



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
VIRTUAL MINING, CORPORATION,)
d/b/a BTC MINING CORPORATION;) Case No. AP-14-09
ACTIVE MINING CORPORATION;)
KENNETH E. SLAUGHTER, Individually and)
d/b/a ACTIVE MINING COOPERATIVE,)
VIRTUAL ACTIVEMINING,)
)
Respondents.)

FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING COSTS AND IMPOSING DISGORGEMENT AND CIVIL PENALTIES

Now on the 6th day of February, 2015, the Commissioner, having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On June 2, 2014, the Enforcement Section of the Securities Division of the Office of Secretary of State (the “Enforcement Section”), through its Assistant Commissioner Mary S. Hosmer and its Enforcement Counsel Tyler McCormick, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed.
2. On June 2, 2014, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (the “C&D Order”).
3. In a pleading received June 30, 2014, Respondents filed Respondents’ Request for Hearing and Respondents’ Answer to Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties and Costs Should Not Be Imposed on behalf of Respondents Virtual Mining Corporation, Active Mining Corporation, and Kenneth E. Slaughter.
4. Pre-hearing conferences in this matter were held on July 15, 2014, at 10:00 a.m. and

August 27, 2014, at 1:30 p.m. The Enforcement Section appeared through Assistant Commissioner Hosmer. Respondents appeared by counsel Joseph “Chip” Sheppard (“Counsel”).

5. Subsequent to the pre-hearing conference held on August 27, 2014, the pre-hearing conference was continued for further discovery until October 21, 2014, while the hearing remained set for November 18, 2014.
6. Due to a scheduling conflict with Respondents’ Counsel, the Commissioner continued the scheduled October 21, 2014, pre-hearing conference until November 6, 2014, at 1:00 p.m.
7. Respondents failed to appear at the pre-hearing conference on November 6 and at another conference scheduled for November 13.
8. On November 18, 2014, Respondents’ Counsel filed a motion to withdraw as counsel because he had received no response from Respondents for over six weeks.
9. On November 19, 2014, Petitioner filed a Motion to Compel Discovery and Motion for Sanctions, for, among other things, Respondent Slaughter’s failure to respond to interrogatories due on October 23, 2014, and his failure to appear for a deposition on November 19, 2014.
10. The Enforcement Section’s motion asked that, among other things, the Commissioner sanction Respondents by striking their pleadings in this matter.
11. On November 24, 2014, the Commissioner issued an order (the “November 24th Order”) granting Mr. Sheppard’s request to withdraw; rescheduling the pre-hearing conference to December 9, 2014, and the hearing to January 9, 2015; and deferring the Enforcement Section’s November 19 motion for sanctions. The November 24th Order also put Respondents on notice that, “absent a compelling response by December 1, 2014, the Commissioner is inclined to grant the sanctions motion given Respondents’ seeming lack of participation in this administrative process.”
12. No response was received from Respondents by December 1, 2014, and Respondents failed to attend the December 9, 2014 pre-hearing conference.
13. On December 19, 2014, the Commissioner issued an order striking Respondents’ Answer and Request for a Hearing from the record. The Commissioner further ordered Respondents to pay the reasonable expenses, including attorney’s fees, resulting from Respondents’ failure to respond to interrogatories and appear for a deposition. Finally, the Commissioner ordered the Enforcement Section to submit in writing the reasonable expenses, including attorney’s fees, caused by Respondents’ failure.
14. On January 2, 2015, Enforcement Section, through Assistant Commissioner Hosmer, submitted a memorandum detailing the reasonable expenses, including attorney’s fees,

incurred as a result of Respondents' failure to answer interrogatories and appear for a deposition. The total costs alleged by the Enforcement Section were \$1,115.15.

