (dgerger@ghmfirm.com); Cooksey, Sharon (SHB)
Subject: RE: SEC v Chavez

Ms. Themeli,

I have spoken to Mauricio and Mr. Poutous. Mauricio is going to bring him the Mercedes at 10 am tomorrow (Saturday) at the address you provided.

I am still working on getting my arms around the situation with the other cars and will be in touch when I know more.

Paul D. Flack
(713) 705-3087

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Sent: Friday, December 2, 2022 9:34 AM
To: Paul Flack <pflack@prattflack.com>
Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>; Cooksey, Sharon (SHB) <SCOOKSEY@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>
Subject: RE: SEC v Chavez

Mr. Flack,

The Receiver will not oppose a motion for a \$14,500 allowance for reasonable attorneys' fees after Mr. Chavez turns over the 4 cars and passwords/credentials for the CFX computers and the other devices we obtained from the CFX offices and which we have requested multiple times. The Receiver will not oppose another \$14,500 allowance for reasonable attorneys' fees after we see some meaningful cooperation from Mr. Chavez.

The four cars, including all keys, titles and other related documents, can be taken at Michael Poutous Auto Sales at 4601 Kelvin Dr., Houston, TX 77005. Please call Mr. Poutous at (713) 791-4203 to let him know when the cars will be there and let me know as well.

The four cars are: 2021 Mercedes Benz GLE AMG, 2022 BMW X6, 2021 Lexus ES 350 and 2021 Volkswagen. I understand that there is a note on the BMW; please send the documentation related to that note as soon as possible.

Also, like with the other counsel involved in this case, going forward, please file a motion with the court for the payment of incurred fees.

Thank you,

Sonila Themeli
Senior Counsel
Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



From: Paul Flack <pflack@prattflack.com>
Sent: Thursday, December 1, 2022 8:22 PM
To: Themeli, Sonila (SHB) <sthemeli@shb.com>
Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>
Subject: RE: SEC v Chavez

EXTERNAL

Also, please let me know asap your position regarding rates and the retainer.

Thank you,

Paul D. Flack
(713) 705-3087

From: Paul Flack
Sent: Thursday, December 1, 2022 8:09 PM
To: Sonila Themeli (sthemeli@shb.com) <sthemeli@shb.com>
Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>
Subject: SEC v Chavez

Ms. Themeli,

I am now representing Mauricio Chavez. I plan to file an appearance and notify the Court of my rate and request a retainer of \$25,000, which would only be half of what you have allowed for Mr. Benvenuto's counsel.

I will then talk with Mr. Chavez about the issues of assets and information you have requested.

Please direct all future communications regarding Mr. Chavez to me.

Thank you,

Paul D. Flack
(713) 705-3087

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Paul Flack

From: Paul Flack
Sent: Monday, December 5, 2022 6:28 PM
To: Themeli, Sonila (SHB); guldem@sec.gov
Cc: Cooksey, Sharon (SHB); David Gerger (dgerger@ghmfirm.com)
Subject: RE: SEC v Chavez

Sonila and Matt,

Thank you confirming receipt of the Mercedes. I will follow up with Mauricio regarding whether there are any other keys. I know he looked for the title, but was not able to find it, but he was going to look some more. If he can't find it, I know we can order another copy on line, because my wife recently had to do that for one of our cars. With respect to the other cars, the only one Mauricio owns or has in his possession is the BMW. Unlike the Mercedes, it is not paid for. He paid \$15,000 down and the payments are \$695/month. He does not own any other cars, so he needs the BMW to pick up his daughter etc.

Mauricio is working on a budget of what he will need to live on until he can find employment. I hope to get that budget/proposed allowance to you in the next few days.

Regarding the requests for sworn accounting and information, he cannot do that since his records were all seized and because he would assert his 5th Amendment rights.

I have heard both of your concerns about people continuing to solicit people for CFX and I have emphasized to Mauricio his need to have nothing to do with anything like that.

I appreciate the courtesies you have both extended us. Please let me know of any other issues I should prioritize as I am getting up to speed.

Thank you,

Paul D. Flack
(713) 705-3087

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Sent: Monday, December 5, 2022 3:30 PM
To: Paul Flack <pflack@prattflack.com>
Cc: Cooksey, Sharon (SHB) <SCOOKSEY@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>
Subject: RE: SEC v Chavez

Hello Mr. Flack,

I spoke with Mr. Poutous today, and he said he has received Mr. Chavez's Mercedes VIN: 4JGFB6BB7MA288181. However, he only received only one set of keys and no title document. Please provide the other key to the car and the title document to Mr. Poutous or us as soon as possible.

Also, as previously requested, Mr. Chavez must turn over the following cars (together with all keys and title or loan documents) by this Wednesday Dec. 7, 2022:

1. White 2020 Volkswagen Tiguan - 4 Dr Wagon Sport Utility, VIN: 3VV3B7AX4LM041309

2. Gray 2022 BMW X6 - 4 Dr Wagon Sport Utility, VIN: 5UXCY8C07N9J61298
3. Gray 2021 Lexus ES - Sedan 4 Door, VIN: 58AGZ1B16MU104673

Thank you,

Sonila Themeli

Senior Counsel

Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



From: Paul Flack <pflack@prattflack.com>

Sent: Friday, December 2, 2022 4:47 PM

To: Themeli, Sonila (SHB) <STHEMELI@shb.com>

Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>; Cooksey, Sharon (SHB) <SCOOKSEY@shb.com>

Subject: RE: SEC v Chavez

EXTERNAL

Ms. Themeli,

I have spoken to Mauricio and Mr. Poutous. Mauricio is going to bring him the Mercedes at 10 am tomorrow (Saturday) at the address you provided.

I am still working on getting my arms around the situation with the other cars and will be in touch when I know more.

Paul D. Flack
(713) 705-3087

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Sent: Friday, December 2, 2022 9:34 AM

To: Paul Flack <pflack@prattflack.com>

Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>; Cooksey, Sharon (SHB) <SCOOKSEY@shb.com>;

Themeli, Sonila (SHB) <STHEMELI@shb.com>

Subject: RE: SEC v Chavez

Mr. Flack,

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Also, like with the other counsel involved in this case, going forward, please file a motion with the court for the payment of incurred fees.

Thank you,

Sonila Themeli

Senior Counsel

Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



From: Paul Flack <pflack@prattflack.com>
Sent: Thursday, December 1, 2022 8:22 PM
To: Themeli, Sonila (SHB) <sthemeli@shb.com>
Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>
Subject: RE: SEC v Chavez

EXTERNAL

Also, please let me know asap your position regarding rates and the retainer.

Thank you,

Paul D. Flack
(713) 705-3087

From: Paul Flack
Sent: Thursday, December 1, 2022 8:09 PM
To: Sonila Themeli (sthemeli@shb.com) <sthemeli@shb.com>
Cc: David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>
Subject: SEC v Chavez

Ms. Themeli,

I am now representing Mauricio Chavez. I plan to file an appearance and notify the Court of my rate and request a retainer of \$25,000, which would only be half of what you have allowed for Mr. Benvenuto's counsel.

I will then talk with Mr. Chavez about the issues of assets and information you have requested.

Please direct all future communications regarding Mr. Chavez to me.

Thank you,

Paul D. Flack
(713) 705-3087

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Paul Flack

From: Paul Flack
Sent: Saturday, December 24, 2022 3:05 PM
To: Matthew Gulde; Sonila Themeli
Subject: Websites SEC v Chavez et al.

Matt and Sonila,

The following websites no longer work:

<https://cryptofxtv.com/mioficina/aut/register>

<https://cryptofxtv.com/mioficina/aut/register>

Hope y'all have happy holidays.

Paul D. Flack
(713) 705-3087

Paul Flack

From: Paul Flack
Sent: Tuesday, December 27, 2022 10:59 AM
To: Themeli, Sonila (SHB)
Cc: guldem@sec.gov; Cogdell, Dan; Lewis, John (SHB)
Subject: RE: Motion for Show cause against Chavez

Sonila,

We do oppose any motion for an order to show cause. Since I have been engaged in this case, I have been working toward compliance with the Court's orders and I will continue to do so. Toward that end, we turned over the 2021 Mercedes GLE and the extra key. Mauricio does not have the title. At his wife's deposition, she testified that she was the only one on the title for that car.

Regarding the other cars, the Volkswagen is his wife's car. He does not live with her. At her deposition she testified that it is titled in her name and Mauricio's, but he never drives it. She uses it to transport herself and her two daughters.

