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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-18-2458-18-CO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) CONSENT ORDER  
)  
Broad Investments, LLC; )  
Guoyong Liu, )  
)  
Respondents. )  
)

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**INTRODUCTION**

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions (“Securities Division”) and the Respondents Broad Investments, LLC and Guoyong Liu hereby enter into this Consent Order in settlement of the matters alleged herein. The Respondents Broad Investments, LLC and Guoyong Liu neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

**FINDINGS OF FACT**

**Respondents**

1. Broad Investments, LLC (“Broad Investments”) is a Washington limited liability company formed on December 10, 2011. Broad Investments has a principal place of business in Bellevue, Washington. To date, Broad Investments has not provided any products or services for compensation.

2. Guoyong “Michael” Liu (“Liu”) is a resident of Sammamish, Washington. Liu is the CEO and Chief Financial Analyst of Broad Investments.

**Prior Enforcement Action**

3. On May 2, 2018, the State of Colorado, Securities Division, issued a Verified Petition for Order to Show Cause against Broad Investments, LLC and Guoyong Liu. The State of Colorado alleged that the

1 Respondents offered unregistered securities, in the form of an initial coin offering, on a website accessible to  
2 the general public, including to Colorado residents. On May 17, 2018, the Respondents entered into a  
3 Stipulation for Consent Cease and Desist Order with the State of Colorado, in which they neither admitted  
4 nor denied the allegations.

## 5 **Nature of the Conduct**

### 6 Background

7  
8 4. Respondent Liu co-founded Broad Investments in 2011. Broad Investments developed a  
9 proprietary investment strategy, Math Oriented Value Investing (“MOVI”), that combined the traditional  
10 value investing method with advanced mathematics. Broad Investments claimed that between October 2017  
11 and January 2018, their portfolio of stocks selected by the MOVI strategy outperformed the general stock  
12 market return by 47%.

### 13 Initial Coin Offering

14 5. On March 5, 2018, Broad Investments created a website that offered securities in the form of  
15 an initial coin offering (“ICO”). The Broad Investments website at <http://movi-invest.com> was accessible to  
16 the general public, including to Washington residents, until May 4, 2018. The website contained a description  
17 of the ICO and a white paper with additional information. Respondent Liu created the content of the website  
18 and the white paper.

19  
20 6. In April 2018, three individuals contacted Broad Investments via an email address provided on  
21 the website to request additional information regarding the ICO. Respondent Liu did not immediately review  
22 or reply to the emails. In June 2018, after the Securities Division’s investigation commenced, Respondent  
23 Liu replied to notify the individuals that the ICO was no longer being offered.

24 7. The ICO consisted of the sale of five hundred million tokens called “MVI Coins.” A pre-ICO  
25 sale of the tokens launched on April 16, 2018 and continued for one week (until April 22, 2018). The price

1 of the MVI Coins during the pre-ICO sale was \$0.03 per token. The ICO sale of MVI Coins commenced the  
2 following week, on April 23, 2018, and was planned to continue for five weeks (until May 27, 2018). The  
3 price of the MVI Coins during the ICO sale ranged from \$0.40 to \$0.70 per token.

4 8. The Respondents misleadingly represented that the tokens represented shares of stock in Broad  
5 Investments. In the white paper, MVI Coins were described as an “equity coin” and it was stated that “each  
6 coin represents a share of the Company.” It was further stated that “if you own a MVI Coin you own a share  
7 of Broad Investments, LLC.” Further, the Respondents represented in the white paper that the tokens had  
8 “the same functionality of common stock” and that the investors “also own the corresponding shares of the  
9 company and all its assets[.]” In fact, the tokens were not stock in the company and did not entitle investors  
10 to the same legal rights as stockholders.

11 9. The Respondents made misleading statements regarding the company’s executive team. The  
12 website included the names and photos of two individuals and represented that they were employed by Broad  
13 Investments as the “VP of Investments” and the “Chief Architect.” In fact, the individuals listed were not  
14 employed with Broad Investments and had no role in the company.

