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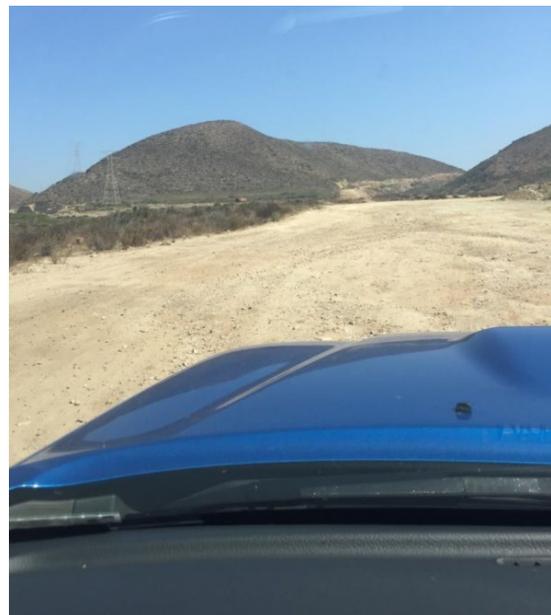
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Cleanspark (CLSK): Back to the Trash Can

We are short CleanSpark, Inc. (“CleanSpark”, “CLSK”, “the Company”) as we believe the Company is an insider enrichment scheme which, at every turn of its promotion, has vastly overstated or simply fabricated key elements of its business, including purported customers and contracts. We also find that CleanSpark is rife with undisclosed related party transactions that we believe have effectively siphoned capital from shareholders to the pockets of insiders. We believe CEO Zach Bradford and Chairman S. Matthew Schultz have habitually lied to investors and cannot be trusted, and CleanSpark stock is uninvestible.

CleanSpark’s promotional charade has spanned marijuana, clean energy, “SaaS”, electric vehicles, and, most recently, bitcoin. On December 10, 2020, the Company acquired a single data center in College Park, GA – ATL Data Centers, LLC. **CleanSpark touts that cost to mine is under \$6,000 per coin, yet we believe the Company hasn’t disclosed the potentially catastrophic information that this artificially low power cost may be set to expire in less than 3 years.** In August 2020, miner Marathon Patent Group announced its intention to acquire ATL, then known as Fastblock Mining. Marathon abandoned the acquisition in September 2020, after stating that it was “not economically feasible” to buy the asset due to its soon-expiring power agreement. In our view, this suggests that CleanSpark has simply rebranded an otherwise failed, podunk operation in service of a gutless promotion attempt. Indeed, ATL’s website wasn’t even created until just two days prior to its acquisition by CleanSpark. CleanSpark’s apparent lies and omissions aside, we think investors buying the stock for the Company’s mining capabilities are paying Porsche 911 prices for what amounts to a broken-down Toyota Corolla. ATL’s current capacity of just 3,471 ASICs, or 245 PH/s, is less than 10% of the mining power claimed by RIOT Blockchain (RIOT) or Marathon Patent Group (MARA). We view the Company’s claims to future energy savings at ATL as empty promises which read eerily similar to those made regarding its once-touted fake customer, Green Dragon.

Indeed, we think CleanSpark’s entire “business” has been built upon lies and deceit, and its real business is not in fabricating energy savings for customers, but in selling dreams to promote its worthless stock to investors. In August 2020, CleanSpark announced it would provide microgrids to “more than 400 unique residential resort properties,” of which 252 are at Valle Divino, Mexico. We visited Valle Divino, and despite these claims, the site was an empty wasteland:



CleanSpark's partner in this supposed venture, International Land Alliance Inc (ILAL), is a penny stock with less than one quarter worth of cash, a going concern warning, and California records show a record of default in September 2020. We think CleanSpark's relationship with ILAL is nothing more than an incestuous promotional stunt with zero attempt to ground their statements in reality.

Similarly, in January 2020, CleanSpark signed a Memorandum of Understanding (MOU) with Shoreline Schools which analysts claim could lead to \$2 million to \$3 million in revenues. We simply reached out to Shoreline, whose contact told us that the current plans contemplate just 3 switchgear units, or about ~\$300,000 in potential revenue to CleanSpark, a mere 10-15% of analyst claims, even if the contract is eventually awarded.

These fabrications and overstatements are nothing new; CleanSpark once claimed that it "designed a 'best-in-class'" microgrid solution for a cannabis operator, Green Dragon, yet we reached out to Green Dragon, which stated that it never saw the press release and has never paid CleanSpark for any services whatsoever. We also include those emails in this report.

Apart from the contracts that CleanSpark appears to have fabricated out of thin air, we've found multiple undisclosed related party transactions which have effectively funneled investor capital to the pockets of insiders.

On October 13, 2020, the Company stated it executed a \$1M contract with LAWCLERK. CleanSpark Chief Revenue Officer Amer Tadayon stated that "This contract renewal shows that not only can we [CleanSpark] attract new business, but we have also proven our value as a trusted partner with our clients." However, Tadayon himself is not only CleanSpark's CRO, [but is also listed as LAWCLERK's Chief Product Officer](#), which makes this a farcically egregious undisclosed related party transaction.

We see the entire February 2020 acquisition of p2k Labs, Inc. as another undisclosed related party transaction, as CleanSpark's CFO Lori Love is found on p2k's corporate documents since at least November 2018, well before joining CleanSpark and the p2k acquisition. In effect, CleanSpark appears to have purchased the side business of its CFO, with zero relevance to the Company's supposed clean energy mission.

Finally, p2k lists "customer case studies" on its website, yet these "customers" appear to exist only on paper, while CleanSpark's CRO Amer Tadayon and CleanSpark's CFO Lori Love control the entities. We believe this web of undisclosed relationships explains why CleanSpark decided to acquire this seemingly useless business.

We think CleanSpark is a perpetual promotion which serves primarily to enrich insiders. Management humors investors with so-called "conservative estimates," yet just 3 years ago, CleanSpark promised \$131 million of 2020 revenues vs. the \$10 million it produced, or an abhorrent 7.6% of this supposedly "conservative" figure. Nevertheless, this didn't stop CleanSpark executives from taking home \$6.2 million in compensation in 2020, while the Company also paid out \$6.5 million in "professional fees."