The Lexus ES 350 is in the possession of Janette Gonzalez. She testified that JM Monarchy purchased the car from Mauricio. Ms. Gonzalez testified that she has the title to that car. Mauricio does not drive the car and he does not have possession of it. It seems that this is a matter you need to address with Ms. Gonzalez's lawyer, but if you need something further from us, please just let me know.

The other car you mentioned is the BMW X6. That is the car Mauricio is currently using to transport himself and his daughter. Given that that car is not paid for, it does not likely have much value in any case.

Regarding Mauricio's laptop, I have taken possession of it, but we are asserting his Fifth Amendment privilege which covers the act of production.

Regarding paragraphs 9 and 10 of the order, those paragraphs call for sworn statements and accountings. Mauricio is asserting his Fifth Amendment rights against providing such things. He has been asserting his Fifth Amendment rights ever since his June 7, 2022 Declaration. I told Matt Gulde at one of the deposition breaks that he was still taking the Fifth and I believe I wrote that to you in a prior email. Matt said something about possibly needing Mauricio to update the Declaration. I don't think doing that would be a problem, but I defer to Mauricio's criminal lawyer for the final say on such issues. Moreover, as a practical matter, I don't think Mauricio could provide an accounting or the other information requested, especially since he no longer has access to the company records.

Regarding the calls from investors you reference, I have advised Mauricio in the strongest terms that he cannot have any involvement with any CFX-related activities. If you are aware of anything indicating he is not following my instructions on that (or on any other issue) please let me know and I will address it with him.

Regarding funds he has, I have \$55,000 that I received very recently that I am prepared to send you. We also need to get you a proposal for an allowance for his living expenses. We have started that process, but it has taken longer than I expected and, of course, we've all been tied up with some depositions.

So, I am working to comply and I do not think a motion for an order to show cause would be productive. If there are other particular issues, please let me know as I am prepared to work with you on them.

Paul D. Flack
(713) 705-3087

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Sent: Thursday, December 22, 2022 7:31 PM
To: Paul Flack <pflack@prattflack.com>
Cc: guldem@sec.gov; Cogdell, Dan <dcogdell@joneswalker.com>; Lewis, John (SHB) <jolewis@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>
Subject: Motion for Show cause against Chavez

Hi Paul,

As previously discussed, the Receiver plans to file a motion for show cause why Mr. Chavez should not be held in contempt for failure to comply with the Receivership Order, including paragraphs 9 and 10, and for his failure to turn over all receivership property, including his computers, cash and other property to the Receiver.

Further, we continue to receive calls from investors stating that Mr. Chavez (and people associated with him and CFX) continues his CFX-related activities. We had previously sent a cease and desist letter to both Mr. Sklar and Mr. Chavez requesting that all such activities be stopped.

I assume you oppose the motion, based on prior conversations, but let me know if things have changed by December 27, 2022 at noon.

Dan – please let me know your client’s position as well.

Thank you,

Sonila Themeli
Senior Counsel
Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



CONFIDENTIALITY NOTICE: This e-mail message including attachments, if any, is intended for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message. Thank you.

Paul Flack

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Sent: Tuesday, January 10, 2023 12:34 PM
To: Paul Flack
Cc: Lewis, John (SHB); Gulde, Matthew; Cogdell, Dan; Powell, Kierra K. (SHB); Fleming, Mia K. (SHB); David Gerger (dgerger@ghmfirm.com); Themeli, Sonila (SHB)
Subject: RE: SEC v Chavez - Apartment

Hi Paul,

The Receiver requests that Mr. Chavez does not remove the tags from any of the clothing items, shoes, or other personal property at his residence.

Mr. Webster will provide us with an inventory by the end of the week.

Thank you,

Sonila Themeli

Senior Counsel

Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



From: Paul Flack <pflack@prattflack.com>
Sent: Sunday, January 8, 2023 5:42 PM
To: Themeli, Sonila (SHB) <STHEMELI@shb.com>
Cc: Lewis, John (SHB) <jolewis@shb.com>; Gulde, Matthew <GuldeM@SEC.GOV>; Cogdell, Dan <dcogdell@joneswalker.com>; Powell, Kierra K. (SHB) <kkpowell@shb.com>; Fleming, Mia K. (SHB) <MKFLEMING@shb.com>; David Gerger (dgerger@ghmfirm.com) <dgerger@ghmfirm.com>
Subject: RE: SEC v Chavez - Apartment

EXTERNAL

Sonila,

I received your amended notice. I see that you changed some of the language. To the extent that was to address our concerns, thank you. We are trying not to object to the amended notice, so the entry can happen. If you could confirm the following, which I believe are consistent with what you said when we had our meet and confer, I believe we will be able to have the inspection Tuesday morning.

- 1) You and the Receiver and your appraiser and I will enter the apartment. I will escort you and will have the key.
- 2) You can look anywhere you like and take pictures or videos.

- 3) You are free to seize any cash, papers relating to CFX, or computers or storage devices. My understanding is that there are none.
- 4) You agree not to take any of the following:
 - a) Any clothes or personal effects;
 - b) The one TV that is in the apartment;
 - c) The one computer monitor that is in the apartment;
 - d) The furniture.
- 5) At the conclusion of the inspection, I will retain the key and return it to Mauricio. The Receiver will not attempt to lock Mauricio out of the apartment or take possession of it without further notice and opportunity for us to object.
- 6) You agree to maintain as confidential any pictures or videos you take. If you desire to file any of them with the Court, you will let me know and if we can't agree that they can be filed publicly, then you will file any such materials under seal.
- 7) All of the above is without waiver of any privileges and neither party is waiving any right to seek any relief from the Court regarding the apartment. In particular, if you see something you think the Receiver should take possession of, you are free to go to the Court and request it and we are free to object.
- 8) All of the above also applies to the storage unit. My understanding is that it is, and always has been, empty.

Please let me know if that works.

Thank you,

Paul D. Flack
(713) 705-3087

From: Themeli, Sonila (SHB) <STHEMELI@shb.com>

Sent: Friday, January 6, 2023 12:18 PM

To: Paul Flack <pflack@prattflack.com>

Cc: Lewis, John (SHB) <jolewis@shb.com>; Gulde, Matthew <GuldeM@SEC.GOV>; Cogdell, Dan <dcogdell@joneswalker.com>; Powell, Kierra K. (SHB) <kkpowell@shb.com>; Fleming, Mia K. (SHB) <MKFLEMING@shb.com>; Themeli, Sonila (SHB) <STHEMELI@shb.com>

Subject: RE: SEC v Chavez - Apartment

Hi Paul,

Thank you for your email.

As discussed during our meet and confer, the Receiver will not accept photographs of the residence or the storage unit.

Please see attached the amended request for inspection for Tuesday Jan. 10 at 9:00 am.

I will send an amended notice for the Tidmore lane property in another email.

Thank you,

Sonila Themeli
Senior Counsel
Shook, Hardy & Bacon L.L.P.

713.546.5656 | sthemeli@shb.com



From: Paul Flack <pflack@prattflack.com>
Sent: Thursday, January 5, 2023 6:19 PM
To: Themeli, Sonila (SHB) <sthemeli@shb.com>
Subject: SEC v Chavez - Apartment

EXTERNAL

Sonila,

We would propose to provide you with pictures of the apartment that would show the entire interior including inside cabinets and drawers and inside the storage unit. We can also provide an affidavit from the person who takes the pictures.

Please let me know if that works.

Thank you,

Paul D. Flack
(713) 705-3087

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THE CWEREN LAW FIRM, PLLC

ATTORNEYS AND COUNSELORS AT LAW

BRIAN P. CWEREN
MANAGING MEMBER

SCOTT H. FOURNIER
AIMAL WARDAK
WILLIAM "BILL" KEE, III
SENIOR ASSOCIATES

MICHELLE BLUM
ASSOCIATE

3311 RICHMOND AVENUE, SUITE 305
HOUSTON, TEXAS 77098

WWW.CWERENLAW.COM

TELEPHONE: (713) 622-2111
FACSIMILE: (713) 622-2119

January 10, 2023

VIA CM/RRR:7021 0350 0000 2098 4179;

VIA U.S. First Class Mail; and

VIA E-mail: jmgroupl@icloud.com

Mauricio Chavez

1616 Post Oak Blvd., Apt. #3904

Houston, Texas 77056

Re: Apartment Lease Contract commencing on September 19, 2022 and ending on September 18, 2023 (the "Lease") between Mauricio Chavez ("Resident") on the one hand and Vantage Post Oak Apartments, LLC ("Landlord") on the other hand, for the apartment dwelling at Aspire Post Oak (the "Community"), located at 1616 Post Oak Blvd., Apartment No. 3904, Houston, Texas 77056 (the "Leased Premises").