15. No response was received from Respondents regarding Petitioner's memorandum of costs.

II. FINDINGS OF FACT

A. Respondents and Related Parties

16. Kenneth E. Slaughter ("K. Slaughter") is a sixty-one year-old Missouri resident with a mailing address of P.O. Box 10868, Springfield, Missouri 65808.
17. Virtual Mining, Corporation ("VMC") is a Delaware corporation formed on June 20, 2013, by K. Slaughter. A check of the records maintained by the Missouri Secretary of State Business Services Division ("Missouri Business Services Division") indicates that K. Slaughter is the registered agent for VMC with an address of 1951 S. Oak Grove, Springfield, Missouri, 65804. In Missouri, VMC did business as BTC Mining Corporation. K. Slaughter has held himself out as the President and the Chief Executive Officer of VMC.
18. Active Mining Corporation ("AMC Belize") is a Belize company incorporated on July 13, 2013. K. Slaughter is the registered agent of AMC Belize with an address of 1951 S. Oak Grove, Springfield, Missouri 65804. K. Slaughter is the sole beneficial owner and held himself out as the President and the Chief Executive Officer of AMC Belize.
19. K. Slaughter operates VMC and AMC Belize from Springfield, Missouri. K. Slaughter previously operated Active Internet Communications, Inc. in Missouri. K. Slaughter has power of attorney for AMC Belize.
20. VMC, AMC Belize, and K. Slaughter did business as Active Mining Cooperative ("AMC") and Virtual ActiveMining ("AM"). A check of the records maintained by the Missouri Business Services Division indicates there is no business registration or fictitious name registration for AMC or AM.
21. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for any securities issued or sold by VMC, AMC Belize, and/or K. Slaughter.
22. A check of the records maintained by the Commissioner indicates that, at all times relevant to this matter, K. Slaughter was not registered as an agent with the State of Missouri.

B. Bitcoins and Bitcoin Stock Exchanges

23. Bitcoin is a virtual currency used as a peer-to-peer payment system to purchase goods and services online. Bitcoins are created by a process called “mining.” Bitcoins can be traded for traditional currency at exchange rates that fluctuate.
24. Online Bitcoin stock exchanges (“Bitcoin Exchanges”) allow individuals to purchase securities using Bitcoins. These Bitcoin Exchanges have included, among others, the following:
 - a. CryptoStocks.com (“CryptoStocks”);
 - b. BTCT.CO (“BTCT”); and
 - c. Bitfunder.com (“Bitfunder”).
25. Due to regulatory concerns, several Bitcoin Exchanges have ceased operations.
26. In or around October 2013, BTCT ceased operations.
27. In or around November 2013, BitFunder ceased operations.
28. As of February 2015, CryptoStocks was still functioning as an online Bitcoin Exchange.

C. Offerings

VMC Stock

29. On or about March 26, 2013, VMC offered 20,000,000 shares of stock at the price of 0.0005 Bitcoin per share (“VMC Stock”) via a Private Placement Memorandum (“VMC-PPM”). The VMC-PPM stated among other things, that:
 - a. VMC was a Delaware Corporation with principal offices located in Springfield, Missouri;
 - b. VMC Stock could be purchased on Bitfunder; and/or
 - c. funds raised from the offering were to be used, among other things, to develop and manufacture Bitcoin mining equipment.
30. The VMC-PPM, among other things:
 - a. contained no restriction limiting sales of VMC Stock to accredited investors;
 - b. did not define terms and acronyms used in the VMC-PPM;

- c. contained language that was confusing and ambiguous;
 - d. contained limited risk disclosure (these risk disclosures spanned less than one-third of a page of the VMC-PPM and were contained in five sentences); and
 - e. contained no description of risks relating to a securities offering tied to virtual currency.
31. VMC and K. Slaughter solicited the sale of shares of VMC Stock through an online chat-room, Bitcointalk,¹ from Missouri.
32. On Bitcointalk, K. Slaughter stated, among other things:
- a. VMC shares were trading on Bitfunder and BTCT;
 - b. shareholders “will receive 100% of the monthly profits after all expenses [are deducted] until the total dividends paid is equal to .0005 BTC per share;”
 - c. investors will “see big benefits when [VMC] develops” its own Application Specific Integration Circuit (“ASIC”) chip and “VMC creates its Fast-Hash series of Bitcoin Mining machines;”
 - d. the “Net Estimated ROI” (i.e., return on investment) for the VMC Stock could be “2,812% [in] 24 months;” and
 - e. the “Net Estimated ROI” on the future issuance of VMC Stock could be “562% [in] 24 months.”
33. From March 26, 2013, to July 2, 2013, VMC and K. Slaughter sold approximately 6,000,000 shares of VMC Stock and received Bitcoins worth in excess of \$200,000.

