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SECURITIES COMMISSIONER



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## Texas State Securities Board

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MEMBER

IN THE MATTER OF  
PRESTIGE ASSETS MGNT, LLC AND OSCAR HILL

§  
§

Order No. ENF-21-CDO-1846

### **Prestige Assets Mgnt, LLC**

Service by certified mail, return receipt requested, addressed to (1) 1785 Candlelight Drive, Katy, Texas 77493; and (2) Kalkofnsvegur 2, 101 Reykjavik, Iceland.

### **Oscar Hill**

Service by certified mail, return receipt requested, addressed to (1) 1785 Candlelight Drive, Katy, Texas 77493; and (2) Kalkofnsvegur 2, 101 Reykjavik, Iceland.

### **EMERGENCY CEASE AND DESIST ORDER**

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1-581-45 (the "**Securities Act**").

The Enforcement Division of the Texas State Securities Board (the "**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

### **FINDINGS OF FACT**

1. Prestige Assets Mgnt, LLC ("**Respondent Prestige Assets**") is being served by certified mail, return receipt requested, addressed (1) 1785 Candlelight Drive, Katy, Texas 77493; and (2) Kalkofnsvegur 2, 101 Reykjavik, Iceland.
2. Oscar Hill ("**Respondent Hill**") is being served by certified mail, return receipt requested, addressed to (1) 1785 Candlelight Drive, Katy, Texas 77493; and (2) Kalkofnsvegur 2, 101 Reykjavik, Iceland.

### **OVERVIEW**

3. Respondents Prestige Assets and Hill (collectively the "**Respondents**") are misappropriating the identity of registered parties as part of a scheme to impersonate registrants, deceive clients and obtain potential investors' sensitive personal information while promoting securitized digital asset investments.

## THE REGISTRANT

4. Prestige Asset Management, LLC (CRD No. 159029) ("**Prestige Asset Management**") is registered as an investment adviser with the Texas State Securities Board.
5. Jason Mark Schenker (CRD No. 5977927) ("**Schenker**") is registered as an investment adviser with the Texas State Securities Board. He is the sole owner of Prestige Asset Management.
6. Prestige Asset Management maintains an internet website at [www.prestigeassetmanagement.com](http://www.prestigeassetmanagement.com) (the "**Prestige Asset Management Website**").

## THE IMPERSONATION SCHEME

7. Respondent Hill is the owner of the domain <https://prestigeassetsmgnt.com> (the "**Fraudulent Prestige Website**").
8. Respondents are using the Fraudulent Prestige Website to impersonate Prestige Asset Management and Schenker as follows:
  - A. Respondents registered a domain name for the Fraudulent Prestige Website that is substantively similar to the domain name for the Prestige Asset Management Website;
  - B. Respondents are using the Fraudulent Prestige Website to falsely identify themselves as Prestige Asset Management;
  - C. Respondents are identifying the firm as an investment adviser "verified" with the Securities and Exchange Commission ("**SEC**") and claim it has the same CRD number as Prestige Asset Management; and
  - D. Respondents are representing the firm is located at the same physical address in Austin, Texas, as Prestige Asset Management.

## THE INVESTMENT PLANS

9. Respondents are using the Fraudulent Prestige Website to appear as if Prestige Asset Management is offering investments tied to a cryptocurrency trading program.
10. Respondents, while impersonating Prestige Asset Management through the Fraudulent Prestige Website, represent they specialize in cryptocurrency investments and other cryptocurrency services.