Civil Action No. 4:22-CV-03359; *Securities and Exchange Commission v. Mauricio Chavez, et. al.*, In the United States District Court for the Southern District of Texas (the "Lawsuit").

Dear Mr. Chavez:

Please be advised that the undersigned attorney and law firm represent Vantage Post Oak Apartments, LLC ("Landlord") commonly doing business as Aspire Post Oak with respect to the above-referenced Lease and Leased Premises. Please allow this correspondence to serve as Landlord's notice that you must vacate the Leased Premises and turn in your keys by 5:00 p.m. on January 31, 2023. Please direct all future correspondence in this regard to the undersigned attorney and law firm.

It is our understanding that you are represented by counsel in the Lawsuit, but we do not have your counsel's name or contact information. To the extent you are represented by counsel, please provide this correspondence to your counsel.

Please be advised that Landlord was recently notified by Ms. Sonila Themeli, counsel for the court-appointed Receiver John Lewis, Jr. in the above-referenced Lawsuit, that the following orders were entered in the Lawsuit (which are enclosed herein for your review):

- (1) Order Appointing Receiver ("Receivership Order") dated September 29, 2022;
- (2) Temporary Restraining Order and Order Freezing Assets and Granting Expedited Discovery dated September 19, 2022; and
- (3) Order on Preliminary Injunction dated September 29, 2022

*Mauricio Chavez
Notice to Vacate the Leased Premises
January 10, 2023
Page 2*

Additionally, please be advised that the undersigned counsel received written correspondence from Ms. Themeli dated January 5, 2023 stating that all of your assets have been frozen and belong to the Receivership Estate, with the Receiver being the only party authorized to administer those assets. A copy of the correspondence from Ms. Themeli dated January 5, 2023 is attached hereto for your reference. Based on Ms. Themeli's correspondence and the Receivership Order, any funds or other assets used to pay your obligations under the Lease are part of and belong to the Receivership Estate. Therefore, any funds received by Landlord from you (or for your benefit) may be recaptured from Landlord by the Receiver.

Based on the foregoing, per Ms. Themeli's correspondence and pursuant to the enclosed orders issued in the Lawsuit, it is Landlord's understanding that Landlord cannot accept any funds or other assets from you with respect to your obligations under the Lease. It is further our understanding the Receiver will not permit you to pay the monthly rent for the Leased Premises. **Accordingly, because you cannot meet your financial obligations under the Lease, you are instructed to vacate the Leased Premises and turn in your keys by 5:00 p.m. on January 31, 2023.**

If you disagree or dispute any of the foregoing, please notify us immediately. We also encourage you to seek relief from the Court regarding this matter. If you seek relief, please notify us immediately so that we may attend the hearing. Finally, if you contend that you can make the monthly payments with funds that are not the property of the Receivership and not subject to clawback or recapture from the Receiver, please advise us immediately by **January 17, 2023**. Otherwise, Landlord is entitled to and demands possession of the Leased Premises.

Nothing contained herein shall constitute an election or waiver of any rights or remedies which my client may have; it is my client's intention to preserve all such rights and remedies. Additionally, any delay or postponement in taking any action shall not constitute a waiver of my client's right to take such action at any time.

Should you have any questions or would like to discuss this matter further, please contact me at (713) 622-2111.

Sincerely,

THE CWEREN LAW FIRM, PLLC



Aimal Wardak
Senior Associate

AW/er
Enclosures as referenced.

1. This Court has jurisdiction over the parties to, and the subject matter of, this action, and the SEC is a proper party to bring this action seeking the relief sought in its Complaint, and its motion.

2. The SEC has made a sufficient and proper showing in support of the relief granted herein, as required by Section 20(b) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77t(b), and Section 21(d) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78u(d), by evidence establishing a *prima facie* case and reasonable likelihood that Defendants Mauricio Chavez, Giorgio Benvenuto, and CryptoFX, LLC have engaged in, are engaging in, are about to engage in, and unless restrained and enjoined will continue to engage in transactions, acts, practices, and courses of business that constitute violations of Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a) and (c) and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1)-(2)].

3. Good cause exists to believe that Defendants and Relief Defendant used improper and unlawful means to obtain investor funds and assets and that investor funds have been misappropriated and misapplied, as described in the SEC’s Complaint and in the TRO Application. Good cause exists to believe that, unless restrained and enjoined by order of this Court, Defendants and Relief Defendant will dissipate, conceal, or transfer assets that could be the subject to an order directing disgorgement or the payment of civil money penalties in this action.

4. There is good cause to believe that Defendants and Relief Defendant do not have sufficient funds or assets to satisfy the relief that might be ordered in this action.

5. There is good cause to believe that the assets, in whatever form they exist, that are owned, controlled, or possessed by Defendants and Relief Defendant should be frozen to preserve the status quo and to prevent any misappropriation, misapplication, dissipation, or other action taken to the detriment of investors.

6. Good cause exists to believe that requiring notice to the Defendants and Relief Defendant of the SEC's motion for this Order would result in immediate and irreparable injury, loss, or damage to the SEC and to investors. It is appropriate for the Court to issue, *ex parte*, a Temporary Restraining Order, an Asset Freeze, and the other orders, below, so that prompt service on appropriate financial institutions can be made, thus preventing the dissipation of assets.

7. Good cause exists to believe that an accounting of assets is necessary to determine the disposition of investor funds and to ascertain the total assets that should continue to be frozen.

8. Good cause exists to believe that, unless restrained and enjoined by order of this Court, Defendants and Relief Defendant may alter or destroy documents relevant to this action, and it is necessary to preserve and maintain the business records of the Defendants and Relief Defendant from destruction.

9. The timing restrictions of FED. R. CIV. P. 26(d), 26(t), 30, and 34 should not apply to this proceeding in light of the SEC's requested relief and its demonstration of good cause, and that expedited discovery is appropriate to permit a prompt and fair hearing on the SEC's motion for preliminary injunction.

The Court therefore grants the following relief without prejudice to any of the remaining relief requested by Plaintiff in its Motion for Preliminary Injunction, *Ex Parte*

Temporary Restraining Order, Asset Freeze, Appointment of Receiver, and Other Ancillary Relief.

IT IS THEREFORE ORDERED:

I.

Temporary Restraining Order

10. Defendants are temporarily restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

11. As provided in FED. R. CIV. P. 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

12. Defendants are temporarily restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use

of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

13. As provided in FED. R. CIV. P. 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

14. Chavez and CryptoFX are temporarily restrained and enjoined from violating Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) & (c)] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing 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; or

- (c) Making 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 with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

15. As provided in FED. R. CIV. P. 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Chavez's and CryptoFX's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Chavez or CryptoFX or with anyone described in (a).

16. Chavez is temporarily restrained and enjoined from violating Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1)-(2)], directly or indirectly, through the use of the mails or any means or instrumentality of interstate commerce, while acting as an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)], by: (a) employing a device, scheme, or artifice to defraud a client or prospective client; and/or (b) engaging in a transaction, practice, or course of business which operated as a fraud or deceit upon a client or prospective client.

17. As provided in FED. R. CIV. P. 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Chavez's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Chavez or with anyone described in (a).

II.

Asset Freeze Order

18. This Order shall not limit the powers or obligations bestowed upon a receiver if one is appointed by this Court.

19. Defendants and Relief Defendant and their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds, incurring any additional liability (including, specifically, by advances on any line of credit and any charges on any credit card), or effecting any sale, gift, hypothecation or other disposition of any assets, securities, investments, digital currencies, virtual currencies, cryptocurrencies, or any other tangible or intangible assets pending provision of sufficient proof to the Court of sufficient funds or assets to satisfy all claims alleged in the SEC's Complaint, or the posting of a bond or surety sufficient to assure payment of any such claim.

20. Any bank, trust company, broker-dealer, depository institution, third-party payment processor, coin exchange, or any other holder or custodian of any digital assets, digital currencies, virtual currencies, cryptocurrencies, or other depository institution holding accounts for or on behalf of any of the Defendants and Relief Defendant shall make no transactions in funds, assets, securities, investments, digital currencies, virtual currencies,

cryptocurrencies, or any other tangible or intangible assets (except liquidating transactions necessary to comply with a court order or to avoid wasting assets) and shall make no disbursements of assets, securities, investments, funds, digital currencies, virtual currencies, cryptocurrencies, or any other tangible or intangible assets (including extensions of credit or advances on existing lines of credit), including the honor of any negotiable instrument (including specifically, any check, draft, or cashier's check) purchased by or for Defendants or Relief Defendant pending further order of this Court.