Despite management protestations that the Company will not further dilute shareholders, actions have spoken louder than words, as over the past 5 years, share count has exploded over 8.5x, while ATL Data Centers was acquired with a new \$19.4 million in capital above and beyond the \$40 million, October 2020 raise.

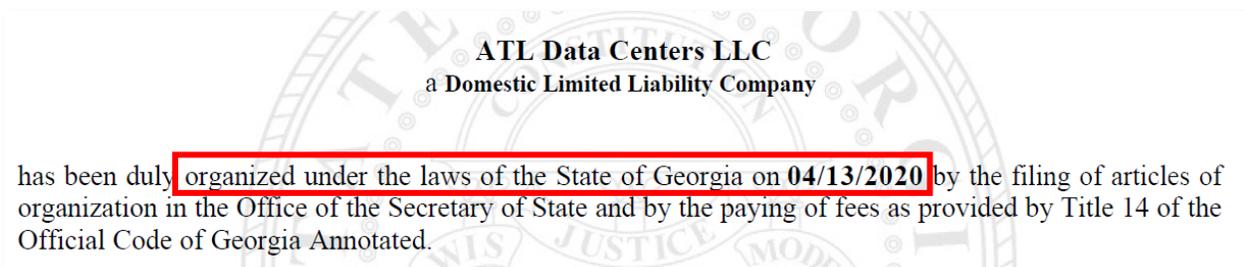
Meanwhile, undisclosed to current CleanSpark investors, CEO Zachary Bradford is paid handsomely for being apparently only a part-time CEO, as he also remains employed at Blue Chip Accounting, where he is the audit partner of a \$7 million cannabis-growing penny stock. Bradford has zero previous public company CEO experience.

He did, however, serve as CFO of a thrift store operation, Epic Stores, which went bankrupt. Moreover, Bradford's company-provided biography conspicuously omits the names of accounting firms he has worked for and founded, respectively: De Joya Griffith and Blue Chip Accounting. De Joya Griffith had an SEC enforcement action brought against it related to materially deficient audits of micro-cap mining shell companies "ripe for pump-and-dump," resulting in a 5-year SEC ban and De Joya surrendering its Nevada license. For Chairman Matthew Schultz's part, we were unable to verify that he obtained an undergraduate degree, despite his biography stating he "studied management and finance at Weber State University." We've found Schultz's professional career to be riddled with grandiose claims to shareholders that have ultimately resulted in a wake of losses. We don't think CleanSpark will end any differently.

CleanSpark's auditor, MaloneBailey LLP, was one of the largest auditors of Chinese reverse merger schemes, and has received numerous deficient PCAOB inspection reports. It recently audited CMG Holdings Group, Inc., which allegedly had over \$20 million stolen from its books. Finally, CleanSpark's former IR contact, who now runs promotional "conferences" for the Company, settled with the SEC in February 2020 for improperly disclosing his compensation tied to promotion of another penny stock. We think CleanSpark's executives, board, and backers lack any shred of credibility, this cash-burning company is worthless, and we are short.

We Think the Acquisition of ATL Data Centers is another Gutless Promotion Attempt

CleanSpark acquired ATL Data Centers, LLC on December 10, 2020. In the press release, CEO Zachary Bradford stated that: "We began early-stage analysis of ATL in February 2020 to evaluate expanding the facility's energy capacity and reducing energy costs." However, ATL wasn't created until April 13, 2020, per the State of Georgia:



The press release also notes ATL's website, www.atl-data.com, which we find **was registered on December 8, 2020, just two days prior to CleanSpark announcing the acquisition:**

Name: ATL-DATA.COM

Registry Domain ID: 2577179177_DOMAIN_COM-VRSN

Domain Status:
[clientDeleteProhibited](#)
[clientRenewProhibited](#)
[clientTransferProhibited](#)
[clientUpdateProhibited](#)

Nameservers:
NS13.DOMAINCONTROL.COM
NS14.DOMAINCONTROL.COM

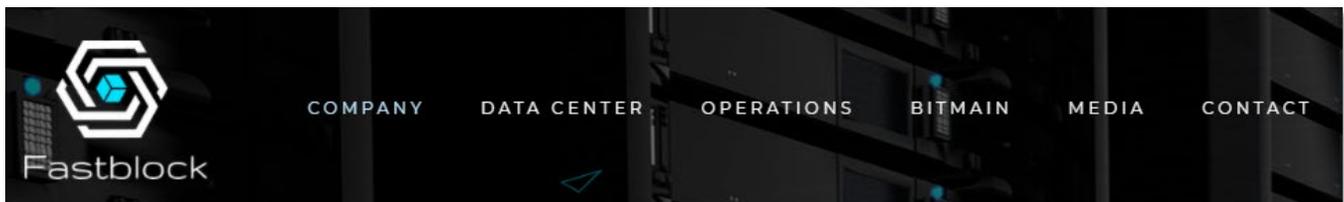
Dates

Registry Expiration: 2021-12-08 00:19:05 UTC

Created: 2020-12-08 00:19:05 UTC

The data center itself was previously held by Virtual Citadel, Inc. which initiated bankruptcy proceedings upon the death of its founder. Out of the bankruptcy process, the assets then appear to be owned by “Fastblock Mining,” whose principals were also listed principals of ATL Data Centers, LLC. See that ATL’s merely days-old website uses the same branding as Fastblock:

[Fastblock Mining](#) vs. [ATL Data Centers](#)



To us, this hasty rebranding was an attempt to dissociate ATL from its checkered history. In August 2020, Marathon [made an offer](#) to acquire Fastblock / ATL. However, in September 2020, Marathon [backed out](#) of the deal, citing the upcoming expiration of its power agreement:

“During its due diligence process, the Company discovered that the Power Agreement pursuant to which Fastblock would provide power at a subsidized rate of \$0.0285kWh, would expire in three years. The

Company and Fastblock were unsuccessful in attempts to extend the term of that agreement with the power provider to the 7–10 year Window which the Company would need for this acquisition to be economically feasible.”

