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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

NICK MYERS - CHAIR
RACHEL WALDEN - VICE CHAIR
LEA MÁRQUEZ PETERSON
KEVIN THOMPSON
RENÉ LOPEZ

In the matter of: ISKANDER DIGITAL MINING COOPERATIVE, a Wyoming decentralized unincorporated nonprofit association, PATRIOT TRADING METALS GROUP, LLC (A.KA. PATRIOT TRADING GROUP), an Arizona limited liability company, JOSEPH JAQUINT (A.K.A. JOSEPH JACQUINT), and SARAH JAQUINT (A.K.A. SARAH CEDARSTROM), husband and wife, Respondents.	DOCKET NO. S-21421A-26-0387 **TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING**

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Iskander Digital Mining Cooperative, Patriot Trading Metals Group, LLC (a.k.a. Patriot Trading Group), and Joseph Jaquint (a.k.a. Joseph Jacquint) (collectively, "Respondents") are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, et seq., the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

I. JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II. RESPONDENTS

2. Iskander Digital Mining Cooperative ("IDMC") is a Wyoming decentralized unincorporated nonprofit association ("DUNA") that offers cryptocurrency-related investment opportunities within or from Arizona. IDMC has not been registered by the Commission as a securities dealer. IDMC has not registered any securities with the Commission.

3. Patriot Trading Metals Group, LLC (a.k.a. Patriot Trading Group) ("PTG") is an Arizona limited liability company that has promoted cryptocurrency-related investment opportunities within or from Arizona. The manager of PTG is Joe Jaquint (a.k.a Joseph Jaquint). PTG has not been registered by the Commission as a securities dealer.

4. Joseph Jaquint (a.k.a. Joe Jaquint and Joseph Jacquint) ("Jaquint") is an individual who has resided in Arizona since at least approximately November 30, 1990, and who has acted on behalf of or in association with PTG and has promoted the securities described below within or from Arizona.

5. Jaquint has not been registered by the Commission as a securities salesman or dealer.

6. IDMC, PTG, and Jaquint may be referred to collectively as "Respondents."

7. At all relevant times, Sarah Jaquint (a.k.a. Sarah Cedarstrom) ("Respondent Spouse") was the spouse of Joseph Jaquint. Sarah Jaquint is joined in this action pursuant to A.R.S. § 44-2031(C).

8. At all relevant times, Jaquint was acting for his own benefit and on behalf of and for the benefit of the marital community.

III. FACTS

9. Jaquint and PTG are promoting an investment opportunity in a cryptocurrency scheme created by IDMC.

<u>The Iskander Digital Mining Cooperative Offering</u>

10. In or about April 2026, IDMC was formed. IDMC describes itself as a Wyoming DUNA.

11. IDMC identifies Robert J. ("Bobby") Gray ("Gray") as its founder. Gray also founded TEXITcoin, MineTXC, and Blockchain Mint. IDMC describes itself as a rebuild of the MineTXC cryptocurrency mining enterprise. Although Gray founded IDMC and directs its public activities, IDMC alleges that the association is owned by its members.

12. On or about February 11, 2026, the Texas State Securities Board issued an Emergency Cease and Desist Order against TEXITcoin, MineTXC, Blockchain Mint, and Gray. The order found that the respondents offered unregistered securities consisting of cryptocurrency Mining Packages, acted as unregistered dealers and agents, and engaged in fraud in connection with the offer of securities. Gray later publicly stated that the United States Securities and Exchange Commission was conducting an active investigation and had served subpoenas relating to TEXITcoin, MineTXC, Blockchain Mint, Gray, and others.

13. IDMC's governing documents describe the DUNA structure as a member-owned association governed by Wyoming law, however, IDMC acts through a Board of Administrators ("Board"), officers, and committees and owns its mining assets collectively.

14. IDMC's Member Agreement represents that a member holds and "undivided equity interest" through the member's capital account and patronage equity and may "realize value" through daily mining rewards, participation in the affiliate program, or a pro-rate distribution upon dissolution.

15. IDMC offers membership interests to the public in units it calls a "Seat on the Rocket Ship" or "Seat." An applicant must make a minimum capital contribution of $1,000. Each $1,000 contribution purchases one Seat, which purportedly provides 100 megahash of cryptocurrency mining power and one vote. IDMC advertises that members receive mining rewards in the form of the digital asset ISK directly to their digital wallets maintained on the IDMC website. A member's share of mining rewards increases with the amount of megahash power attributed to them.