21. The SEC may cause a copy of this Order to be served on any bank, trust company, broker-dealer, depository institution, third-party payment processor, coin exchange, or any other holder or custodian of any digital assets, digital currencies, virtual currencies, cryptocurrencies, or on any entity or individual either by United States mail, email, or facsimile as if such service were personal service, to restrain and enjoin any such institution, entity, or individual from disbursing assets, directly or indirectly, to or on behalf of Defendants or Relief Defendant, or any companies or persons or entities under their control.

22. All other individuals, corporations, partnerships, limited liability companies and other entities are hereby restrained and enjoined from disbursing any funds, securities, or other assets or property obtained from Defendants or Relief Defendant without adequate consideration.

23. All banks, savings and loan associations, savings banks, trust companies, broker dealers, commodities dealers, investment companies, other financial or depository institutions and investment companies, third-party payment processors, coin exchanges, any other holder or custodian of any digital assets, digital currencies, virtual currencies, cryptocurrencies, individuals, corporations, partnerships, limited liability companies, or other

artificial entities that holds or has held, controls or has controlled, or maintains or has maintained custody of any of Defendants' or Relief Defendant's funds, securities, or other property at any time since January 1, 2020 shall:

- A. Prohibit Defendants or Relief Defendant and all other persons from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise disposing of Defendants' and Relief Defendant's assets, except as directed by further Order of the Court;
- B. Deny Defendants or Relief Defendant and all other persons access to any safe deposit box that is: (i) owned, controlled, managed, or held by, on behalf of, or for the benefit of Defendants or Relief Defendant, either individually or jointly; or (ii) otherwise subject to access by Defendants or Relief Defendant;
- C. Provide counsel for the Commission, or any Receiver appointed in this matter, within five (5) business days of receiving a copy of this Order, a statement setting forth: (i) the identification number of each and every account or other asset owned, controlled, managed, or held by, on behalf of, or for the benefit of Defendants or Relief Defendant, either individually or jointly; (ii) the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and (iii) the identification of any safe deposit box that is owned controlled, managed, or

held by, on behalf of, or for the benefit of Defendants or Relief Defendant, either individually or jointly, or is otherwise subject to access by Defendants or Relief Defendant; and

- D. Upon request by the Commission, or any Receiver appointed in this matter, promptly provide the Commission and the Receiver with copies of all records or other documentation pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, Internal Revenue Service Form 1099s, and safe deposit box logs.
- E. For purposes of explanation, but not limitation, the Court specifically provides that Paragraph 23 applies to all companies, entities, or individuals who hold any assets of the Defendants or Relief Defendant, including, but not limited to, the following accounts and institutions:

Bank Name	Account Name	Account No. (Last 4 Digits)
Cadence Bank, N.A.	Mauricio A. Chavez	-9455
Cadence Bank, N.A.	Mauricio A. Chavez (savings)	-5647
Cadence Bank, N.A.	Maurizzio Group LLC	-7137
Cadence Bank, N.A.	CryptoFX LLC	-7103
Cadence Bank, N.A.	CryptoFX LLC	-7129
First Citizens Bank	Maurizzio Group LLC	-6456
J.P. Morgan Chase Bank, N.A.	Mauricio Antonio Chavez DBA Maurizzio Group	-0950
J.P. Morgan Chase Bank, N.A.	Mauricio A. Chavez	-6989
Lone Star Bank	Maurizzio Group LLC	-0419
People's Trust Credit Union	Mauricio Antonio Chavez	-2018
People's Trust Credit Union	Maurizzio Group LLC	-4909
PNC Bank	Mauricio Chavez	-1156
Cadence Bank, N.A.	CBT Group LLC	-7654

Lone Star Bank	CBT Group LLC	-0427
Simmons Bank	CBT Group LLC	-9557

and further to any and all accounts held by any online platform including but not limited to Coinbase, Inc.

III.

Document Preservation Order

24. Except as otherwise ordered by this Court, each of the Defendants and Relief Defendant be and hereby are temporarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), and any accounts, account passwords, computer passwords, device PINs and passwords, cryptographic keys, or digital wallets, pertaining in any manner to Defendants and Relief Defendant.

25. As provided in FED. R. CIV. P. 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) officers, agents, servants, employees, and attorneys of either of the Defendants and Relief Defendant; and (b) other persons in active concert or participation with either of the Defendants or Relief Defendant or with anyone described in (a).

IV.

Sworn Accounting

26. Defendants and Relief Defendant shall provide a sworn accounting, under oath, within ten (10) days of the issuance of this Order or three (3) days prior to any hearing on the Commission's Motion for Preliminary Injunction and other relief, whichever is sooner. The accounting shall detail by amount, date, method and location of transfer, payee and payor, purpose of payment or transfer: (a) all investor monies and other benefits received, directly and indirectly, from or as a result of the activities alleged in the Complaint or thereafter transferred; (b) all monies and other assets received, directly or indirectly, from investors; (c) all of their current assets wherever they may be located and by whomever they are being held, and their current liabilities; and (d) all accounts with any bank, credit union, trust company, financial or brokerage institution maintained for the Defendants or Relief Defendant at any point during the period from January 1, 2020 to the present. The accounting shall be sufficient to permit a full understanding of the flow of investor funds from the investor to its present location to the extent known by the Defendants or Relief Defendant or within their power to learn. The accounting and all documents reviewed in the course of the preparation thereof or otherwise pertaining thereto shall be filed with the Court and delivered by email or overnight courier to:

Matthew J. Gulde
U.S. Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, Texas 76102

by the deadline set forth above. After completion of the accounting, each of the Defendants and Relief Defendant shall produce to the SEC, at a time agreeable to the SEC, all books, records, and other documents supporting or underlying their accounting.

V.

Expedited Discovery

27. Commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 33, 34, 36, and 45 of the Federal Rules of Civil Procedure and the corresponding Local Rules of this Court, discovery shall proceed as follows:

- A. All parties shall comply with the provisions of Rule 45 of the Federal Rules of Civil Procedure regarding issuance and service of subpoenas unless the person designated to provide testimony or to produce documents or things agrees to provide the testimony or to produce the documents or things without the issuance of a subpoena and/or to do so at a place other than one at which testimony or production can be compelled.
- B. Any party may notice and conduct depositions upon oral examination subject to minimum notice of 72 hours.
- C. All parties shall produce for inspection and copying all documents and things that are requested within 72 hours of service of a written request for those documents and things.
- D. All parties shall serve written responses to any other party's request for discovery within 72 hours. The documents, responses, and other things being

produced in response to requests described above shall be sent to the SEC addressed as follows:

Securities and Exchange Commission
Fort Worth Regional Office
Attention: Matthew J. Gulde
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882
Email: GuldeM@SEC.gov

The SEC's responses shall be sent to the other parties at such address(es) as may be designated by them in writing.

- E. All discovery requests and responses may be served by the most expeditious means available, including by email and facsimile.
- F. Written discovery propounded and depositions taken pursuant to this section of this Order shall not count against the limitations on the number or duration of written discovery and depositions set forth in the Federal Rules of Civil Procedure.

VI.

Alternative Means of Service

28. The United States Marshal in any District in which the Defendants and Relief Defendant reside, transact business, or may be found, is hereby authorized and directed to make service of process at the request of the SEC or any duly appointed agent of the Court in this case. Alternatively, if the U.S. Marshal is unavailable, any federal, state, county, or city law enforcement officer(s) is hereby authorized and directed to make service of process at the request of the SEC or any duly appointed agent of the Court in this case. Furthermore, the SEC is permitted to effect service upon the Defendants and Relief Defendant, their agents, or

their attorneys of all pleadings and other papers, including the Summons, the Complaint, the emergency motion, supporting brief and appendix, and court orders, personally, by facsimile, by electronic mail, by overnight courier, by mail, or by any other alternative provision for service permitted by Rule 4 of the Federal Rules of Civil Procedure, or as this Court may direct by further order.

VII.

Expiration of Temporary Restraining Order Only

29. The portion of this Order that constitutes a temporary restraining order shall expire at 12:00 noon on October 1, 2022, unless for good cause shown it is extended or the parties against whom it is directed consent that it may be extended for a longer period. All other provisions of this Order, including the asset freeze, shall remain in full force and effect until specifically modified by further order of this Court.

VIII.