In numerous press releases and promotional interviews, CleanSpark has touted that ATL’s mining operations are profitable with bitcoin prices above \$6,000. **However, CleanSpark has not disclosed to investors if it faces the same rate hike that made Marathon walk away.** CleanSpark’s potential lies of omission aside, we think investors buying CleanSpark for the Bitcoin-related hype are getting a broken-down Toyota Corolla, while CleanSpark claims it has a Porsche 911. ATL’s single measly warehouse has present capacity of just 3,471 ASIC miners and 245 PH/s, a fraction of miners such as RIOT Blockchain (RIOT) and Marathon Patent Group (MARA). At its valuation of \$1.0 billion, we find CleanSpark overvalued by 6x to 9x:

CleanSpark is Overvalued by 6x to 9x					
Company	Valuation (\$M)	Miners	PH/s	\$ per Miner	\$ per PH/s
Marathon	1,464	103,000	3,560	\$14,214	\$411,236
RIOT	1,613	37,640	3,800	\$42,853	\$293,684
CleanSpark¹	1,005	4,971	351	\$202,172	\$2,863,248

CleanSpark claims that ATL will act to demonstrate the Company’s clean energy capabilities, as it plans to build a microgrid “on top of” the data center, hence lowering its costs. To us, CleanSpark’s promises regarding this yet-to-be-constructed microgrid at ATL ring reminiscent of its short-lived foray into marijuana, when the Company also claimed to provide tremendous value to a cannabis operator, Green Dragon. As profiled later in this report, we believe CleanSpark’s Green Dragon claims were bold-faced-lies that have merely been recycled for ATL:

Is CleanSpark Simply Recycling the Same Lies from 3 Years Ago?	
Green Dragon Promises (October 2017)	ATL Data Center Promises (December 2020)
<p>“The first phase of the Green Dragon microgrid will employ solar, energy storage, and advanced controls to immediately reduce the monthly electricity bill of the indoor grow facility by 82%. Key to the system's aggressive payback schedule is CleanSpark's mPulse software that will virtually eliminate the demand charges which previously accounted for almost 50% of Green Dragon's monthly bill.”</p>	<p>“CleanSpark plans to deploy its software technologies and trade secrets to maximize energy savings, expand total power capacity, provide resilient electricity, and reduce greenhouse gas emissions. The Company anticipates that this will involve the design and installation of multiple microgrids at the facility.”</p>

ATL Data Centers Was Acquired with New Equity, Further Diluting Shareholders

¹ CleanSpark currently has 3,471 ASICs, while it has claimed to have ordered an additional 1,500. We have scaled up ATL’s current 245 PH/s to 351 PH/s to reflect these new orders. Valuations as of close 1/13/2021

Finally, we think CleanSpark has intentionally deceived investors regarding the Company's capital raises. Specifically, the release stated that: "This transaction represents the first strategic acquisition as part of a larger growth plan following CleanSpark's recent \$40M institutional investment." This language implies that the \$40 million raise was used to acquire ATL, in keeping with the Company's line that capital raises are only used for M&A. However, ATL was acquired with an entirely new share issuance, hence further diluting shareholders.

CleanSpark Habitually Fabricates and Overstates Claimed "Customers" and "Contracts"

CleanSpark Claims Microgrids at 252 Homes in Valle Divino. We Visited; It's a Wasteland

CleanSpark has touted contracts with International Land Alliance (OTC:ILAL), a \$13 million penny stock that we believe to be total vapor. CleanSpark signed its initial agreement with ILAL [in November 2019](#) in which it claimed "1,500 deployment sites ... will start later this year [2019] with two Villa's to be used as model home units ... the Company expects to realize revenues ranging from approximately \$2,000 to in excess of \$100,000 per property."

CEO Bradford referred to the agreement as "a game changer for us" and concurrent with the release, CleanSpark invested up to \$500,000 in ILAL. However, despite the claim of a "initial roll-out this year," so far as we can tell, CleanSpark has not yet deployed a single microgrid to any ILAL properties. Instead, in August 2020, CleanSpark announced that it was, "pleased to announce project deployments to be executed as part their exclusive [ILAL] agreement ... Under this phase International has agreed that CleanSpark will provide microgrid power solutions to more than 400 unique residential resort properties," of which 252 are cabins at Valle Divino and 152 are "luxury villas within the Plaza Bajamar project."

For its part, ILAL has twice stated that it has broken ground on Valle Divino, both in May 2019 and in July 2020:

International Land Alliance Announces Groundbreaking at Valle Divino

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May 22, 2019 09:00 ET | Source: International Land Alliance, Inc.

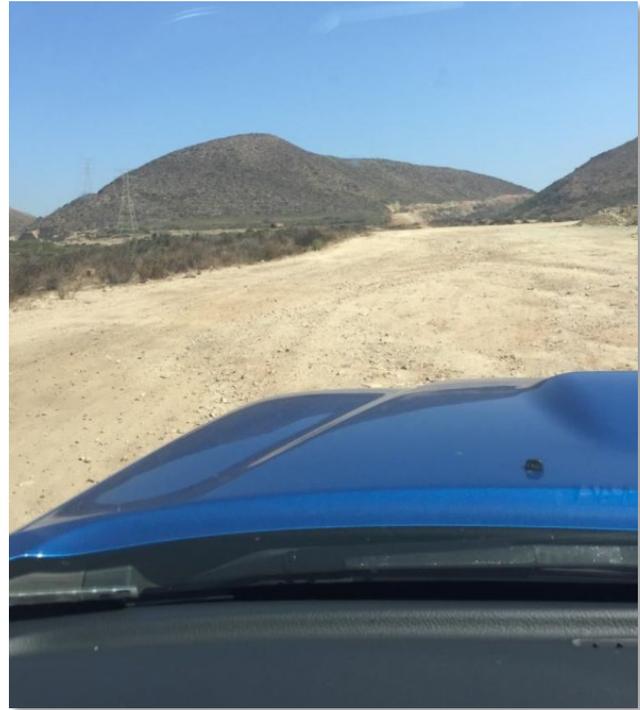
International Land Alliance Announces Groundbreaking at Valle Divino

f t in G+ p @ Email Print Friendly Share

July 14, 2020 09:00 ET | Source: International Land Alliance, Inc.

