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The Incomplete History of "My Big Coin"

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1. Introduction

On 16th January 2018 'My Big Coin' (MBC) – a virtual currency that later became a cryptocurrency, founded in December 2013 by Mark Gillespie and Randall Crater – had a complaint filed against it by the Commodities Futures Trading Commission (CFTC) charging fraud and misappropriation of funds from investors totalling $6 million. This was one of three cases that began the legal process of attempting to regulate cryptocurrencies by defining them as a commodity (Lucking, 2019) This attempted leap forward in regulatory actions would have long-term consequences for cryptocurrencies in general, and tackling fraud in the world of virtual currencies in particular, if it was upheld.

Michael Held of the Federal Reserve bank of New York called MBC a "Wild Cat Currency" (*Targeted News Service*, 2019), a comparison harking back to the days of the American Wild West when banks would set up quickly without oversight and issue their own currency, only to fail and cause many financial hardship. Continued fraud and crises eventually brought out regulations that tamed these wildcat banks, and in a case of history repeating itself, the case against MBC was the start of an increasing level of regulation for cryptocurrencies[3].

The charges against MBC and its founders were a reaction to growing fraud in the Cryptocurrency market as there continued to be a void in regulation for both cryptocurrencies and Initial Coin Offerings (ICOs), as Corbet and Cummings (2020) discuss in detail. The alleged fraud here was not unusual in the cryptocurrency market of the time but did have interesting and important repercussions that this chapter will discuss, such as how this was one of three cases that began the legal process of attempting to regulate cryptocurrencies by defining them as a commodity (Lucking, 2019) This attempted leap forward in regulatory actions would have long-term consequences for cryptocurrencies in general, and tackling fraud in the world of virtual currencies in particular.

This chapter will also discuss in detail the timeline of events as this "virtual" currency and then "cryptocurrency" was set up and promoted as having ambitions of being the dominant global currency, not just a prominent cryptocurrency. We fill focus on what was unique about attempts to increase investor confidence for this scheme – such as its claims to be backed by $300 million worth of physical gold holdings; being the first cryptocurrency to announce an APO (similar to an IPO but on a smaller market); and the supposed partnership between MBC and all the major credit card providers including Visa and Mastercard.

We will also address a broader issue that may hamper any subsequent research being undertaken on the financial economics, or financial history, of ICOs or the cryptocurrency market. Writing this chapter highlighted to us the many gaps in information available on many cryptocurrencies, particularly in their early days. This void of data is caused by this new era of financial history where paper records are either not easily accessible, or perhaps never

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[3] In separate developments it seems ICO's may be defined as securities and then come under the SEC in the US.

existed at all, as they would have in older markets, allowing price histories to be rebuilt long after the fact (as Corbet and O'Connor (2020) do for a monthly silver price from 1878). These serious gaps in our knowledge could prove to be a significant obstacle for this type of research going forward. For example, as it was not a regulated market, even the daily price that was quoted on the MBC website is now gone. We have searched numerous sources, web archives and contacted cryptocurrency trading platforms to no avail in searching for a complete dataset of this cryptocurrency's price history. Later in this chapter you will see why this data was so difficult to find.

2. My Big Co(i)n – What we know

Two days before Christmas 2013 MBC announced its arrival into the world of virtual currencies via its new Twitter profile. It said it was an online payments system that required no paperwork or approval process to use. All you had to do was go to its website and sign up. MBC's Twitter feed informed investors and users of the new coin that it would start accepting payments instantly and by the 6th of January the public was told it was "coming to a merchant near you". 15 days later MBC said an app was coming for both Apple and Android phone users. This appeared to be a rapidly developing project.

The coin's first price quote arrived on Jan 21st 2014, again on its Twitter feed, starting at $23.17 and rising to $23.64 the following day. By February 8th the price was up to $32.26, a rise of 36%, despite little or no news coverage of the coin on any site we could find either live, or through internet archives.

But it now seems that these price increases were entirely made up as no MBCs were ever traded on any exchange. In fact, the CFTC and others now say that none of these announcements was true, adding the claims made by MBC and its founders were almost always false, whether presented through their website, social media or press releases.

The fact that investors were convinced by these stories is what is most surprising about this saga, as it seems that it gave its investors very little in the way of user experience. Instead the CFTC says it fed a few lies out over time and succeeded in defrauding approximately 28 people out of a total of $6 million over the next three-and-a-half years. So how did the founders convince investors to buy MBC?