Preliminary Injunction Hearing

30. At 10:00 a.m. on September 27, 2022, or as soon thereafter as the parties may be heard, the Defendants and Relief Defendant, and each of them, shall appear before the Honorable Andrew S. Hanen, Judge of the United States District Court for the Southern District of Texas, to show cause, if there be any, why this Court should not enter a preliminary injunction extending the asset freeze and other relief granted in this Order until a final adjudication on the merits may be had and to show cause why a receiver should not be appointed for all of the assets of Defendants and Reliant Defendant. Any declarations, affidavits, points and authorities, or other submissions in support of, or in opposition to, the issuance of such an Order shall be filed with the Court and delivered to Matthew J. Gulde;

U.S. Securities and Exchange Commission; Burnett Plaza, Suite 1900; 801 Cherry Street, Unit 18; Fort Worth, Texas 76102 and served via email, facsimile, or by hand to the offices of the Defendants or their attorneys no later than four (4) full business days before the hearing. Any reply papers shall be filed with the Court and served via email, facsimile, or by hand to opposing counsel no later than 24 hours before the hearing.

IX.

Retention of Jurisdiction

31. This Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

X.

Service

32. This order and all filings preceding this order shall be immediately served, by hand delivery, email, or fax, on the attorney representing Defendants and Relief Defendant. If not represented by counsel or if the identity of counsel is unknown to the SEC, then these documents shall immediately be served on that Defendant or one of its officers.

IT IS SO ORDERED.

Signed at 4:15 p.m. on this 19th day of September, 2022.


UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	CIVIL ACTION NO. 4:22-cv-3359
	§	
MAURICIO CHAVEZ, GIRGIO	§	JURY TRIAL DEMANDED
BENVENUTO, and CryptoFX, LLC,	§	
	§	
<i>Defendants.</i>	§	
	§	
CBT GROUP, LLC,	§	
	§	
<i>Relief Defendant.</i>	§	

ORDER ON PRELIMINARY INJUNCTION

Pending before the Court is the United States Securities and Exchange Commission’s (“SEC” or “Plaintiff”) motion for preliminary injunction (Doc. No. 1-8) against Defendants Mauricio Chavez (“Chavez”), Girgio Benvenuto (“Benvenuto”), and CryptoFX, LLC. (“CryptoFX”). Having considered Plaintiff’s motion, the supporting declarations and exhibits, and other evidence and argument presented to the Court, the Court hereby **GRANTS** Plaintiff’s motion for preliminary injunction, adopts its Temporary Restraining Order (“TRO”) (Doc. No. 2) as the preliminary injunction, and by separate order, appoints a receiver.

I. Background

This matter came before the Court upon the *Ex Parte* Motion of Plaintiff for a Preliminary Injunction, TRO, Asset Freeze, Appointment of Receiver, and Other Emergency Relief and Brief in Support. (the “TRO Application”). The Court refused to enjoin the Defendant in an *ex parte*

fashion and held a hearing at which all the principals attended. Plaintiff alleges that since early 2020, Defendants have raised at least \$12 million from investors through continuous misrepresentations of fact to solicit investments in cryptocurrency and foreign exchange trading. Plaintiff alleges that Defendants have generally solicited and offered to sell securities to mostly Latino-immigrant investors. Instead of using investor funds to conduct crypto asset and foreign exchange trading as promised, Defendants diverted a majority of the proceeds to unrelated purposes, such as real estate development, personal expenditures, and Ponzi payments to investors. Plaintiff alleges that because Defendants have engaged in extensive and are continuing to engage in fraud and misappropriation, emergency relief is necessary to preserve the assets of investors.

This Court initially granted a Temporary Restraining Order (“TRO”) that among other rulings ordered (1) assets to be frozen, (2) prohibited the destruction of documents, (3) granted expedited discovery, (4) required sworn accountings, (5) permitted alternative means of service, and (6) set a hearing date on Plaintiff’s motion for preliminary injunction. That hearing has now been held.

II. Legal Standard

A preliminary injunction is an extraordinary remedy that should only be granted if the movant has clearly carried the burden of persuasion on all four factors. *Lake Charles Diesel, Inc. v. Gen. Motors Corp.*, 328 F.3d 192, 196 (5th Cir. 2003). The movant need not prove its entire case. *Lakedreams v. Taylor*, 832 F.2d 1103, 1109 (5th Cir. 1991). To obtain a preliminary injunction, the movant must show: (1) a substantial likelihood they will prevail on the merits, (2) a substantial threat that they will suffer irreparable injury if the injunction is not granted, (3) their substantial injury outweighs the threatened harm to the party whom they seek to enjoin, and (4)

granting the preliminary injunction will not disserve the public interest. *City of El Cenizo, Texas v. Texas*, 890 F.3d 164, 176 (5th Cir. 2018).

III. Analysis

A. Plaintiff Has a Substantial Likelihood of Prevailing on the Merits

The Court finds that Plaintiff has made a sufficient and proper showing in support of the relief granted herein, as required by Section 20(b) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77t(b), and Section 21(d) of the Securities Exchange Act of 1934 (“Exchange Act,”) through evidence establishing a *prima facie* case and reasonable likelihood that Defendants have engaged in, are engaging in, are about to engage in, and unless restrained and enjoined will continue to engage in transactions, acts, practices, and courses of business that constitute violations of Section 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a) and (c) and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1) ad (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1)-(2)]. The only evidence before the Court is what Plaintiffs have brought forth. Clearly, Plaintiff has shown a likelihood of success. In fact, the evidence before the Court was so clear, Defendants did not make any objections to the conversion of the TRO into a preliminary injunction.

B. There is a Substantial Threat of Irreparable Injury

Based on Plaintiff’s pleadings and evidence, good cause exists to find that Defendants used improper and unlawful means to obtain investor funds and that these assets have been and are at risk for being lost, misappropriated, and/or misapplied. Furthermore, there is good cause to find that Defendants, unless enjoined by order of this court, will continue to dissipate, conceal, or transfer assets to the detriment of investors. Without a preliminary injunction, many investors face the risk of losing their investments and more individuals might invest money under the impression

that Defendants' operation is successful—and potential investors are at risk of being misled. Consequently, the element of irreparable injury exists in this case.

C. Investors' Substantial Injury Outweighs the Threatened Harm

With millions of dollars belonging to numerous investors at stake and in danger of being dissipated, it is clear that investors' and potential investors' substantial injury outweighs the threatened harm to Defendants. In addition, this Court's Appointment of a Receiver includes provisions specifically allowing Chavez and Benvenuto reasonable living expenses and attorney's fees, so the granting of the preliminary injunction would cause minimal disruption to these individual Defendants' daily financial needs.

D. Granting the Preliminary Injunction Will Not Disserve the Public Interest

According to Plaintiff's pleadings and evidence, Defendants targeted the Latino community and raised more than \$12 million from as many as 5,000 investors. (Doc. Nos. 1, 1-8). In addition, millions of dollars of investor funds were used by Defendants to pay for expenses unrelated to crypto asset and foreign exchange transactions. (*Id.*). Expenditures were made on cars, luxury retail purchases, travel, restaurants, jewelry, and adult entertainment establishments. (*Id.*). Since Defendants did not disclose to investors that there was a continuous and unauthorized use of investor funds, there is a significant public as well as private interest in preventing further dissipation, concealment, or transfer of funds. (*Id.*).

In addition to protecting the interests of investors already affected by Defendants' actions, granting Plaintiff's motion for preliminary injunction is a step toward protecting the public's best interests from further losses. After all, there is a strong public interest against alleged Ponzi schemes. The evidence supports the conclusion that the scheme weaponized the attraction and novelty of crypto assets to solicit investments from unsophisticated investors with little knowledge

of crypto asset markets. Furthermore, Defendants offer virtual courses with significant potential reach to a much larger audience beyond the jurisdiction of this Court. In fact, Plaintiff specifically claims in its Complaint that Defendants used the courses as a medium to solicit more investments. (*Id.*). Thus, in the absence of an injunction from this Court, those already affected and many more potential investors beyond the scope of this dispute could be prone to the risk of an ongoing, multi-million dollar securities fraud. An injunction is necessary to protect those members of the public.

IV. Conclusion

That being the case, the Court hereby converts the previously entered Temporary Restraining Order (TRO) into a preliminary injunction, and, by separate order, appoints a Receiver. This injunction will remain in place until further Order from this Court. The Court further finds that no bond is needed at this time.

Signed at Houston, Texas, this th 29 day of September, 2022.