11. Respondents, while impersonating Prestige Asset Management through the Fraudulent Prestige Website, are publicly soliciting the following investments tied to cryptocurrencies (the “**Investment Plans**”):
  - A. Investors can purchase an investment in the Basic Plan for a minimum of \$300.00 and a maximum of \$9,999.99. The Basic Plan purportedly guarantees a 1.14% daily rate of return over 30 days.
  - B. Investors can purchase an investment in the Intermediate Plan for a minimum of \$10,000.00 and a maximum of \$49,999.99. The Intermediate Plan purportedly guarantees a 1.50% daily rate of return over 60 days.
  - C. Investors can purchase an investment in the Advanced Plan for a minimum of \$50,000.00 and a maximum of \$100,000.00. The Advanced Plan purportedly guarantees a 2.00% daily rate of return over 90 days.
  - D. Investors can purchase an investment in the Semiannual Plan for a minimum of \$100,000.00 and a maximum of \$499,999.99. The Semiannual Plan purportedly guarantees a 2.50% daily rate of return over 180 days.
  - E. Investors can purchase an investment in the Annual Plan for a minimum of \$500,000.00 and a maximum of \$5,000,000.00. The Annual Plan purportedly guarantees a 3.00% daily rate of return over 365 days.

#### THE REFERRAL PROGRAM

12. Respondents, through the Fraudulent Prestige Website, are recruiting sales agents through a referral program.
13. Respondents, through the Fraudulent Prestige Website, are promising to pay commissions to sales agents of 5% to 6% of the principal investment of new investors.

#### GUARANTEE OF PROFITABILITY AND LIMITED RISK

14. Respondents, through the Fraudulent Prestige Website, are guaranteeing profits, fixed rates of return, and claiming there are few risks associated with the Investment Plans.

#### REPRESENTATIONS OF LEGAL COMPLIANCE

15. Respondents, through the Fraudulent Prestige Website, are identifying themselves in “legal compliance” and registered in the United States with the “essential licenses” necessary to offer the Investment Plans and other purported cryptocurrency services.
16. Respondents are directing potential investors to the SEC’s Investment Adviser Public Disclosure webpage for Prestige Asset Management.

17. The Fraudulent Prestige Website claims Respondent Prestige Assets is made up of “expert professionals” in creating security tokens “completely compliant with SEC Regulations” so the user can trade the tokens among the public.
18. The Fraudulent Prestige Website claims Respondent Prestige Assets provides services to businesses to develop initial coin offerings (“**ICOs**”) for public offerings in a manner that is “legal.”
19. The Fraudulent Prestige Website represents Respondent Prestige Assets can create alternative coins, otherwise known as altcoins, for customers that can be traded on cryptocurrency exchanges.

#### FDIC REPRESENTATIONS

20. Respondents, through the Fraudulent Prestige Website, claim Respondent Prestige Assets takes deposited investor funds to provide lending services to consumers and cryptocurrency companies.
21. The Fraudulent Website also represents investors receive returns in the form of interest generated from such loans.
22. Respondents, through the Fraudulent Website, claim investors are insured and protected the return of their funds because Respondent Prestige Assets is a financial institution protected by the Federal Deposit Insurance Corporation (“**FDIC**”).

#### REGISTRATION VIOLATIONS

23. Respondents have not been registered or notice-filed with the Securities Commissioner as dealers, agents, investment advisers, or investment adviser representatives at any time material hereto.
24. The Investment Plans have not been registered by qualification, notification, or coordination, and no permit has been granted for their sale in Texas at any time material hereto.

#### FRAUD AND THE IMPERSONATION OF PRESTIGE ASSET MANAGEMENT

25. In connection with the offer of the Investment Plans, Respondents are representing they are Prestige Asset Management. These statements constitute misrepresentations of relevant facts because Respondent Prestige Assets is not affiliated with Prestige Asset Management.
26. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets is an investment adviser that provides investment advice and services. These statements constitute misrepresentations of relevant facts because Respondent Prestige Assets is not registered or notice-filed as an investment adviser with the SEC or Texas State Securities Board.

27. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets is in “legal compliance” and registered in the United States with the “essential licenses.” These statements constitute misrepresentations of relevant facts because the Investment Plans are not registered with the SEC and/or the Texas State Securities Board.