A Medium of Exchange?

Even in the early days of this enterprise MBC put out statements of massive – some would say hyperbolic – confidence regarding the future of the coin. Some of these could have set off alarm bells for investors, such as this message sent out through their social media in its first month of existence: "Sometime in the near future there will be one universal payment system and we will be an extremely strong competitor to be your provider of choice"[4].

Along with statements such as this, MBC made several other attempts to show investors that it really was this possible medium of exchange. There were a number of news stories posted on the virtual currency's social media. For example, February 2014 saw a post that there would be a major announcement soon in relation to a merchant in Los Vegas – but this announcement never materialised. Again in February their Facebook feed informed investors that they had

[4] https://www.facebook.com/MyBigCoin/ 22/1/2014

founded "MBC Mall", an electronic mall where MBCs could be spent on real goods[5]. Again, this all seems to have been make-believe.

MBC were eager to be viewed as a functioning medium of exchange. The MBC website is no longer in existence but a version which was archived by internet archive the Wat Back Machine in April 2nd 2017, stated that:

> "We enable merchants of all sizes to accept and process credit, debit and prepaid payments and provide them supporting services, such as information solutions, interchange management and fraud management, as well as vertical-specific solutions in sectors such as grocery, pharmacy, retail, petroleum and restaurants, including, quick service restaurants, or QSRs[6]".

February and March 2014 were big months for internally generated news stories about developments with MBC, at a time when the company and its founders were trying hard to attract investors. On Feb 9th MBC announced a tie up with Visa and Mastercard that would allow users to spend their MBCs using the two payments giants. If this had been true they would have been the first virtual currency to manage this and it would genuinely have been a significant development – not just for them, but for the entire market.

However, no announcement of this major development ever emerged from the two multinationals. The MBC website showed a link that stated, "New MasterCard™ for clients Has arrived, Click Here!". The link led visitors to a website, MyUltracard – a pre-paid card that doesn't seem to exist now or have existed in any meaningful way at the time.

On an archived version of their website from 2018, after the CTFC case began, they listed this partnership as having started on January 1st 2015 rather than February 2014. They claimed to have partnered with Visa Card for Europe and the UK, and Mastercard for United States customers. When this link is followed through the archived online version of their website, investors are lead to a UK-based company's website – VCardnet – which claim to be issuing cards under a license from Mastercard and Visa. Other information on VCardnet is sadly lacking.

This news story came under the heading "Visaâ„˘ and MasterCardâ„˘ Partner". While it is just speculation on our part, the odd (or poor) spelling could have been used to make the claim less searchable and therefore harder for Visa and MasterCard to discover. But its definite that shoddy editing of a website like this should have raised red flags for possible investors.

We found two other random news stories suggesting that MBC was attempting to be a real medium of exchange. In addition to the above news item, a now-defunct betting site (betsports247) announced in December 2014 that they would be accepting MBC[7]. An archived version of the MBC website also claimed in March 2017 that MBC ATMs were on the way[8].

Emails making big claims were also sent in order to calm MBC holders. These often promised the imminent wider adoption of MBC as a currency. In the CFTC complaint they cite an email

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[5] Items lister for sale are as follows - MacBook, MBC500.00, iPhone, MBC101.00 ,Apple Cinema 30" ,MBC100.00 MBC90.00 ,Samsung Galaxy Tab 10.1 ,MBC199.99 ,Sony VAIO ,MBC1,000.00 ,HP LP3065 ,MBC100.00

[6] https://web.archive.org/web/20170402224129/http://www.mybigcoin.com/about.htm

[7] https://web.archive.org/web/20141217163250/http://www.betsports247.com/

[8] https://web.archive.org/web/20190628011239/https://mybigcoin.com/

from one of the founders to a dissatisfied MBC holder, claiming that "Randall [Crater] is in an unnamed South American country since yesterday, at their request, striking a deal to use our gold-backed coin to stabilize their economy." This was latter broadened to include a total of 22 countries negotiating with MBC to use it to "stabilize their currencies and economies.[9]" They also claimed to be specifically discussing this as a possibility with the Venezuelan Government.

Another example came in March 2014 when they made what was an original claim for a virtual currency at that time. MBC announced via Twitter that there would be a major announcement in the next 24 hours, and when the announcement finally came 144 hours later it was that, going forward, MBC would be 100% backed by gold. This appeal to gold as a source of credibility for a new asset is based on gold's long history as an asset (O'Connor et al., 2015).