15 10. According to the website and white paper, 90% of the funds raised in the ICO would be used  
16 by Broad Investments to purchase stocks selected by the MOVI strategy, which would increase the value of  
17 the company and the value of the tokens. The Respondents also represented that the tokens would be tradeable  
18 on various exchanges where the value of the token would be determined by supply and demand.

19 11. The Respondents represented that the token investment was low risk because they offered a  
20 “Coin Buyback program” for investors. The white paper stated that Broad Investments would consider  
21 starting the buyback program if the price of the token fluctuated to a lower price than expected. The white  
22 paper further stated that Broad Investments could use the buyback program to return investor funds “if for  
23 any reason you are not happy[.]”  
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**Registration Status**

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12. Broad Investments, LLC is not currently registered to sell securities in the state of Washington and has not previously been so registered. There is no notification of exemption on file with the state of Washington.

13. Guoyong Liu is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

**CONCLUSIONS OF LAW**

1. The offer and/or sale of the tokens described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

2. Respondents Broad Investments, LLC and Guoyong Liu have each violated RCW 21.20.140, because as set forth in the Findings of Fact, Respondents offered and/or sold securities for which no registration is on file with the Securities Administrator.

3. Respondent Guoyong Liu has violated RCW 21.20.040 by offering and/or selling said securities while not registered as a securities salesperson or broker-dealer in the state of Washington.

4. Respondents Broad Investments, LLC and Guoyong Liu have each violated RCW 21.20.010, because as set forth in the Findings of Fact, they each made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

Based upon the foregoing and finding it in the public interest:

**CONSENT ORDER**

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2 IT IS AGREED AND ORDERED that the Respondents Broad Investments, LLC and Guoyong Liu  
3 shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities  
4 Act of Washington.

5 IT IS FURTHER AGREED AND ORDERED that the Respondent Guoyong Liu shall cease and desist  
6 from violating RCW 21.20.040, the securities salesperson and broker-dealer registration section of the  
7 Securities Act of Washington.

8 IT IS FURTHER AGREED AND ORDERED that the Respondents Broad Investments, LLC and  
9 Guoyong Liu shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the  
10 Securities Act of Washington.

11 IT IS FURTHER AGREED AND ORDERED that the Respondents Broad Investments, LLC and  
12 Guoyong Liu shall be jointly and severally liable for and shall pay the investigative costs incurred in the  
13 investigation of this matter in the amount of \$1,500 on or before the entry date of this Consent Order.

14 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

15  
16 IT IS FURTHER AGREED that the Respondents Broad Investments, LLC and Guoyong Liu enter  
17 into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

18 IT IS FURTHER AGREED that in consideration of the foregoing, the Respondents Broad  
19 Investments, LLC and Guoyong Liu each waive their right to a hearing and to judicial review of this matter  
20 pursuant to RCW 21.20.440 and Chapter 34.05 RCW.

21  
22 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

1 SIGNED this 24th day of March, 2019.

2 Approved for Entry by:

3 \_\_\_\_\_/s/\_\_\_\_\_  
4 Wright A. Noel, Attorney for Respondents  
5 Washington State Bar No. 25264

6 Signed by:

7 Broad Investments, LLC

8  
9 \_\_\_\_\_/s/\_\_\_\_\_  
10 Guoyong Liu  
11 CEO

12 Signed by:

13 \_\_\_\_\_/s/\_\_\_\_\_  
14 Guoyong Liu, Individually

15  
16 DATED AND ENTERED this 1st day of April, 2019.

17  
18 By:   
19

20 \_\_\_\_\_  
21 William M. Beatty  
22 Securities Administrator

23 Approved by:

24 

25 \_\_\_\_\_  
Suzanne Sarason  
CONSENT ORDER

Presented by:



\_\_\_\_\_  
Bridgett Fisher

Chief of Enforcement

Financial Legal Examiner

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Reviewed by:



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Robert Kondrat  
Financial Legal Examiner Supervisor