However, today, ILAL's [website](#) still offers only computer-generated renditions of the future development. Curious to see the progress that ILAL had made since the supposed July 2020 (or was it May 2019?) groundbreaking, **we**

visited the site of the supposed Valle Divino development ourselves, led by ILAL's own representatives. What we saw was zero construction, merely empty desert, representative of the Company's many empty promises:



As proof of our visit, here's the business card given to us by Mauricio Bustamante, [ILAL's Director of Sales](#):



We question under what conditions CleanSpark claimed that it has begun “project deployments” given that these homes are not even yet being built. These theoretical future developments also require capital, of which ILAL has almost none. ILAL has been consistently late on its filings since Q2 2018, and as of Q3 2020, has just \$16,221 in cash on its balance sheet. ILAL also holds a going concern warning, and in September 2020, [two Notices of Default were filed against ILAL](#) in Riverside County, California (document numbers 2020-0447477 and 2020-0412619).

It appears to us that CleanSpark and ILAL are partnering not in building anything of value, but in recycling vapid press releases and grandiose claims with little grounding in reality.

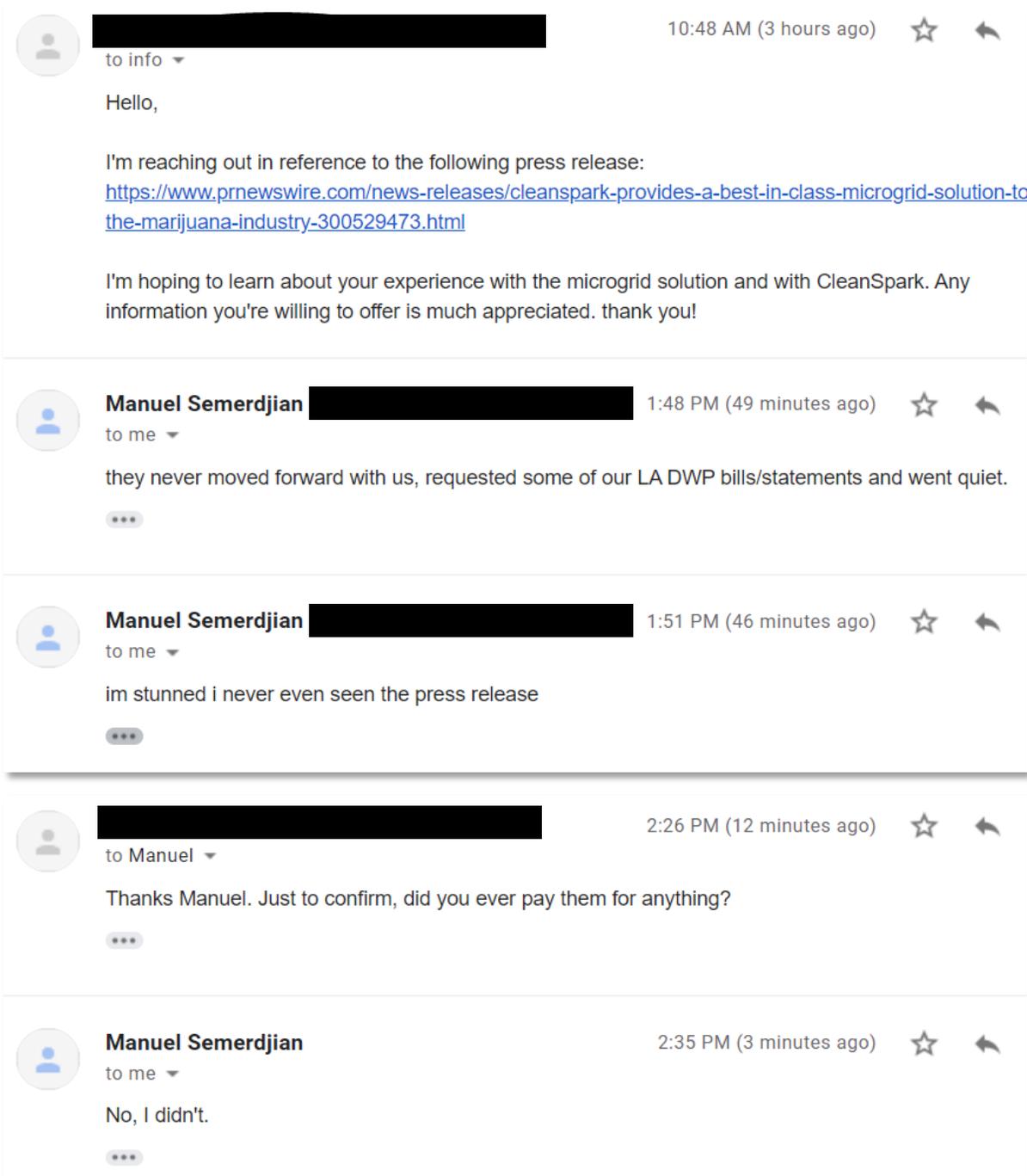
We Also Think CleanSpark Analysts Overstate Shoreline Schools Potential By 6x to 10x

In January 2020, CleanSpark [announced](#) it had executed an MOU with Shoreline Unified School District “to establish grid resiliency.” The release indicated that CleanSpark provided a feasibility study to the school, evaluating the potential of a microgrid. CleanSpark frequently touts its feasibility studies as a source of revenues, yet individuals familiar with the discussions indicated to us that in fact CleanSpark was only not paid for a study, but paid third party consultants to conjure a study on its behalf. CleanSpark then hopes that, armed with the study, the school will decide to construct a microgrid, wherein the Company can then sell its controllers and associated software.