If this had been true it would have made it one of the first stable coins. In Jan 2015, in an email to a buyer of MBC, Carter said that this gold backing totalled $300million, or nearly a quarter of a million ounce of gold, or 7 tonnes. At no point was it explained how the company would keep the MBC backed by gold as the coin price rose, as it would require the company to buy more gold as the price rose. Where these extra funds would come from was never explained. To make this work it would have required that each MBC represented a weight, rather than a dollar value, of gold. This outlandish claim was still slightly better than that made by another crypto scheme, the 911MoneyStore, which offered its investors the chance to NOT get a gold watch!

Bitcoinishness

From the start it was implied that this was a virtual coin in a similar vein to Bitcoin. The website stated that there were only going to be 30 million MBCs issued in total and that no more than 1m would be issued in any year, similar to Bitcoin's limited and incrementally increasing stock. However, other aspects of the coin setup were less attractive to the crypto community with 30% of the supply of MBC listed as premine, meaning reserved for founders. According to chat room discussions in 2017 96.9% of MBCs were owned by 10 accounts[10].

Information on how to mine MBC was sadly lacking throughout its existence. There is no information on the public media feeds of the coin and the archived version of the website doesn't give details about it. In fact, the first mention of the possibility of mining MBC on their website only comes in a version from July 2017. Even then it was only a promise, stating that "Instructions to start mining and staking MBC are coming soon!"

When MBC was being discussed on one online chatroom, a poster complained that they weren't allowed to mine MBC[11]. Down the thread the MBC account stated that up to June 2017 it was a virtual currency – not a cryptocurrency but was now in the Crypto "space". This is the only place the announcement seems to have been made, odd since this would have been a major change in how the coin functioned for those who were already investors. However, earlier in the discussion, MBC's account was actively showing how many blocks they claimed had been mined already, listing 106,590 as the current block. An archived current block number recorded

[9] https://financefeeds.com/stabilizing-economy-22-countries-top-5-claims-cryptocurrency-scammers/
[10] https://bitcointalk.org/index.php?topic=2160342.320
[11] https://bitcointalk.org/index.php?topic=2160342.20

on blockexperts.com from 2019 (the website linked by MBC on their chatroom posts) says that by then MBC's current block was 634,655.[12]

The ability to mine MBCs only came available three and half years after the coin was founded and the fact that the sudden change from virtual coin to mineable cryptocurrency was announced only on a small cryptocurrency chat board, well down the thread, should have made investors wary. Once some coins had been airdropped in 2017 some chatters on an online forum did show screenshots of mining occurring as their balances rose from the 1 MBC that was originally dropped into their wallets[13].

Promotion of the coin

The founders of MBC did make attempts to market the coin, though these seem to have been relatively simplistic and sporadic. Examples include going to chatroom where cryptocurrencies were being discussed to post messages regarding the price increases in February 2014 and an airdrop in 2017 discussed in more detail below.

In September 2017 they engaged with the cryptocurrency community through an online chatroom. Bitciontalk.org, trying to use the community to vote for it to be listed on the C-CEX Exchange. The posted gave details of the coin and stated that it was listed already on Nova Exchange, now defunct since January 2020. MBC offered 3 MBCs for each vote.

But there was scepticism from replies, asking why there had been no airdrop of MBCs to encourage participation and grow trust. Two days later an airdrop was announced, but nothing was straightforward in the world of MBC – and they required that the community donate 13 Bitcoins to an address before the airdrop could start. But an airdrop usually didn't involve a payment and resistance meant that they dropped this requirement but also quartered the coins that were going to be made available.

They quickly relented as users questioned this and instigated another smaller airdrop of 250,000 coins, though only allowing one per person. These coins do appear to have reached customers' wallets, and eventually allowed them to mine new MBCs, if very slowly. But by early October users were complaining that the founders had not checked in for over 10 days[14]. This seems to be another example of the sporadic engagement MBC had with their investors.

No(va) Exchange, No Refund

MBC claimed its varying price came from being traded on Novaexchange.com, but no data on MBC's price is available from Nova Exchange as the site has closed, and no archived records of the exchange exist, to our knowledge. Even in 2017, before the CFTC filed their complaint, users were saying that the link to Nova Exchange was not working and coins could not be sent to the exchange[15].