Andrew S. Hanen
United States District Judge

ENTERED

September 29, 2022

Nathan Ochsner, Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	CIVIL ACTION NO. 4:22-cv-3359
	§	
MAURICIO CHAVEZ, GIRGIO	§	JURY TRIAL DEMANDED
BENVENUTO, and CryptoFX, LLC,	§	
	§	
<i>Defendants.</i>	§	
	§	
CBT GROUP, LLC,	§	
<i>Relief Defendant.</i>	§	

ORDER APPOINTING RECEIVER

WHEREAS this matter has come before this Court upon motion of the Plaintiff Securities and Exchange Commission (“SEC,” “Commission,” or “Plaintiff”) to appoint a receiver in the above-captioned action; and

WHEREAS the Court having held a hearing with all principals present, finds that, based on the record in these proceedings, the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of the Defendants and Relief Defendant (“Receivership Assets”); and

WHEREAS this Court has subject matter jurisdiction over this action and personal jurisdiction over the Defendants and Relief Defendant, and venue properly lies in this district.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, of

whatever kind and wherever situated, of the following Defendants: Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and Relief Defendant CBT Group, LLC (collectively, the “Receivership Defendants”).

2. Until further Order of this Court, John Lewis is hereby appointed to serve without bond as receiver (the “Receiver”) for the estates of the Receivership Defendants.

I. Asset Freeze

3. Except as otherwise specified herein, all Receivership Assets are frozen until further order of this Court. Accordingly, all persons and entities with direct or indirect control over any Receivership Assets, other than the Receiver, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating, or otherwise disposing of or withdrawing such assets. This freeze shall include, but not be limited to, Receivership Assets that are on deposit with financial institutions such as banks, brokerage firms, and mutual funds. The Court hereby orders that the receiver shall make allowances for reasonable living expenses for the individual Defendants and for reasonable attorneys’ fees for the Defendants. He shall also use his best judgment and efforts to preserve and maintain all of the assets and the Court recognizes that in certain circumstances, this may entail the expenditure of certain resources.

II. General Powers and Duties of Receiver

4. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers, and general and limited partners of the entity Receivership Defendants under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and

FED. R. CIV. P. 66.

5. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys and other agents of the Receivership Defendants are hereby dismissed and the powers of any general partners, directors and/or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Defendants' operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Defendants and shall pursue and preserve all of their claims.

6. No person holding or claiming any position of any sort with any of the Receivership Defendants shall possess any authority to act by or on behalf of any of the Receivership Defendants.

7. Subject to the specific provisions in Sections III through XIV, below, the Receiver shall have the following general powers and duties:

- A. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Defendants, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Defendants own, possess, have a beneficial interest in, or control directly or indirectly ("Receivership Property" or, collectively, the "Receivership Estates");
- B. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Defendants; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;
- C. To manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;
- D. To use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be

necessary or advisable in the ordinary course of business in discharging his duties as Receiver;

- E. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants;
- F. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;
- G. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;
- H. To issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;
- I. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;
- J. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,
- K. To take such other action as may be approved by this Court.
- L. He shall not have the power to waive the Fifth Amendment rights of the individual Defendants; nor can he compel a waiver of their attorney-client privilege.

III. Access to Information

8. The individual Receivership Defendants and the past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants and employees of the entity Receivership Defendants, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Defendants and/or all Receivership Property;

such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

9. Within 20 days of the entry of this Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Defendants; and, (c) the names, addresses and amounts of claims of all known creditors of the Receivership Defendants.

10. Within 30 days of the entry of this Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and the Commission a sworn statement and accounting, with complete documentation, covering the period from January 1, 2020 to the present:

- A. Of all Receivership Property, wherever located, held by or in the name of the Receivership Defendants, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains and/or exercised or exercises control, including, but not limited to: (a) all securities, investments, funds, real estate, automobiles, jewelry and other assets, stating the location of each; and (b) any and all accounts, including all funds held in such accounts, with any bank, brokerage or other financial institution held by, in the name of, or for the benefit of any of them, directly or indirectly, or over which any of them maintained or maintains and/or exercised or exercises any direct or indirect control, or in which any of them had or has a direct or indirect beneficial interest, including the account statements from each bank, brokerage or other financial institution;
- B. Identifying every account at every bank, brokerage or other financial institution: (a) over which Receivership Defendants have signatory authority; and (b) opened by, in the name of, or for the benefit of, or used by, the Receivership Defendants;
- C. Identifying all credit, bank, charge, debit or other deferred payment card issued to or used by each Receivership Defendant, including but not limited to the issuing institution, the card or account number(s), all persons or entities to which a card was issued and/or with authority to use a card, the balance of each account and/or card as of the most recent billing statement,

and all statements for the last twelve months;

- D. Of all assets received by any of them from any person or entity, including the value, location, and disposition of any assets so received;
- E. Of all funds received by the Receivership Defendants, and each of them, in any way related, directly or indirectly, to the conduct alleged in the Commission's Complaint. The submission must clearly identify, among other things, all investors, the securities they purchased, the date and amount of their investments, and the current location of such funds;
- G. Of all expenditures exceeding \$1,000 made by any of them, including those made on their behalf by any person or entity; and
- H. Of all transfers of assets made by any of them.

11. Within 20 days of the entry of this Order, the Receivership Defendants shall provide to the Receiver and the Commission copies of the Receivership Defendants' federal income tax returns for the years 2020 - 2021 with all relevant and necessary underlying documentation.

12. The individual Receivership Defendants and the entity Receivership Defendants' past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners, and other appropriate persons or entities shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Defendants, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership Defendants. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil Procedure.

13. The Receivership Defendants are required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for

information and documents from the Receiver.

IV. Access to Books, Records, and Accounts

14. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Defendants. All persons and entities having control, custody or possession of any Receivership Property are hereby directed to turn such property over to the Receiver.

15. The Receivership Defendants, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Defendants, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts, or assets of the Receivership Defendants are hereby directed to deliver the same to the Receiver, his agents and/or employees.

16. All banks, brokerage firms, financial institutions, crypto asset trading platforms, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, and of the Receivership Defendants that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall:

- A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants except upon instructions from the Receiver;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- C. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business

on the date of receipt of the notice; and,

- D. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

V. Access to Real and Personal Property

17. The Receiver is authorized to take immediate possession of all personal property of the Receivership Defendants, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

18. The Receiver is authorized to take immediate possession of and enter all real property of the Receivership Defendants, wherever located, including but not limited to all ownership and leasehold interests and fixtures, and all residences, dwellings, offices, warehouses, buildings, or other structures whatsoever owned, leased, controlled, or occupied by the Receivership Defendants. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises.

19. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Defendants, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have

duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

20. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Defendants, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

21. Upon the request of the Receiver, the United States Marshal Service in any judicial district is hereby ordered to assist the Receiver in carrying out duties to take possession, custody and control of, or identify the location of, any assets, records or other materials belonging to the Receivership Estate.

VI. Notice to Third Parties

22. The Receiver shall promptly give notice of his appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited partners of the Receivership Defendants, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

23. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Defendant shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Defendant had received such payment.

24. In furtherance of his responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the

Receivership Estates. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the SEC.

25. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of the Receivership Defendants (the "Receiver's Mail"), including all mail addressed to, or for the benefit of, the Receivership Defendants. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Defendants shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of any individual Receivership Defendants, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Defendants. The Receivership Defendants shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

26. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the Receivership Defendants shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

VII. Injunction against Interference with Receiver

27. In addition to the terms and conditions found in this Court's Temporary Restraining Order that the Court converted today into a temporary injunction, the Receivership Defendants and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

- A. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;
- B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against any Receivership Property or any Receivership Defendant, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Defendant or which otherwise affects any Receivership Property; or,
- D. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estates.

28. The Receivership Defendants shall cooperate with and assist the Receiver in the performance of his duties.

29. The Receiver shall promptly notify the Court and SEC counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

VIII. Stay of Litigation

30. As set forth in detail below, the following proceedings, excluding the instant proceeding and all police or regulatory actions and actions of the Commission related to the above-captioned enforcement action, are stayed until further Order of this Court:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; (c) any of the Receivership Defendants, including subsidiaries and partnerships; or, (d) any of the Receivership Defendants' past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

31. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

32. All Ancillary Proceedings are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the Receivership Defendants against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

IX. Managing Assets

33. For each of the Receivership Estates, the Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent Receivership Property (the "Receivership Funds").

34. The Receiver's deposit account shall be entitled "Receiver's Account, Estate of

Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT Group, LLC” together with the name of the action.

35. The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

36. Subject to Paragraph 37, immediately below, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

37. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

38. The Receiver is authorized to take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estates, including making legally required payments to creditors, employees, and agents of the Receivership Estates and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

39. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable “Settlement Fund,” within the meaning of Section 468B of the Internal Revenue Code and of the regulations, when applicable.