AMC Belize Stock

34. On or around July 8, 2013, K. Slaughter and AMC Belize offered 10,000,000 shares of stock (“AMC Belize Stock”) at a price of 0.0025 Bitcoin per share via a PPM (“AMC Belize-PPM”).
35. The AMC Belize-PPM stated, among other things, that:
- a. AMC Belize was a Belize International Business Company and had its principal offices in London, the United Kingdom;
 - b. AMC Belize was created to mine Bitcoins for a profit; and

¹ <https://bitcointalk.org/index.php?topic=158806.0>

- c. funds raised from the offering would be used, among other things, to develop, manufacture, and sell Bitcoin mining equipment.
36. The AMC Belize-PPM, among other things:
- a. contained limited risk disclosure; and
 - b. contained no description of risks relating to a securities offering tied to virtual currency.
37. K. Slaughter and AMC Belize purported to only offer shares of AMC Belize Stock to accredited investors; however, neither K. Slaughter nor AMC Belize took any reasonable steps to verify the purchasers' accredited investor status.
38. K. Slaughter and AMC Belize solicited the sale of shares of AMC Belize Stock through Bitcointalk² from Missouri.
39. On Bitcointalk, AMC Belize and K. Slaughter stated, among other things, that:
- a. VMC would merge into AMC Belize;
 - b. in 2013, VMC had sold mining equipment in excess of \$6,000,000;
 - c. shares of AMC Belize Stock were trading on Bitfunder, BTCT, and CryptoStocks;
 - d. investors could receive "100% return" from the "global profits" of AMC Belize;
 - e. investors have "the privilege of getting all profits until [a dividend of] 0.0025 BTC/share is paid;" and
 - f. investors could self-certify their "accredited investor status" by "creating an account on the virtual stock exchange and using Bitcoins to purchase the [AMC Belize Stock]."

Exchange of VMC Stock for AMC Belize Stock

40. On or around July 8, 2013, K. Slaughter and AMC Belize offered to exchange previously issued shares of VMC Stock for AMC Belize Stock ("Exchange of VMC Stock") via a PPM ("Exchange PPM"). K. Slaughter and VMC purported to offer this exchange to accredited investors; however, neither K. Slaughter nor VMC took reasonable steps to verify the shareholders' accredited investor status.
41. The Exchange PPM stated, among other things, that:

² <https://bitcointalk.org/index.php?topic=297503.0>

- a. existing VMC stockholders could tender these shares on BitFunder and BTCT and would receive the same number of shares of AMC Belize Stock;
 - b. funds raised by the offering would be used to:
 - i. research and develop Bitcoin mining machines;
 - ii. invest in any other Bitcoin mining shares that pay dividends; and
 - iii. “purchase Bitcoin Mining Machines from VMC or any other manufacturer of Bitcoin Mining Machines or any other course of Bitcoin Mining Machines which will increase the dividends for investors.”
42. K. Slaughter and AMC Belize solicited the exchange of VMC Stock through Bitcointalk³ from Missouri.
43. In connection with the Exchange of VMC Stock, K. Slaughter, on behalf of VMC and AMC Belize, stated on Bitcointalk, among other things, that:
- a. VMC Stock could be exchanged on Bitfunder and BTCT;
 - b. early investors would be given “a priority in getting back 100% return of their investment;” and
 - c. early investors would have the privilege of “getting all profits” until a dividend of 0.0025 Bitcoin per share was given.
44. Beginning July 8, 2013, AMC Belize paid “mining profits” to some investors and communicated that on Bitcointalk.
45. K. Slaughter, AMC Belize, and VMC failed to timely deliver presold Bitcoin mining equipment due to financial problems as well as problems with the design and manufacture of integrated circuits used to mine Bitcoins.

D. Omissions and Misstatements

46. VMC, AMC Belize, and/or K. Slaughter failed to disclose to investors and potential investors, among other things, the following:
- a. that K. Slaughter was not registered or exempt from registration as an agent in the State of Missouri;

³ <https://bitcointalk.org/index.php?topic=252531.0>

- b. that shares sold were not registered or exempt from registration in the State of Missouri;
 - c. that K. Slaughter and his previous company, Active Internet Communications, Inc., had complaints that prepaid services were not rendered; and/or
 - d. that there were risks associated with using a virtual currency to transact business including, but not limited to, the following:
 - i. virtual currencies are not backed by a central bank and are not insured;
 - ii. virtual currencies can be hacked or stolen with little or no recourse;
 - iii. there is no way to reverse a virtual currency transaction;
 - iv. virtual currencies are highly volatile;
 - v. this volatility may greatly reduce the funds raised in a securities offering tied to these currencies and make financial projections difficult;
 - vi. securities offerings that are tied to virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market; and/or
 - vii. that the liquidity of virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market.
47. VMC, AMC Belize, and/or K. Slaughter misrepresented to investors and potential investors, that Bitcoin industry was “highly-regulated” at both State and Federal levels.

E. Additional Findings

48. Respondents’ failure to respond to discovery and to appear at a scheduled deposition resulted in expenses, including attorney’s fees, incurred by the Enforcement Section of \$1,115.15.
49. Because Respondents’ pleadings have been struck from the record, the allegations against them found in the C&D Order are final by operation of law. See Section 509.100, RSMo. (Cum. Supp. 2013).