One poster to a chat room in 2017 stated that there was "No activity on Nova, unfortunately[16]". A reply then stated that activity was present and listed some data on volume, but in the CFTC

[12] https://web.archive.org/web/20190503163325/https://www.blockexperts.com/mbc
[13] https://bitcointalk.org/index.php?topic=2160342.360
[14] https://bitcointalk.org/index.php?topic=2160342.360
[15] https://bitcointalk.org/index.php?topic=2160342.160
[16] https://bitcointalk.org/index.php?topic=2160342.60

complaint they stated that some chat room activity relating to MBC was fake and therefore we have to take the assertion that trading did happen with a pinch of salt.

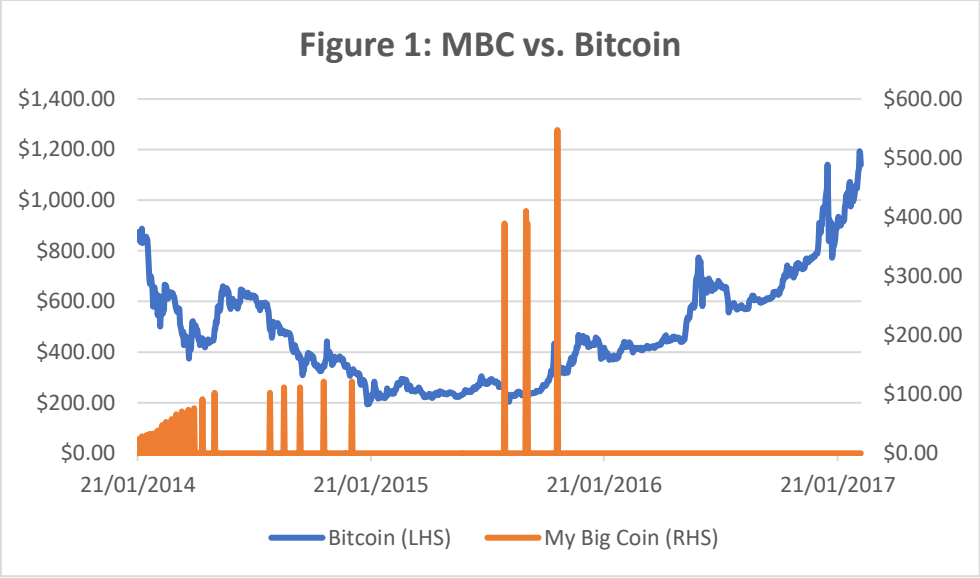
MBC did also try to get listed on the more widely known C-CEX Exchange, as discussed above. This was unsuccessful.

We collected as much price data as possible and have shown it in the MBC price charts below. These come from two sources. Much of the data for 2014 was quoted on their Twitter feed and some more has been added, based on looking at captured versions of the MBC website through the Way Back Machine internet archive. We also contacted a number of websites directly who had previously listed MBC's price, but responses indicated that data was only stored for one year.

All this has to be taken in the context that the CFTC says that no trading in the coin really took place. So even if a full daily price history was available from various sources it would all represent the fiction that the CFTC argue MBC presented to the world.

Analysing the price movements that are available through the data collection undertaken for this article we can see that even a simple visualisation of the MBC price chart should have set off alarm bells for a more experienced investor. Golmohammadi et al. (2012) give a list applications of data mining to detect fraud in securities markets but the most simple will do for MBC. A visualisation of the changes in the coin's price versus Bitcoin will show some obvious problems.

In the below chart the price of MBC is given versus Bitcoin for a reference. As data on the MBC price is only intermittent it is shown as a bar to highlight when data is available and what the price was given on that day.



Sources: Twitter, Way Back Machine internet archive, Coindesk.com

On almost no occasions is the price seen to fall. Red days in this market seem to have been few and far between, days might be driven by investors taking profits from time to time – even in a bull market. This is in stark contrast to the market for Bitcoin over the same period where a serious bear market was in progress for the first half before it went on its massive bull run to

what would eventually be almost $20,000 per coin. Our data collection did find two down days for MBCs price. For example the 23rd of September 2015 when the price fell from $410 to $389.

Additionally there are significant stretches of time where there is no change in the price of the coin per its Twitter feed and website, though new prices were being displayed. From September to October 2014 the price was quoted three times and remained $111.66 and then went to $121.38 in November with exactly the same price being the only quoted price we could find for December.