X. Investigate and Prosecute Claims

40. Subject to the requirement, in Section VII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his discretion, and in consultation with SEC counsel, be advisable or proper to recover and/or conserve Receivership Property.

41. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted and (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for the Commission before commencing investigations and/or actions.

42. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all entity Receivership Defendants.

43. The receiver has a continuing duty to ensure that there are no conflicts of interest between the Receiver, his Retained Personnel (as that term is defined below), and the Receivership Estate.

XII. Bankruptcy Filing

44. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the “Bankruptcy Code”) for the Receivership Defendants. If a Receivership Defendant is placed in bankruptcy proceedings, the Receiver may become, and may be empowered to operate each of the Receivership Estates as, a debtor in possession. In such a situation, the Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver is vested with management authority for all entity Receivership Defendants and may therefore file and manage a Chapter 11 petition.

45. The provisions of Section VIII above bar any person or entity, other than the Receiver, from placing any of the Receivership Defendants in bankruptcy proceedings.

XII. Liability of Receiver

46. Until further Order of this Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary obligations in this matter.

47. The Receiver and his agents, acting within scope of such agency (“Retained Personnel”) are entitled to rely on all outstanding rules of law and Orders of this Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel.

48. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

49. In the event the Receiver decides to resign, the Receiver shall first give written notice to the Commission’s counsel of record and the Court of its intention, and the resignation

shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

XIII. Recommendations and Reports

50. The Receiver is authorized, empowered and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (the “Liquidation Plan”).

51. Within 60 days of the entry date of this Order, the Receiver shall file a status report with the Court. The status report will include a summary of receivership activities to date. It will also include a proposed plan for administering the receivership going forward, as well as a proposed deadline by which the Receiver will submit the Liquidation Plan. The Receiver’s fees—including all fees and costs for the Receiver and others retained to assist in the administration and liquidation of the Receivership estate—are capped at \$120,000 during the initial 60-day period.

52. Within 30 days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

53. The Quarterly Status Report shall contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly

period covered and a second column for the entire duration of the receivership;

- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);
- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

54. On the request of the Commission, the Receiver shall provide the Commission with any documentation that the Commission deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the Commission's mission.

XIV. Fees, Expenses and Accountings

55. Subject to Paragraphs 56-62 immediately below, the Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

56. Subject to Paragraph 57 immediately below, the Receiver is authorized to solicit persons and entities ("Retained Personnel") to assist him in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel

without first obtaining an Order of the Court authorizing such engagement.

57. Subject to the limitations in Paragraph 56 above, the Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estates as described in the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the “Billing Instructions”) agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

58. Within 45 days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estates (the “Quarterly Fee Applications”). At least 30 days prior to filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by SEC staff.

59. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the receivership.

60. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

61. Each Quarterly Fee Application shall:

- A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,
- B. Contain representations (in addition to the Certification required by the

Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

62. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by SEC staff, as well as the Receiver's final application for compensation and expense reimbursement.

IT IS SO ORDERED.

Signed at Houston, Texas, this 29th day of September, 2022.



Andrew S. Hanen
United States District Judge



January 5, 2023

Sonila Themeli
Senior Counsel

Via Email

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RE: ***Securities and Exchange Commission v. Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC, and CBT Group, LLC***, in the United States District Court for the Southern District of Texas, Houston Division, Civil Action No. 4:22-CV-03359

Dear Aimal,

As you know, this firm represents John Lewis, Jr., the Receiver appointed by the Court in the above referenced matter. *See* Order Appointing Receiver (“Receivership Order”), which was previously served with the subpoena to Post Oak Advantage/Aspire Post Oak and is enclosed herein. Enclosed herein are also the Court’s Temporary Restraining Order, Order Freezing Assets and Granting Expedited Discovery, and Order on Permanent Injunction entered in this case.

Mr. Lewis has been appointed Receiver for Mauricio Chavez and Giorgio Benvenuto, individually, and for CryptoFX, LLC and CBT Group, LLC (collectively “Defendants”). *Id.* Pursuant to the Receivership Order, the “Receivership Estate” includes all of the Defendants’ assets, “of whatever kind and wherever situated.” *See* Receivership Order ¶ 1. Pursuant to the Court’s Temporary Restraining Order and Receivership Order, among other things, all assets of the Receivership Estate are frozen, with the Receiver being the only party authorized to administer those assets.

Moreover, the Receivership Order grants the Receiver various powers, including, but not limited to take control of any assets in the possession of or in the direct and/or indirect control of the Receivership Estate. *See* Receivership Order.

We understand from your client's discovery responses that Defendant Mauricio Chavez rents an apartment and storage unit at Vantage Post Oak at 1616 Post Oak Blvd. Houston, TX 77056. Pursuant to the Receivership Order and the Order for Expedited Discovery in place in this case, the Receiver requests access to Mr. Chavez's apartment (Apt. # 3904) and storage area (storage unit # 27), as well as any garage and/or parking area under the control and/or use of Mr. Chavez.

January 5, 2023
Page 2

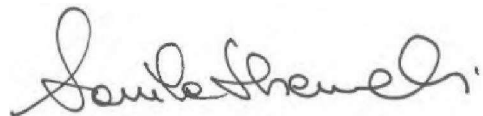
In addition, the Receiver requests electronic access to any electronic accounts maintained by you on behalf of or in relation to Mr. Chavez.

Further, any funds or other assets received by Vantage Post Oak after December 14, 2022—the date Vantage Post Oak received notice of the Receivership Order and the asset freeze—from any of the Receivership Defendants, on behalf of the Defendants, or for the benefit of any of the Defendants, is part of and belongs in the Receivership Estate.

If you have questions or believe that you have information that would facilitate the Receiver's performance of his duties under the Receivership Order, please contact me at the number or email indicated above.

Thank you for your assistance and cooperation in this matter. Please note that the Receivership Order may require action in addition to that specified in this letter.

Sincerely,



Sonila Themeli
Counsel for Receiver, John Lewis, Jr.



December 12, 2022

Via Electronic Mail

Rhonda Hawkins
Case Manager to
Judge Andrew S. Hanen
United States District Court, Houston Divisio
Houston, TX 77002
Email: Rhonda_Hawkins@txs.uscourts.gov

Sonila Themeli
Senior Counsel
JPMorgan Chase Tower
600 Travis St., Suite 3400
Houston, Texas 77002
t 713.227.8008
d 713.546.5656
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sthemeli@shb.com

RE: *SEC v. Chavez et al, Case No. 4:22-cv-03359; Possible Gathering by CryptoFX Investors on Wednesday December 14, 2022 at 9:30 am at 515 Rusk Street, Houston TX 77002*

Dear Ms Hawkins,

I represent John Lewis, Jr., the court-appointed Receiver in the matter *Securities and Exchange Commission v. Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC and CBT Group, LLC*, Case No.: 4:22-cv-03359, pending in the Southern District of Texas, in Judge Andrew Hanen's court.

During our investigation of the case, today, our team was informed that CryptoFX investors intend to organize a gathering at the courthouse on 515 Rusk Street, on Wednesday December 14, 2022 at 9:30 am.

The Receiver and his team do not plan to attend or participate in the event, but simply wanted the Court to be aware should there be media coverage.

Should you wish to discuss this matter further, please do not hesitate to contact me.

Best regards,

A handwritten signature in black ink, appearing to read "Sonila Themeli". The signature is fluid and cursive, written over a light blue horizontal line.

Sonila Themeli
Senior Counsel

Latino Houstonians say they've fallen victim to an alleged Ponzi scheme under SEC investigation

Clare Fonstein, Staff Writer

Dec. 14, 2022

[Comments](#)



A group of people who have fallen victim to the alleged crimes of CryptoFX met in front of the Houston Federal Courthouse Wednesday to share their stories and demand justice.

Clare Fonstein

With the promise of guaranteed returns and first-hand accounts from her grandmother that CryptoFX was legitimate, Iliana Calles entrusted her life savings to the company — which is now being investigated as a Ponzi scheme.

Calles, 25, is left working three jobs and selling her clothes to cope with the loss of her financial safety net and the expenses accompanying her mother's recent cancer diagnosis.

The Securities and Exchange Commission filed an emergency action in September to stop the allegedly fraudulent, unregistered crypto investment company targeting Latino investors.

U.S. & WORLD NEWS: Senate crypto hearing yields big claims, possible regulation

The company, CryptoFX, LLC, was founded by Mauricio Chavez and run by Chavez and Giorgio Benvenuto.