To that end, HC Wainwright analysts [wrote](#) that “this project, if awarded and deployed, could generate around \$2-3M in revenues over the next few years.” However, our conversations with individuals involved on the project revealed that even if the school were to move forward with a project, the current discussions contemplate just deploying just 3 mPulse controllers at a cost of approximately \$100,000 each. **Thus, the potential revenue to CleanSpark is closer to \$300,000, a mere 10-15% of these estimates.**

Green Dragon Cannabis Relationship Was Apparently Fabricated: “I’m Stunned”

In October 2017, CleanSpark [claimed that](#) “Green Dragon, a Controlled Distribution Agriculture cannabis company based in North Hollywood, Calif., has contracted CleanSpark as their microgrid solutions provider.” CleanSpark further claimed that it could “immediately reduce the monthly electricity bill of the indoor grow facility by 82%.” Then in the Company’s [December 2018 annual update](#), it claimed that it had “designed a 'best-in-class' solution for the Cannabis market to meet the significant and growing energy demands of the industry.” We reached out to Green Dragon, hoping to learn more about their experience with CleanSpark and this supposed “best-in-class solution.” **Instead, Green Dragon’s founder told us that he was never a customer of CleanSpark’s, and was “stunned” to learn that he had been named as such by the Company:**



Nevertheless, press releases such as these allowed CleanSpark to attach itself to the cannabis sector, and led stock promoters to make claims such that CleanSpark is “[the best cannabis play](#) you’ve never heard of” and that CleanSpark is “[set to explode](#) with cannabis demand.” These promotional articles ring eerily familiar to those which now herald CleanSpark as a clean energy and bitcoin darling.

p2k Labs: An Undisclosed Related Party Acquisition Which Appears to Fake Customers

We think CleanSpark has pulled the wool over investors' eyes in its February 2020 acquisition of p2k Labs, which we've found is an undisclosed related party transaction that has apparently fabricated its customers. p2k provides outsourced web and app design and marketing services, what we view as commodity low-margin businesses far afield of the Company's stated mission. p2k's website lists customer logos, including Monster Shield and Cirrina Activewear, shown below. **However, Monster Shield, LLC is an Arizona corporation which lists CleanSpark Chief Revenue Officer Amer Tadayon as its sole member since February 2015. Tadayon was Founder and CEO of p2k Labs itself and is now CleanSpark's Chief Revenue Officer:**

p2K Labs Website:



The Monster Shield app is designed to help empower children to overcome their fears of the dark. Children and parents can use the app to scan the room for monsters, then turn on the wireless night light.

Corporate Registration:

MONSTER SHIELD, LLC

Company Number L19855842
 Incorporation Date 18 February 2015 (over 5 years ago)
 Company Type DOMESTIC L.L.C.
 Jurisdiction Arizona (US)
 Registered Address 9274 E VIA DE VAQUERO DR
 SCOTTSDALE, AZ 85255
 United States
Agent Name AMER TADAYON

We were unable to locate Monster Shield's supposed night light app on either the Android store or the Apple Store, while the company's [Facebook page](#) was last updated over 2 years ago. We also find Cirrina, Inc., a purported p2k customer, is run by Amer Tadayon and Lori Love, who is now CleanSpark's Chief Financial Officer:

p2K Labs Website:



Cirrina is a cutting edge activewear line where shoppers can choose to design and order apparel with custom designs, color and size. The p2klabs team designed the corporate identity and brand including brand name and logo. We also designed and built an enterprise class mobile app that is tied into a custom ecommerce engine and

Corporate Registration:

CIRRINA, INC.

Company Number E0116712016-6
 Native Company Number E0116712016-6
 Status Dissolved
 Incorporation Date 11 March 2016 (over 4 years ago)
 Company Type Domestic Corporation
 Jurisdiction Nevada (US)
 Agent Name GTG LLP
 Agent Address 650 WHITE DR STE 100, LAS VEGAS, NV, 89119
Inactive Directors / Officers AMER TADAYON, president
 AMER TADAYON, director
 GTG LLP, agent
 LORI L LOVE, secretary
 LORI L LOVE, treasurer

Similarly, were unable to find any independent Cirrina web presence apart from p2k's website. **Highly dubious "customers" aside, we feel this begs the question of why CleanSpark acquired p2k Labs, which has zero relation to the Company's supposed focus in "clean energy software."**

Moreover, p2k Labs [corporate documents](#) registered in Nevada in November 2018 [list current CleanSpark CFO Lori Love](#) as an officer of the business well before she [arrived at CleanSpark in October 2019](#), and well before CleanSpark closed on the acquisition of p2k Labs in February 2020:



As such, we view CleanSpark's acquisition of p2k Labs to be yet another undisclosed related party transaction which essentially funneled capital from the Company to the pockets of insiders.

CleanSpark's LAWCLERK Contract Is Another Undisclosed Related Party Transaction

On October 13, 2020, CleanSpark [claimed](#) to have executed a contract with LAWCLERK.LEGAL "valued in excess of \$1 million." The press release included a quote from CleanSpark's CRO and p2klabs founder Amer Tadayon, which stated, in part, "This contract renewal shows that not only can we attract new business, but we have also proven our value as a trusted partner with our clients." We find this laughable, as on LAWCLERK's [own website](#), Tadayon is shown as the company's Chief Product Officer:

Amer Tadayon Chief Product Officer

A seasoned executive and entrepreneur, Amer Tadayon is co-founder and CEO of p2k Labs, a design, technology and marketing agency. **As CPO of LAWCLERK, Amer brings more than 25 years of experience** in all facets of business including technology, marketing, sales and design. He has held leadership positions at Fortune 500 companies including IBM, Cognizant and Frog Design. He has also worked with major global brands such as Nike, MTV and Mattel.

Amer has led the development and technology team at LAWCLERK from its conception to the creation of its online marketplace. As the company expands into new markets, he oversees the crossover of design, technology, function and user experience to make sure the LAWCLERK marketplace is positioned to revolutionize the practice of law.