III. CONCLUSIONS OF LAW

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

50. Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2013), when they offered and sold securities from the State of Missouri by, among other things:

- a. soliciting, or employing agents to solicit, funds from investors; and/or
 - b. receiving, or employing agents to receive, investment funds from individuals.
51. These activities constitute an offer and sale.
52. The interests offered and/or sold are shares of stock and are, therefore, securities.
53. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by Respondents.
54. Respondents offered and sold securities in or from Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2013), or (3) registered under the Missouri Securities Act of 2003.
55. Respondents offered and sold unregistered securities in violation of Section 409.3-301, RSMo. (Cum. Supp. 2013).
56. The conduct of Respondents in violation of Section 409.3-301, RSMo. (Cum. Supp. 2013), constitutes engaging in an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

Multiple Violations of Transacting Business as an Unregistered Agent

57. Respondent K. Slaughter violated Section 409.4-402(a), RSMo. (Cum. Supp. 2013), in the State of Missouri when he transacted business as an agent when Respondent was not registered.
58. Respondent K. Slaughter was employed by and/or associated with Respondent VMC and AMC Belize.
59. Respondent K. Slaughter offered and/or sold securities in or from Missouri on behalf of VMC and AMC Belize by, among other things:
- a. offering and/or selling shares of VMC Stock at the price of 0.0005 Bitcoin per share; and/or
 - b. offering and/or selling shares of AMC Belize Stock at the price of 0.0025 Bitcoin per share.
60. These activities constitute transacting business as an agent in the State of Missouri under Section 409.1-102(1), RSMo. (Cum. Supp. 2013).

61. At all times relevant to this matter, Respondent K. Slaughter was not registered as an agent in the State of Missouri.
62. Respondent K. Slaughter offered and/or sold securities in or from Missouri without being registered or exempt from registration as an agent in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013).
63. Respondent K. Slaughter's conduct in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013), constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

Multiple Violations of Employing or Associating with an Unregistered Agent

64. Respondents VMC and AMC Belize violated Section 409.4-402(d), RSMo. (Cum. Supp. 2013), when those respondents employed and/or associated with Respondent K. Slaughter, who on behalf of VMC and/or AMC Belize, among other things:
 - a. offered and/or sold shares of VMC Stock;
 - b. offered and/or sold shares of AMC Belize Stock; and/or
 - c. solicited investors to exchange VMC Stock for AMC Belize Stock.
65. Respondents VMC's and AMC Belize's activities constitute employing and/or associating with an agent in the State of Missouri under Section 409.4-402(d), RSMo. (Cum. Supp. 2013).
66. At all times relevant to this matter, Respondents VMC and AMC Belize had no registration or granted exemption for any agents of VMC and AMC Belize to transact business in or from the State of Missouri.
67. Respondents VMC and AMC Belize employed and/or associated with an unregistered agent who transacted business in the State of Missouri in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013).
68. The conduct of Respondents VMC and AMC Belize in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013), constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

**Multiple Violations of Making an Untrue Statement and Omitting to State Material Facts
in Connection with the Offer or Sale of a Security**

69. Respondents AMC Belize and K. Slaughter violated Section 409.5-501(2), RSMo. (Cum. Supp. 2013), when, in connection with the offer, sale or purchase of a security as described above, Respondents AMC Belize and K. Slaughter made the untrue statement of material fact that the Bitcoin industry was “highly-regulated” at both State and Federal levels.
70. Respondents violated Section 409.5-501(2), RSMo. (Cum. Supp. 2013), when, in connection with the offer, sale or purchase of a security as described above, Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
- a. AMC Belize and K. Slaughter stated that purchasers of AMC Belize Stock could receive a 100% return on their investment. This statement, in light of the circumstances under which it was made, was a misleading statement because AMC Belize and K. Slaughter omitted to disclose the following material facts that could impact this return and the viability of the investment:
 - i. that K. Slaughter was not registered or exempt from registration as an agent in the State of Missouri;
 - ii. that the shares were not registered or exempt from registration in the State of Missouri;
 - iii. that K. Slaughter and his previous company, Active Internet Communications, Inc., had complaints that prepaid services were never rendered; and/or
 - iv. that there were risks associated with using a virtual currency to transact business including, but not limited to, the following:
 - 1. virtual currencies are not backed by a central bank and are not insured;
 - 2. virtual currencies can be hacked or stolen with little or no recourse;
 - 3. there is no way to reverse a virtual currency transaction;
 - 4. virtual currencies are highly volatile;
 - 5. this volatility may greatly reduce the funds raised in a securities offering tied to these currencies and make financial projections difficult;