"These families were specifically targeted and were asked for money upfront to invest in cryptocurrency. Unfortunately, like I've seen all over the country, this quickly fell apart," said Cesar Espinosa, executive director of FIEL, an immigrant-led civil rights organization.

A group of people who have fallen victim to the alleged crimes of CryptoFX met in front of the Houston Federal Courthouse Wednesday to share their stories and demand justice.

The company operated in many locations, Houston among them.

"These families were taken advantage of and they were stolen of their hard-earned money," Espinosa said. "So today, we are here to take a stand and to say 'enough is enough.'"

The SEC contends Chavez held paid classes, saying the lessons were intended to educate and empower the Latino community through crypto-asset trading wealth.

CRIME: Sugar Land man used fraudulent crypto scheme to make luxury purchases, officials say

"They knew how to manipulate people. They knew what groups to go after, and it worked," Calles said.

Chavez had no background or education related to investing or crypto, according to the SEC. Investigators allege the classes were just a way to get investors to give money to CryptoFX, which they then believed Chavez would use for crypto-asset and foreign exchange trading.

Chavez talked up the gains people could expect through talk of outsized investment which he claimed could turn people into millionaires, according to the SEC. The SEC alleges he gave investors false documents overstating his experience with crypto and promised investors they would not see any losses.

"They said, 'The more you give, the more you'll return,'" Calles said.

Chavez' investors took a total of roughly \$12 million by allegedly defrauding more than 5,000 people, according to the SEC. The SEC says the funds were not being used for the intended purposes. The majority of the funds were used to supply fake returns to investors, to personally support his lifestyle and for real estate Chavez and Benvenuto controlled, the SEC maintains.

BUSINESS: FTX's collapse is a predictable end to cryptocurrency's get-rich-quick scheme

Calles' grandma was part of the program for about two years and she saw the money from her investments come back to her.

"These people play the long game," Calles said.

Calles said at first she was hesitant to join but her grandmother's experience made her feel she could trust the group.

After her grandmother saw early success, more family members got on board with CryptoFX. In total, Calles said her family lost more than \$100,000.

"We weren't trusting a stranger, we were trusting our family, our friends, our church members, because they had been in this for a year, two years, three years and they got their (return on) investment," Calles said.

Calles said she did her homework, too. After researching on the Internet, the company appeared legitimate. All the search results were positive stories, she said.

TRENDING: Almost a month later, still no cause of death for 3 missing Houston men found dead in area waterways

Gustavo Suarez, founder and CEO of JPG, a firm dedicated to business advisory, noted it can be very tempting to take part in an alleged scheme like this, especially in moments of need.

He said this business preyed on the most vulnerable people.

"I invested all of my life savings," Calles said. "Now, I have to figure out how to pay for things that I wasn't expecting — like my mom's cancer treatment."

Calles said she realized she was not going to get her money back when the CryptoFX office always seemed to be closed when she would visit in an attempt to get her money. She said there were different reasons cited each time, such as maintenance issues, but the office was never open. Eventually she began to encounter other upset investors outside the building, she said.

"If someone approaches you and tells you that you're going to make money without working, that you're gonna make money fast without much effort, that immediately should raise flags," Suarez said.

Benvenuto is alleged to have diverted investor funds to himself and a company, CBT Group, LLC, which was owned by himself and Chavez.

The SEC believes the pair made about \$2.7 million in Ponzi payments and diverted \$8 million for their personal use. Of the \$8 million, \$1.5 million is alleged to have gone to Chavez' cars, credit cards, jewelry, adult entertainment and a house.

The SEC's complaint was filed in the U.S. District Court for the Southern District of Texas. Chavez, Benvenuto and CryptoFX are charged with violating, or aiding and abetting violations of anti-fraud provisions and more.

The SEC has turned to the court, looking to obtain permanent injunctions and civil penalties against the parties, and it hopes to force Chavez and Benvenuto to give up any profits made from the wrongfully obtained gains.

CryptoFX's assets have been frozen by the court and a temporary restraining order has been placed on its offerings.

CFX lifestyle



NAME: REDACTED
 ADDRESS: REDACTED, Tomball TX 77377
 START DATE: 07/22/2022 DUE DATE: 01/22/2023
 PHONE: 917-REDACTED 036
 E-MAIL: REDACTED@hotmail.com
 DIRECT SPONSOR 7%: REDACTED
 INDIRECT SPONSOR 3%: REDACTED

No. 037088



BRONZE
PACKAGE
1K+

\$ _____



SILVER
PACKAGE
5K+

\$ _____



GOLD
PACKAGE
10K+

\$ 10,000⁰⁰

MONTHLY 3 MONTHS 6 MONTHS CONTRACT RENEWAL

MONTH 1 10-22-2022 \$ 4,500⁰⁰
 MONTH 2 01-22-2023
 MONTH 3 _____
 MONTH 4 _____
 MONTH 5 _____
 MONTH 6 _____

+30 DAYS CONTRIBUTION OR CONTRACT RENEWAL

VENTURE AGREEMENT CRYPTOFX,LLC

REDACTED

FREELY DECIDED TO CONTRIBUTE TO CRYPTOFX LLC THE AMOUNT OF \$ 10,000⁰⁰

I UNDERSTAND THAT CRYPTOFX LLC IS NOT AN INVESTMENT COMPANY OR PLATFORM, IT IS AN EDUCATIONAL ACADEMY OF FOREX AND CRYPTOCURRENCY.
 WE ARE TAKING YOUR MONEY AND INVESTING IN OUR BEHALF. IF WE RECEIVED ENOUGH RETURN ON CRYPTO CURRENCY, WE WILL REPAY THE STUDENT A PORTION OF THE TOTAL TUITION.

IN CONSIDERATION OF CRYPTOFX, LLC AGREEING TO ENTER INTO A VENTURE AGREEMENT, THE STUDENT ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT:
 - THE VENTURE IS VERY SPECULATIVE AND RISKY. FOREIGN EXCHANGE AND CRYPTOCURRENCY TRADING IS HIGHLY SPECULATIVE AND THE STUDENT UNDERSTAND AND IS WILLING TO ASSUME THE ECONOMIC, LEGAL, AND OTHER RISKS INVOLVED AND (B) IS FINANCIALLY ABLE TO ASSUME LOSSES.
 - THE STUDENT UNDERSTANDS THAT CRYPTOFX LLC IS A SIMPLE EDUCATIONAL ACADEMY NOT REGISTERED WITH THE TEXAS WORKFORCE COMMISSION NOR HAS ANY REGISTRATION WITH THE SECURITY AND EXCHANGE COMMISSION AS A DEALER OR AS AN AGENT NOR HAS ANY INSURANCE COVERAGE.
 THE STUDENT UNDERSTAND THAT WILL BE LEARNING THE STRATEGIES FOR TRADING FOREIGN CURRENCIES AS WELL AS CRYPTOCURRENCIES AND KNOWS THAT THERE IS NO INVESTMENT PLAN.

CONFIDENTIAL AGREEMENT

REDACTED

AGREE TO KEEP THIS VENTURE AGREEMENT AS PRIVATE AND NOT TO SHARE ANY INFORMATION PROVIDED TO OTHERS. ALL INFORMATION LEARNED WILL NOT BE SHARED UNLESS HAVING PERMISSION BY CRYPTOFX, LLC.

THE STUDENT FURTHER UNDERSTAND THERE IS A HIGH RISK IN TRADING FOREIGN CURRENCIES AND ACKNOWLEDGES HE/SHE DOES NOT KNOW NOR UNDERSTAND THE FEES INVOLVED IN TRADING FOREIGN CURRENCIES.

THE STUDENT FURTHER UNDERSTAND THERE IS A HIGH RISK WITH THE CRYPTOCURRENCY AND IN TRADING IN CRYPTOCURRENCIES BECAUSE THE VOLATILITY OF THE PRICE MAY DECREASE OVER A SHORT PERIOD OF TIME RESULTING IN SIGNIFICANT LOSS FOR THE STUDENT. A POSSIBLE HACKING INCIDENT OR MALICIOUS ATTACK MAY NEGATIVELY IMPACT THE PRICE OF THE CRYPTOCURRENCIES AND IN THE EVENT OF THEFT OR FRAUD ARE DIFFICULT TO TRACE AND RECOVER.

REDACTED

xy-

REDACTED

STUDENT'S SIGNATURE _____ CRYPTOFX,LLC REPRESENTATIVE _____ CRYPTOFX,LLC RECEIVER _____
 DATE: 07-22-22 DATE: 07-22-22 DATE: 07-22-22