16. IDMC also charges a separate one-time, nonrefundable membership fee at an amount set by its Board.

17. IDMC purportedly pools the capital contributions to acquire cryptocurrency mining equipment, land, facilities, infrastructure, and electricity contracts. These assets are collectively owned by IDMC, and members do not own or control any particular IDMC asset.

18. IDMC represents that it mines Litecoin (LTC), Dogecoin (DOGE), Texit Coin (TXC), Iskander Coin (ISK), and other digital assets.

19. IDMC members vote on the distribution of any surplus, budget adjustments and expenditures falling outside the approved budget, amendments to the IDMC Constitution, and dissolution of IDMC.

20. The Board consists of seven (7) managers who serve two-year terms and can be re-elected by the members. The Board manages IDMC's operations, finances, and mining activities. The Board also appoints officers, establishes policies, and oversees legal and regulatory compliance.

21. IDMC and its managers select, acquire, deploy, maintain, and secure the mining equipment and infrastructure; obtain electrical power; conduct the mining; account for revenue and expenses; and calculate and distribute member rewards.

22. During a publicly available YouTube video, an IDMC promotor assists a new member with joining IDMC and setting up a digital wallet on IDMC's platform, through which the member can receive ISK.

23. IDMC's governing documents require members to promote IDMC, refer at least one new member each year, serve on a committee, and participate in voting.

24. Separate from the mining rewards, IDMC operates an affiliate and referral compensation program that follows a multi-level marketing ("MLM") model. Under IDMC's compensation structure, members enroll additional members which are then added to the member's organization "legs." There are two "legs" and a member qualifies to receive matching commissions after directly enrolling one member on each leg. New members are added to an existing member's "legs" when the new member uses the existing members referral link when purchasing Seats. There are twelve compensation tiers,

with payments ranging from $1,000 to $25,000 depending on how many new members are enrolled on each organizational "leg."

25. While the IDMC governing documents require each member to promote IDMC and refer at least one new member each year to maintain active membership, members only earn an additional Seat for every three new members they enroll.

26. IDMC states that "[c]ommissions are derived from new revenue."

27. Although every member must serve on at least one committee, committee service does not, by itself, confer managerial authority. IDMC identifies at least seven committees, including Marketing and Promotion, Referral and Affiliate Compensation, Membership, and Compliance and Risk. The governing documents reserve management of operations, finances, and mining activities to the Board and place day-to-day mining under the Mining Operations Committee, acting under the Board's direction.

28. During a publicly available video, an IDMC promoter stated that committee service was required so IDMC could tell regulators that members were actively participating rather than putting in money and passively waiting for a return. At the time of that video, the promoter also stated that the Regulatory, Compliance, and Finance Committees did not hold regular meetings.

29. Mandatory committee service does not give an ordinary member authority over the essential managerial acts that generate mining rewards. IDMC's mining operations include acquiring and deploying equipment, securing electrical power, conducting the mining, accounting for revenue and expenses, and calculating and distributing rewards. IDMC's mining operations are managed and controlled by the Mining Operations Committee, under the direction of the Board.

30. Despite IDMC's Member Acknowledgment, Risk Disclosure, and Cooperative Agreement ("Member Agreement") stating that the membership interest is "not a passive investment or security," IDMC expressly explains that membership interests have not been registered as securities.

Jaquint and PTG's Promotion of IDMC

31. On or about February 4, 2026, Jaquint used a publicly available video posted on PTG's YouTube channel to promote ISK and the purchase of mining Seats. Jaquint encouraged viewers to purchase between one (1) and eighty-one (81) Seats at a cost of $995 and explained that viewers could become a founder of ISK by purchasing at least twenty-seven (27) Seats. Jaquint invited viewers to "call down to [PTG] and we will walk you through" purchasing a Seat. In other words, the Seat investment is available even to investors not sophisticated enough sign up without assistance.