Also, suspiciously, ending digits were frequently unchanged when prices were shown to change. Between March 22nd 2014 and April 10th MBC quoted three prices on their Twitter feed and all three ended with 89 cents.

APO and The End

In 2015 MBC announced another first: it would become the first virtual currency to be listed on an OTC market. They would achieve this through an Alternative Public Offering (APO) in the market for what are sometimes call Pink Slips. It planned a reverse merger using a NASDAQ shell company[17] a legal process that has had issues with fraud in the past. But following an investigation being initiated by the Financial Industry Regulatory Authority (FINRA) they did not proceed in their merger – and FINRA stopped investigating. Instead they passed on their casefiles to the Securities Exchange Commission (SEC). This interagency dialogue is what eventually led to the case discussed below being taken by the CFTC, a case that would signal the end of MBC as a going concern (Pavlo, 2019).

MBC came to a halt as a going concern in January 2018 when the CFTC filed their civil action against MBC Pay, Inc., Randall Crater, Mark Gillespie and some relief defendants. In April the CFTC added John Roche and Michael Kruger as additional defendants.

The defendants argued that the CFTC did not have jurisdiction as MBC was not a commodity, as it is not a good or service on which you can buy a futures contract. The CFTC's counter-argument rested on the fact that MBC was a cryptocurrency in the same sense as Bitcoin, and by 2018 Bitcoin was a commodity as it was traded as a futures contract. It took until September 2018 for a ruling on jurisdiction. Judge Zobel of the U.S. District Court for the District of Massachusetts found that the CFTC did have the power to prosecute fraud in the virtual currency markets as virtual currencies were found to be a commodity (*Targeted News Service*, 2018).

After this ruling, the founders of MBC tried another unusual defence – they argued that there had been no fraud at all, because there were no investors in MBC. They argue that as customers bought MBCs straight from the defendants, and not from MBC, and the company did not raise funds through an ICO[18]. Ipso facto, MBC could not defraud any investors.

In February 2019, a grand jury in Massachusetts returned a seven-count indictment charging Crater with wire fraud and unlawful monetary transactions[19]. In March, the civil case was

[17] It was Shot Spirits Corporation (OTC PINK: SSPT) https://finance.yahoo.com/news/big-coin-pay-inc-announces-205029989.html

[18] https://www.crowdfundinsider.com/2018/04/131518-my-big-coin-tells-court-tokens-arent-regulated-by-cftc-because-they-are-not-commodities/

[19] https://financefeeds.com/doj-secures-stay-cftc-case-cryptocurrency-scheme-big-coin-pay/

suspended at the request of the US Department of Justice, as it pursued this criminal case on the issue.

What did the defendants do with the $6 million? The CFTC complaint shows that money was spent on items listed as "other home purchase" for over $600,000, "jewellery" for $340,000, while $200,000 was spent at a marina and over $500,000 on fine art. Importantly, the one thing that the funds transferred to MBC business were not spent on was the purchase of any MBCs.

Claims that came true – For other Cryptocurrencies

Many of the claims of MBC have come to pass for other virtual currencies – but it has taken time.

The big payment providers did start showing an interest in crypto in 2015. Visa bought into a company called "Chain", which provided developers with ways to work with the Bitcoin ledger, while American Express invested in "Abra", which focused on Bitcoin, and MasterCard invested in the "Digital Currency Group", a set of crypto currencies overseen at the time by the founder of SecondMarket.

Since 2017, Revolute, the UK digital bank, has allowed users to hold and exchange 30 currencies for a variety of cryptocurrencies.[20]Coinbase seems to have been the first to launch a Visa card that would allow people to hold and spend cryptocurrencies in normal retailers in April 2019 (in the UK).[21] The retailers themselves would not be accepting crypto – instead Coinbase charged users a fee of 2.5% to move their digital currency to local currency.

In 2020 Wirex became the first Crypto platform to be granted Principal Membership Licence from MasterCard[22]. Mastercard teamed up with BitPay in 2020 to offer its first time MasterCard has issued a cryptocurrency card for US-based users. This replaced a previous tie up between BitPay and Visa for US-based customers. Paypal also dipped its toes in in 2020[23]. So here at least MBC just seems to have been ahead of its time.