#### FRAUD AND SECURITIES LAWS AND COMPLIANCE

28. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets is staffed by “expert professionals” in creating security tokens “completely compliant with SEC Regulations” so the user can trade the tokens. These statements constitute misrepresentations of relevant facts because Respondent Prestige Assets is not registered or notice-filed with the SEC.
29. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets can develop ICOs and altcoins for public offerings in a manner that is “legal.” These statements constitute misrepresentations of relevant facts because the Respondent Prestige Assets is not registered with the SEC or the Texas State Securities Board.

#### FRAUD AND THE STRATEGIES FOR GENERATING RETURNS

30. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose material facts relating to the use of investor funds and strategies for generating fixed rates of returns, including the following:
- A. The strategies for allocating principal to cryptocurrency investments and other products or assets;
  - B. The identity of the dealers for transactions involving securities and the identity of the exchange for transactions involving cryptocurrencies;
  - C. The amount of third-party brokerage or exchange commissions or fees, as well as other costs associated with trading, maintenance, and operation of accounts; and
  - D. The assets, liabilities, or other financial information that demonstrate their ability to pay fixed returns to investors.

FRAUD AND FAILURE TO DISCLOSE  
INFORMATION RELATING TO PRINCIPALS AND TRADERS

31. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the identity of its principals and their business repute and qualifications, and this information constitutes a material fact.
32. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the identity of its traders and their business repute and qualifications, and this information constitutes a material fact.

FRAUD AND DECEIT AND THE BUSINESS OFFICE

33. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets maintains an office at the same location as Prestige Asset Management. This statement constitutes a misrepresentation of a relevant fact because Respondent Prestige Assets does not maintain an office at this address.
34. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the true location of the office of Respondent Prestige Assets, and this information constitutes a material fact.

FRAUD AND DECEIT AND FDIC INSURANCE

35. In connection with the offer of the Investment Plans, Respondents are representing Respondent Prestige Assets is an FDIC insured financial institution protecting and insuring against any investor's potential loss. These statements constitute misrepresentations of relevant facts because Respondent Prestige Assets is not a qualifying FDIC insured financial institution.

FRAUD AND THE RISKS ASSOCIATED WITH CRYPTOCURRENCIES

36. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose material facts related to cryptocurrencies, including the following:
  - A. Governments may adopt legislation or regulations that may negatively impact the use, transfer, exchange, or price of cryptocurrencies;
  - B. Cryptocurrencies are volatile, and the price of a cryptocurrency as it relates to fiat currency may decrease over a short period of time, resulting in significant loss to owners of cryptocurrencies;
  - C. A system or technical failure, or deficient source code, may negatively impact the ability to exchange cryptocurrencies for fiat currencies, as well as the price of cryptocurrencies;

- D. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies;
- E. Cryptocurrencies compete with all other cryptocurrencies, and this competition may negatively impact the price of a specific cryptocurrency; and
- F. Public figures may make public statements that negatively impact the price of a specific cryptocurrency.

#### DECEIT AND THE USE OF REFERRAL PROGRAMS

37. Respondents are telling investors Respondent Prestige Assets has adopted a referral program and will pay investors a commission of 5% to 6% of the principal amount deposited by recruited investors. These statements are materially misleading or otherwise likely to deceive the public, because:
- A. Persons who offer and sell securities in Texas, including the Investment Plans, who are not registered as dealers or agents and who do not qualify for an exemption violate Section 12 of the Securities Act; and
  - B. Persons who offer and sell the Investment Plans in Texas are offering unregistered securities in violation of Section 7 of the Securities Act.

#### CONCLUSIONS OF LAW

1. The investment in the Investment Plans is a “security” as that term is defined in Section 4.A of the Securities Act.
2. Respondents are violating Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with or permitted by the Securities Commissioner.
3. Respondents are violating Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for sale of securities.
5. Respondents have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
6. Respondents’ conduct, acts, and practices threaten immediate and irreparable public harm.

6. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

### **ORDER**

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as a securities dealer, agent, investment adviser, or investment adviser representative in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

### **NOTICE**

Pursuant to Section 23-2 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 11<sup>th</sup> day of August, 2021.



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TRAVIS J. ILES  
Securities Commissioner