32. On or about February 16, 2026, in another publicly available video posted on PTG's YouTube channel, Jaquint announced when IDMC Seat enrollment would open, directed viewers to the enrollment website, and instructed prospective purchasers to identify him as their sponsor. Jaquint said if listeners were skeptical, "I would recommend at least get yourself a Seat, the $995. At least get yourself a Seat. Let's go through why." Jaquint then described IDMC collectively as "we" while explaining several reasons to buy a Seat including, "we were in Dubai for the last week; we had incredible meetings," and, "we've got plenty of capital."

33. In the same promotion, Jaquint explained that purchasers could pay for Seats by check or automated clearing house transfer and could use TXC toward the purchase price. Jaquint also stated that mining had already begun and that he has "been partial to some information that wasn't public knowledge" concerning ISK.

34. From on or about February 2026 through at least June 2026, PTG and Jaquint continued to post new publicly available videos and radio broadcasts on PTG's YouTube channel that promoted IDMC Seats.

35. On or about June 1, 2026, through a publicly available video on PTG's YouTube channel, Jaquint promoted an in-person promotional event related to TXC and ISK in Phoenix, Arizona on June 15, 2026, and urged viewers to RSVP.

36. Approximately 75 people attended the Phoenix event on June 15, 2026. Jaquint and Sarah Jaquint were present while IDMC promoters encouraged attendees to enroll in IDMC and purchase Seats.

37. On or about June 23, 2026, IDMC founder Bobby Gray publicly announced that Jaquint had become the chair of IDMC's Finance Committee. During an IDMC community call, Gray directed questions concerning IDMC's financial and organizational status to Jaquint.

38. On or about June 24, 2026, during a radio broadcast, Jaquint encouraged listeners to purchase ISK mining Seats and stated that he did not know whether TXC mining Seats would be sold again.

39. Under IDMC's affiliate and referral program, a sponsor may receive credit or compensation when a purchaser identifies the sponsor.

40. IDMC continues to offer Seat investments through its website. PTG continues to host videos in which Jaquint and PTG promote the IDMC Seat investment.

IV. VIOLATION OF A.R.S. § 44-1841

(Offer or Sale of Unregistered Securities)

41. From on or about February 2026, Respondents have been offering or selling and/or making, participating in, and/or inducing the sale of securities in the form of investment contracts, within or from Arizona.

42. The securities referred to above are not registered pursuant to Articles 6 or 7 of the Securities Act.

43. This conduct violates A.R.S. § 44-1841, and Respondents are liable pursuant to A.R.S. § 44-2003(A).

V. VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

44. Respondents are offering or selling and/or are offering or selling and/or making, participating in, and/or inducing the sale of securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

45. This conduct violates A.R.S. § 44-1842, and Respondents are liable pursuant to A.R.S. § 44-2003(A).

VI. TEMPORARY ORDER

Cease and Desist from Violating the Securities Act

THEREFORE, based on the above allegations, and because the Commission has determined that the public welfare requires immediate action,

IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that Respondents, their agents, servants, employees, successors, assigns, and those persons in active concert or participation with Respondents CEASE AND DESIST from any violations of the Securities Act.

IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

IT IS FURTHER ORDERED that, if a request for hearing is made, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered unless otherwise ordered by the Commission.

IT IS FURTHER ORDERED that this Order shall be effective immediately.

VII. REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. §§ 44-2032 and 44-3292;

2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. §§ 44-2032 and 44-3292;

3. Order Respondents to pay the state of Arizona administrative penalties of up to five thousand dollars ($5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order that Respondent and Respondent Spouse be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action and

5. Order any other relief that the Commission deems appropriate.

VIII. HEARING OPPORTUNITY

Each respondent including Respondent Spouses may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If a Respondent or Respondent Spouse requests a hearing, the requesting respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requesting respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet website at http://www.azcc.gov/hearing.

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties, or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties, or other relief.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail cdbuck@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

IX. ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if a Respondent or Respondent Spouse requests a hearing, the requesting respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Temporary Order and Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at http://www.azcc.gov/hearing.

Additionally, the answering respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to Michelle M. Papson.

The Answer shall contain an admission or denial of each allegation in this Temporary Order and Notice and the original signature of the answering respondent or the respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the answering respondent intends in good faith to deny only a part or a qualification of an allegation, the respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 24th day of August, 2026.

Mark Dinell

Mark Dinell
Director of Securities