6. securities offerings that are tied to virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market; and/or
 7. that the liquidity of virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market.
- b. VMC and K. Slaughter stated that a purchaser of VMC Stock could receive a “Net Estimated ROI” of “2,812% [in] 24 months.” This statement, in light of the circumstances under which it was made, was a misleading statement because VMC and K. Slaughter omitted to disclose the following material facts that could impact this return and the viability of the investment:
- i. that K. Slaughter was not registered or exempt from registration as an agent in the State of Missouri;
 - ii. that the shares were not registered or exempt from registration in the State of Missouri;
 - iii. that K. Slaughter and his previous company, Active Internet Communications, Inc. suffered from complaints that prepaid services were never rendered; and/or
 - iv. that there were risks associated with using a virtual currency to transact business including, but not limited to, the following:
 1. virtual currencies are not backed by a central bank and are not insured;
 2. virtual currencies can be hacked or stolen with little or no recourse;
 3. there is no way to reverse a virtual currency transaction;
 4. virtual currencies are highly volatile;
 5. this volatility may greatly reduce the funds raised in a securities offering tied to these currencies and make financial projections difficult;
 6. securities offerings that are tied to virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market; and/or
 7. that the liquidity of virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market.

b. VMC and K. Slaughter stated that the “Net Estimated ROI” on the future issuance of VMC Stock could be “562% [in] 24 months.” This statement, in light of the circumstances under which it was made, was a misleading statement because VMC and K. Slaughter omitted to disclose the following material facts that could impact this return and the viability of the investment:

- i. that K. Slaughter was not registered or exempt from registration as an agent in the State of Missouri;
- ii. that the shares were not registered or exempt from registration in the State of Missouri;
- iii. that K. Slaughter and his previous company, Active Internet Communications, Inc. suffered from complaints that prepaid services were never rendered; and/or
- iv. that there were risks associated with using a virtual currency to transact business including, but not limited to, the following:
 1. virtual currencies are not backed by a central bank and are not insured;
 2. virtual currencies can be hacked or stolen with little or no recourse;
 3. there is no way to reverse a virtual currency transaction;
 4. virtual currencies are highly volatile;
 5. this volatility may greatly reduce the funds raised in a securities offering tied to these currencies and make financial projections difficult;
 6. securities offerings that are tied to virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market; and/or
 7. that the liquidity of virtual currencies may be highly dependent upon the growth and acceptance of the virtual currency market.

71. Respondents made untrue statements of material facts, and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013).

72. Respondents' conduct in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013), constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).
73. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2013).

IV. ORDER

NOW THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from:

- A. violating or materially aiding in any violation of Section 409.3-301, RSMo. (Cum. Supp. 2013), by offering or selling unregistered, non-exempt securities;
- B. violating or materially aiding in any violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013), by transacting business as an unregistered agent;
- C. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013), by employing or associating with an unregistered agent; and
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2013), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that each Respondent shall disgorge any profits arising from any violation of Sections 409.3-301, 409.4-402(a); 409.4-402(d); or 409.5-501, RSMo. (Cum. Supp. 2013).

IT IS FURTHER ORDERED that each Respondent shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2013).

IT IS FURTHER ORDERED that K. Slaughter shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2013).

IT IS FURTHER ORDERED that VMC and AMC Belize each shall pay a civil penalty in the amount of \$1,000 for violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2013).

IT IS FURTHER ORDERED that each Respondent shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2013).

IT IS FURTHER ORDERED that Respondents shall jointly and severally pay costs resulting from their failures to answer interrogatories or attend a deposition in the amount of \$1,115.15.

IT IS FURTHER ORDERED that Respondents shall pay their own costs and attorney's fees in this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS SIXTH DAY OF FEBRUARY 2015.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of February, 2015, a copy of the foregoing **Order** in the above styled case was sent via **e-mail to ceo@asx.net; support@virtualminingcorp.com; sales@virtualminingcorp.com** and **mailed by U.S. mail to:**

Virtual Mining, Corporation
c/o Kenneth E. Slaughter
P.O. Box 10868
Springfield, MO 65808

Active Mining Corporation
c/o Kenneth E. Slaughter
P.O. Box 10868
Springfield, MO 65808

Kenneth E. Slaughter
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Joseph D. Sheppard, III
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and by hand delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division


Marsha Presley, Securities Office Manager