Equally gold-backed digital coins is a market that has grown massively recently, estimated to be worth $160 million in April 2019 such as Tether Gold (XAUT)[24]. Gold can now be bought from old gold market participants such as the Perth Mint through their gold tokens[25] and the asset managers Sprott[26].

Ponzi or Fraud

MBC was described as a Ponzi scheme by the CFTC complaint, as well many online news sites dealing in cryptocurrencies after 2018[27]. As Ponzi/pyramid schemes go this one would be

[20] https://news.bitcoin.com/13-crypto-debit-cards/
[21] https://www.cnbc.com/2019/04/11/coinbase-launches-debit-card-in-uk-to-pay-by-crypto.html
[22] https://investor.mastercard.com/investor-news/investor-news-details/2020/Mastercard-Accelerates-Crypto-Card-Partner-Program-Making-it-Easier-for-Consumers-to-Hold-and-Activate-Cryptocurrencies/default.aspx
[23] https://www.coindesk.com/paypal-picks-paxos-to-supply-crypto-for-new-service-sources-say
[24] https://medium.com/blockchain/going-for-gold-cbc5f7644c18
[25] https://pmgt.perthmint.com/
[26] https://sprott.com/digital-precious-metals/
[27] https://cryptocurrencies.com.au/nulltx/crypto-ponzi-scheme-my-big-coin-founder-arrested-on-multiple-fraud-charges/

considered relatively small, particularly when compared to Bernie Madoff's Ponzi scheme which in total took $65Billion[28]. Even compared to what Charles Ponzi himself did in 1920 – he raised over $9million in 1920s money from over 10,000 people (worth approximately $116 million in inflation adjusted terms) – the MBC total of $6 million is small.

Despite this description, MBC does not fit the definition of a Ponzi scheme, based on the CFTC complaint. Lewis (2012) defines a Ponzi scheme as one in which "returns are paid to investors either from their own money or out of money paid in by subsequent investors, rather than from profits generated by investment or any genuine business activity".

To the best of our knowledge, based on all the publicly available information, no one who invested in MBC ever got a return on their investment. Money went directly into the bank accounts of those running the company as people "bought" the coin, which it now appears did not exist even in any meaningful virtual sense, but no money was ever returned to these investors.

The way the money was raised, and the manner in which investors seem to have been tricked, has a lot in common with how a Ponzi scheme is run. As with a Ponzi, this scheme would have been insolvent from the beginning in accounting terms (Lewis, 2012) as the revenue was not invested in a cash-generating activity. There the similarity ends, however, and MBC fits much more closely into what Lewis (2012) defines as "Financial Scam". These use information asymmetries about the facts of the venture to convince participants that large returns are on offer, and willing participants are found through a social network (Reurink, 2018) – here the cryptocurrency community. No early investor was ever paid a return on their investment either using funds from latter investors, as normally happens in a Ponzi scheme, in order to attract more money from even more investors. It was a straightforward Confidence Trick or fraud.

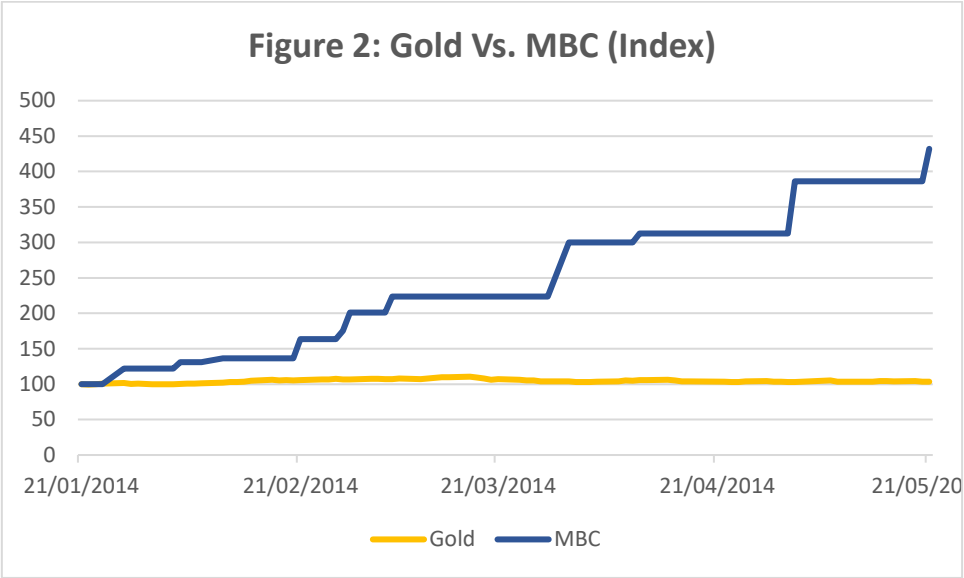
As there appears to have never been a functioning secondary market to sell the MBCs bought on to the next person down, or those received into a MBC wallet via the 2017 Airdrop, it also doesn't fit the definition of a pyramid scheme.