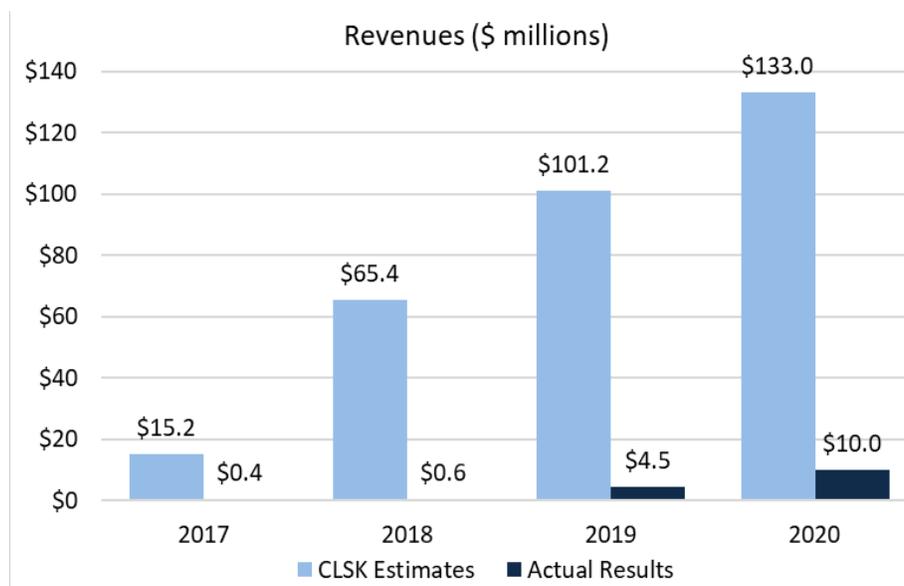
As such, it appears that when Tadayon refers to "our clients," he's referring to himself in the third person, as this contract is a blatantly obvious undisclosed related party transaction.

CleanSpark Claims to Make Conservative Estimates, Yet Falls Woefully Short

These either entirely fabricated or massively overstated contracts are the bedrock of CleanSpark’s claims to soon produce hockey stick-like revenue growth. For example, Chairman Shultz claimed at the September 2020 LD Micro conference that CleanSpark “tends to under-promise and over-deliver” on its estimates:

“We believe that our forecasted numbers, that we published even on this presentation, are very conservative. And as evidenced by our most recent quarterly filings, we generally tend to under-promise and over-deliver on those numbers.”

Despite Schultz’s protestations, CleanSpark has fallen laughably short of its long-term goals. For example, in its [January 2017 presentation](#) (page 21), CleanSpark touted a projected \$133 million in 2020 revenues. However, the Company recently announced just \$10 million in 2020 revenues, a groan-inducing 7.5% of the original claim:



Nevertheless, CleanSpark once again patronizes investors with grandiose claims as to future revenues:



CleanSpark's Core Business is Low-Margin Commodity Hardware Sales, Not Software

We also think CleanSpark's continual promotion of itself as a clean energy software darling are laughable at best. See for example an August 7, 2020 [interview](#) conducted by a 19-year-old, apparently out of his basement, in which Chairman Matt Schultz claimed numerous times that CleanSpark was a software story:

"What is CleanSpark? We're a software and technology company. And we've evolved to become a more pure software play out of necessity."

"What we're really good at is software. Software and controls, as well as data analytics and modeling."

"Our core competency is this disruptive software and technology approach, that will literally, in our opinion, change the face of the energy markets globally."

In its 2020 Form 10-K, "Software" is mentioned 92 times. In its September 2020 investor presentation, CleanSpark claims to be shifting to a SaaS business, leading to "profit expansion."



Unfortunately, CleanSpark cannot simply fabricate its own financial statements in the same way the Company appears to be doing for its customers and contracts. In 2020, the Company generated just 21% gross margins, which more closely resembles a commodity hardware business than a high-flying software company. The

Company also spent just \$163,918 in product development expenses, while in 2019 it recorded a \$6.9 million [impairment](#) (see pg. F-14) of both its mVSO and mPulse software assets.

While CleanSpark claims to be becoming a software company, its financial statements demonstrate it simply sells low-margin commodity hardware. Indeed, here are the products themselves:



Management Omits Previous Business Failures and Current Questionable Relationships

CleanSpark's CEO Zachary K. Bradford joined the Company in 2014 as CFO, and took the reins as CEO in October 2019. Prior to CleanSpark, the Company states of Bradford that: "He has also served as a partner in a public accounting and consulting firm in Henderson, Nevada since June 2013." Curiously, the name of Bradford's "public accounting and consulting firm" is never disclosed, though his [LinkedIn profile](#) states that he was Co-Founder of "Blue Chip Accounting, LLC" from February 2015 to the Present.

CEO Zachary Bradford Moonlights as the Auditor of a Microcap Cannabis Company

We find Blue Chip Accounting as listed as accountant for "LiveWire Ergogenics Inc." (OTC:LWVV) also located in Henderson, Nevada. The stock trades at \$0.006 per share and holds a \$7.2 million valuation. [LiveWire's website](#) refers to the Company as "focused on acquiring special purpose real estate properties conducive to producing high-quality handcrafted cannabis products for commercial medicinal and adult-use in California." LiveWire's recent [2020 offering documents reveal](#) that the company's auditor is none other than [Zach Bradford](#) himself:

Accountant or Auditor

Name:	Zach Bradford,
Firm:	BLUECHIP ACCOUNTING, LLC
Address 1:	
Address 2:	Henderson,
Phone:	702.625.6406
Email:	zach@consultbc.com

Though Bradford's LinkedIn profile lists that he remains presently employed at Blue Chip, CleanSpark's current disclosures refer to Bradford's relationship with Blue Chip in the past tense, and never disclose that Bradford is currently moonlighting as an auditor of a penny stock cannabis company.

Bradford's Prior Firm, De Joya Griffith, Was Banned from SEC Practice

Bradford was also an [auditor](#), at least in name, at De Joya Griffith & Company ("DJG"). The SEC brought an enforcement action against DJG in September 2015 related to materially deficient audits, which, [per the SEC](#), "amounted to no audits at all." These related to numerous microcap issuers, primarily purported mining companies which were in effect shells [which were](#) "ripe for pump-and-dump schemes." De Joya was thus banned for 5 years from SEC practices, and surrendered its Nevada license in December 2015.

Bradford was Previously CFO of Epic Stores, a Reverse Merger Which Went Bankrupt

Bradford was also CFO of Epic Stores, formerly "Be At EV, Inc." which went public through a reverse merger. Epic Stores operated at least 12 secondhand retail stores in 4 states. We find it a glaringly [obvious conflict of interest](#) that Epic Stores, where Bradford was CFO, was audited by Bradford's firm, Blue Chip Accounting. Nevertheless, Epic liquidated in July 2016 "due to a lack of funds necessary to continue operations..."

An Apparent College Dropout, Chairman Schultz is Desperate for Any Airtime He Can Get

We found it curious that Chairman S. Matthew Schultz's biography says nothing as to Schultz ever obtaining a college degree, unlike other board members. Instead, it states only that "he studied management and finance at Weber State University."

S. MATTHEW SCHULTZ CHAIRMAN AND DIRECTOR	LARRY MCNEILL DIRECTOR CHAIRMAN COMPENSATION COMMITTEE AUDIT COMMITTEE MEMBER	DR. THOMAS L. WOOD DIRECTOR COMPENSATION COMMITTEE MEMBER AUDIT COMMITTEE MEMBER	ROGER P. BEYNON DIRECTOR CHAIRMAN AUDIT COMMITTEE
<p>Matthew served as the Company's Chief Executive Officer from 2014 through October 2019 and has been involved in many capacities with several publicly traded companies. He served as the President and CEO of Amerigo Energy, Inc., creating multiple syndicated offerings of developmental oil production programs, as well as overseeing the operations from permitting through production. Since 1999, he has assisted numerous development and early stage companies to secure financing and experience significant growth. As the President of Wexford Capital Ventures, Inc., he was instrumental in funding companies both domestically and abroad. While serving as the Chairman of Pali Financial Group, Inc., he assisted in market development of dozens of public corporations. He was a founding member and the Vice President of the Utah Consumer Lending Association. A native of Lander, WY, he studied management and finance at Weber State University.</p>	<p>Larry has a master's degree in Business Administration from Armstrong University, a BA in Business Administration, Economics, and Russian language from Minnesota State University. Larry served as the Director of Safeway Grocery Stores, Inc.'s Consumer, Sales, and Store Location research departments where he was responsible for the expansion of Safeway in Europe, Australia and Canada. The Director of Market Research for A&P where he was responsible for the Company's expansion into Saudi Arabia. An Executive Officer of Smith's Food and Drug Centers for 17 years; most recently as the Senior Vice President of Corporate Development overseeing the Research, Real Estate, and Legal Departments. Mr. McNeill retired from Smith's Food & Drug Stores in 1996 after the Fred Meyer merger was completed.</p>	<p>Dr. Thomas L. Wood has a bachelor's degree in Civil Engineering, from Union College and master's degree in Civil Engineering from University of Maryland, College Park. Dr. Wood then obtained a Doctor of Business Administration degree from Argosy University, Honolulu. He has over 33 years of highly successful experience in operations, policy development, implementation, construction management, acquisition and budgeting. Dr. Wood previously served in the U.S. Navy rising to the role of Deputy Operations for the Navy's Pacific Engineering Command in which he was responsible for ensuring the successful execution through nine field offices of nearly \$1 billion annually in construction and services contracts. After leaving the U.S. Navy, Dr. Wood served as a Subject Matter Expert (SME) supporting the U.S. Pacific Command (USPACOM) Joint Interagency Coordination Group (JIACG) as a Sr. Military Analyst and continued as a civil servant in senior roles thereafter.</p>	<p>Roger P. Beynon, has a bachelor degree in accounting and a minor in banking and finance from Weber State University. He is an experienced CPA and managing partner of Beynon & Associates, a public accounting firm through which he has provided accounting and tax services to businesses since 1984. Mr. Beynon is a Certified Public Accountant (CPA) and Certified Fraud Examiner (CFE) and is a past president of the Utah Association of CPA's. Mr. Beynon is currently the chairman of the board of directors of Transwest Credit Union.</p>

We checked with the National Student Clearinghouse, which reported that they were unable to verify any degrees obtained. Schultz's business career is also far from illustrious, as we find his dealings show a pattern of grandiose promises that have been left by the wayside along with shareholder-dollars.

Schultz joined the board of Granite Energy in December 2005 onward, serving as CEO from August 2006 to December 2008. Again, we see grandiose claims from Granite. For example, in May 2007, Schultz's Granite Energy [acquired](#) "N-Tek", with Schultz claiming that:

“N-Tek shares our passion and complements our strengths: technology leadership and investor satisfaction ... Bringing these two companies together will allow us to transcend what we have accomplished as individual businesses, enabling us to create a foundation to grow and evolve into one of the leading oil and gas companies that is differentiated by solutions and choice.”

Granite also [acquired](#) CleanSpark’s now supposedly legendary “gasifier” technology in May 2007 and claimed that “Combined with Granite Energy’s recently acquired “Green Start” subsidiary, the potential exists to literally create fuels from municipal solid waste.” Despite these pie-in-the-sky assertions, the [SEC revoked](#) GreenStart’s registration status:

Greenstart, Inc. (CIK No. 1414630),² is a Nevada corporation located in Bountiful, Utah, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2009, which reported a net loss of over \$172,000 for the prior nine months.

In December 2008, Schultz [was then appointed](#) CEO of Amerigo Energy, Inc. His Company-provided bio boldly proclaims that he created “multiple syndicated offerings of developmental oil production programs, as well as overseeing the operations from permitting through production.”

Again unfortunately for Amerigo shareholders, this oil production program never bore fruit, as Amerigo was forced [to concede](#) in March 2011 that: “Due to the dismal performance from the company's oil and gas properties, Amerigo's management is currently evaluating multiple opportunities to increase shareholder value...”