The lack of this Ponzi or Pyramid element explains why only $6 million was taken. Only 28 people were brought into the virtual currency scheme and since these early investors did not receive any returns they did not act as "Songbirds" singing the praises of the coin and drawing in more money. Furthermore, the runners of the coin only seemed to make occasional forays into advertising the scheme themselves, as seen above.

It's a strange fact that one of the big claims MBC made would have made this a kind of Reverse Ponzi scheme if it had been true: the claim to be 100% backed by gold. For this to work when someone bought a MBC for say $100 - the company would need to buy $100 of gold. But if the price of MBC rose faster than gold in dollar terms the company would have to inject new money into the business to keep each coin 100% backed. In the exact revers of an ordinary Ponzi scheme the founders would be paying themselves from their own money to keep this going, not drawing on new cash inflows which would be needed to buy enough gold to back them. It can bee seen from the figure below that in the first 5 months of MBC the price rose

[28] https://www.cnbc.com/2020/02/11/ponzi-schemes-hit-the-highest-level-in-10-years.html#:~:text=by%20newer%20investors.-,Bernard%20Madoff%20ran%20the%20largest%20Ponzi%20scheme%20in%20history%2C%20a,to%20grant%20him%20early%20release.

over 400% while go was essentially flat. This would have been an expense promise to keep unless the founders expected MBC to fall in value consistently.



Source: Author's Data collection for MBC, LBMA for Gold data.

3. Regulatory Issues

MBC's major contribution to the history of the cryptocurrency market is that it happened to be one of the cases that helped define them as a commodity in terms of the regulatory environment. This didn't happen due to any special characteristic of MBC other than the attempt to get the company listed, which brought in regulators who began asking hard questions.

An area that still requires regulation is the holding of information on virtual currencies while they operate – as we have already discussed. Data on the price, transactions volume and any communications to investors need to be held and archived in a more systematic manner to allow regulators and customers alike to assess the coin.

A further issue relates to the information that continues to be listed about virtual currencies after they cease to exist. Many sites offering trading or information on cryptocurrencies continue to show the price for MBC as if there were an active market for it. If there is a price for MBC then there will also be information for other defunct virtual currencies. In October 2020 if you search for "MBC Value" in Google, you will be shown a Google snippet informing you that the coin is worth $310 according to crunchbase.com. That website does not mention any of the court cases being undertaken against MBC. Other crypto-sites such as coingecko.com do tell you the coin is now inactive but list a price of $191.74 throughout 2019 for the coin – even though MBC was defunct in early 2018. The final price from the MBC website we could see comes from an archived MBC webpage in January 2019, showing a price of $3.559 – a very precise number and very different to the two still-fuctioning websites listed here.

4. Conclusion

In many ways the story of MY Big Coin is the same as any supposed financial scam. It required that a financial market or product was in vouge and in high demand – especially from people

new to investing. The founders of MBC attracted investors who feared missing out on the next big crypto asset and believed MBCs claims that one day this would be the world's dominant virtual currency.

They pretended to be developing a commercial links to Mastercard and Visa, as well as being backed by $300 million in gold, to convince investors that they were legitimate. When they were confronted by disgruntled investors, they upped the ante by making bigger claims again: now the founders were in discussions with 22 South American countries to adopt My Big Coin to stabilise their economies.

In the end, given the outlandish nature of some their claims, it is surprising that they managed to get $6 Million from investors. If anything, it shows how much hype there was for crypto assets at the time. They seem to have only worked on promoting the coin from time to time – losing interest in their attempt to get listed on the C-CEX exchange and not checking in with new customers for 10 days at a time. Even their name choice has bothered us as we researched and wrote this chapter. It feels infantile.

As the cases against My Big Coin progress it will become clear whether the defendants intended fraud - or were just poor at running a business and were possibly surprised at their success in getting as much investment as they did.

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