We also find that Amerigo’s principals include Jason Griffith, of the aforementioned De Joya Griffith, the SEC-banned auditor where CleanSpark CEO Zach Bradford worked. Indeed, it appears that Schultz, Bradford, and Griffith have been involved in chicanery for years:

AMERIGO

Company Number E0027892008-8
Native Company Number E0027892008-8
Status Permanently Revoked
Incorporation Date 11 January 2008 (about 13 years ago)
Company Type Domestic Corporation
Jurisdiction Nevada (US)
Agent Name DE JOYA GRIFFITH, LLC
Agent Address 2580 ANTHEM VILLAGE DR, HENDERSON, NV, 89052

Inactive Directors / Officers

- DE JOYA GRIFFITH, LLC, agent
- JASON F GRIFFITH, secretary
- JASON F GRIFFITH, treasurer
- JASON F GRIFFITH, director
- MATTHEW SCHULTZ, president
- MATTHEW SCHULTZ, director

We also note that Amerigo also ties to OMNIQ Corp, Global Gaming & Technology Inc, Left Right Marketing Technology Inc, Quest Solution, and Strategic Gaming Investments, Inc.:

OMNIQ Corp. CIK#: 0000278165 (see all company filings)
 SIC: 7373 - SERVICES-COMPUTER INTEGRATED SYSTEMS DESIGN
 State location: UT | State of Inc.: DE | Fiscal Year End: 1231
 formerly: AMERIGO ENERGY, INC. (filings through 2014-05-22)
 formerly: GLOBAL GAMING & TECHNOLOGY INC (filings through 2003-05-13)
 formerly: LEFT RIGHT MAKETING TECHNOLOGY INC (filings through 2003-10-01)
 formerly: LEFT RIGHT MARKETING TECHNOLOGY INC (filings through 2006-04-24)
 formerly: Quest Solution, Inc. (filings through 2019-11-18)
 formerly: STRATEGIC GAMING INVESTMENTS, INC. (filings through 2008-11-12)
 (Office of Technology)

However, despite the various forms that Schultz-affiliated promotions has taken through the years, **it's evident to us that Schultz hasn't created any substantial public markets value, only a string of hollow promises which have left shareholders in the dust.** We don't believe that CleanSpark will be any different, and we don't think it's any coincidence that Schultz has already stepped aside as CEO of CleanSpark and moved to a Chairman role.

We find it incredibly telling that CleanSpark management, who now claim to be "changing the face of the energy markets globally," take time out of their busy schedules of fabricating customers and contracts to be interviewed by a 19-year-old on his YouTube channel:



Apparently, Chairman Schultz is so desperate to pump CleanSpark stock that he'll take any airtime he can get. In keeping with this promotional mantra, the same 19-year-old "interviewer" has also made unsubstantiated rumors that the Company is going to be acquired by Tesla:

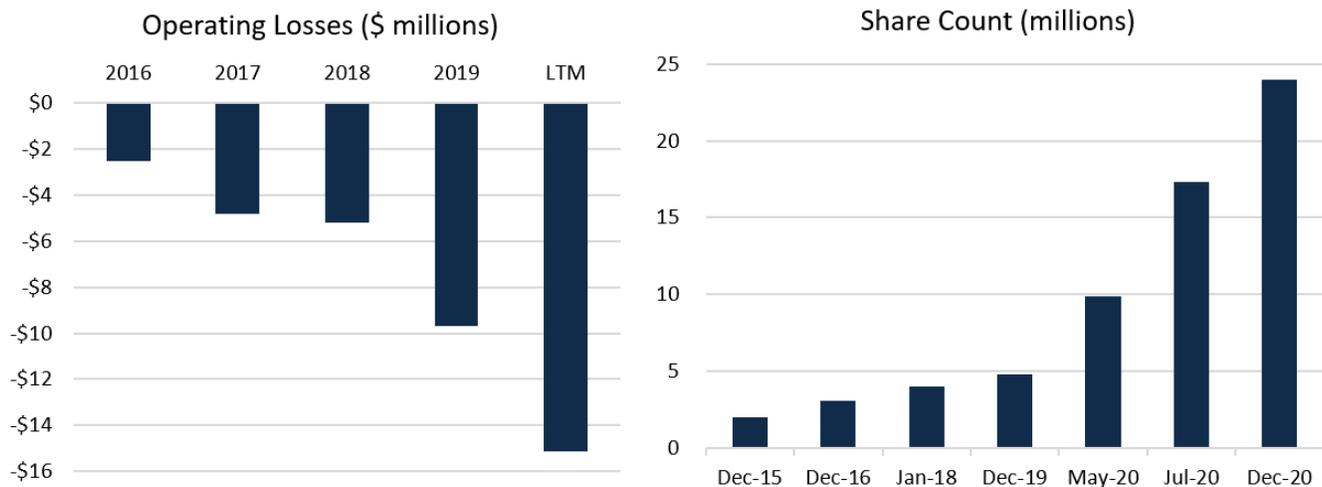


CleanSpark has also paid Water Tower Research for promotional services. Water Tower is run by Sean Severson, who received an [SEC administrative proceeding](#) in February 2020 for alleged violations regarding his promotional

services. We think if CleanSpark had a legitimate story to tell, it could do so without the services of a 19-year-old or an agent with SEC run-ins.

CleanSpark’s Cash Burning Charade Constantly Relies on Capital Raises

In 2020, CleanSpark executives took home \$6.2 million in disclosed compensation, while the Company also has “consulting agreements” with executives. Total “professional fees” were \$6.5 million in 2020, while the Company recorded \$6.8 million in payroll expenses and \$10.45 million in interest expenses. In our view, these are ridiculous sums in light of the Company’s paltry \$10.0 million in revenues. CleanSpark’s charade has burned over \$15 million in the last twelve months. As such, the Company consistently relies on the capital markets.



We think CleanSpark is a shameless stock promotion drummed up by Chairman Matthew Schultz and CEO Zach Bradford, who have consistently lied to investors so as to line their own pockets at the expense of everyday investors. While CleanSpark continues to burn cash, we don’t think Schultz, Bradford, or any of the Company’s empty promises can be relied upon, and we are short.