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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Stocktradefxt;

Respondent.

Order No. S-21-3185-21-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER TO
CEASE AND DESIST, TO IMPOSE FINES, AND TO
CHARGE COSTS

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THE STATE OF WASHINGTON TO:

Stocktradefxt

On January 1, 2022, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose a Fine, and to Charge Costs, Order No. S-21-3185-21-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were served on Respondent Stocktradefxt, on January 26, 2021. The Notice advised Respondent Stocktradefxt that the Application must be received within twenty days from the date of service. Respondent Stocktradefxt failed to request an administrative hearing within twenty days of service.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent Stocktradefxt to cease and desist from violations of the Securities Act, and to impose the fines and costs sought in the Statement of Charges.

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FINDINGS OF FACT

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Respondent

1. Stocktradefxt (Stocktradefxt.com) is an unincorporated entity that holds itself out as a cryptocurrency trading platform with its principal place of business purportedly in Miami, Florida. Stocktradefxt falsely lists a certificate of incorporation with the Registrar of Companies for England and

1 Wales with a Company number of 11445991 under the name of 24EXPERTCOIN LIMITED. However, the
2 Company number 11445991 was previously registered to a separate, now-defunct, company not listed under
3 either of the above-referenced names.

4 **Overview**

5 2. From approximately April 2021 to July 2021, Stocktradefxt defrauded approximately \$17,000
6 from C.P., a Washington resident, by making false or misleading claims about its cryptocurrency trading
7 platform and offerings. Specifically, Stocktradefxt defrauded C.P. when a Stocktradefxt account manager
8 told C.P. that they could make investors a minimum return of 70% on their initial investment¹ on a weekly
9 basis. Based on this information, C.P. invested \$1000 of Bitcoin with Stocktradefxt. When C.P. attempted
10 to withdraw a portion of their purported profits, Stocktradefxt charged C.P. a sequence of previously
11 undisclosed fees (i.e., fees that must be made prior to withdrawing investment profits) which C.P. paid in
12 Bitcoin. As of the effective date of this Final Order, Stocktradefxt has not made any payments to C.P.

13 **Nature of the Conduct**

14 3. C.P. is a member of a Twitter community for persons interested in trading Dogecoin, and had,
15 in late 2020, become interested in investing in cryptocurrency. C.P. stated that they were contacted via Twitter
16 by a now-presumed Stocktradefxt affiliate claiming to be named Alicia Dora Montenegro (“Montenegro”).²
17 Montenegro recommended that C.P. invest with Stocktradefxt, claiming she makes nearly \$25,000 per week
18 by investing with Stocktradefxt account manager Leise Doyle (“Doyle”). In April 2021, C.P. contacted Doyle
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21 ¹ Securities regulators have consistently warned that advertisements of even double-digit annual returns should be treated with
22 suspicion. For instance, the Securities and Exchange Commission warns, “[p]romises of consistent double-digit returns are
23 consistently frauds.” Securities and Exchange Commission, “Investing Smart from the Start: Five Questions to Ask Before You
Invest,” Dec. 14, 2009, available at <https://www.sec.gov/reportspubs/investor-publications/investorpubsfivequestionshtm.html>

1 on Twitter to inquire about Stocktradefxt’s trading platform. Doyle’s Twitter handle @Trading_Ideas6, has
2 since been suspended.

3 4. Doyle told C.P. that she works for Stocktradefxt and that if C.P. invests with her, C.P. could
4 get a great return on their investment. As an example, Doyle told C.P. that new investors who have tried
5 Stocktradefxt invested \$50,000 and made over \$200,000 at the end of their respective one-week “trading
6 cycles.” Doyle told C.P. that Stocktradefxt operated on a one-week “trading cycle,” meaning that after an
7 investor transfers money to Stocktradefxt, an investor could not withdraw their profits until one week had
8 passed. To the Securities’ Division knowledge, the term “trading cycle” is not used in the financial industry
9 and appears to an arbitrary limitation on the withdrawal of an investor’s funds that is not tied to market
10 performance.

11 5. Doyle told C.P. that the greater the amount of the investment, given the same amount of returns,
12 the bigger profit they will make. Doyle told C.P. that she gives her investors a minimum return of 70% on
13 their investment on a weekly basis. Doyle told C.P. that Stocktradefxt utilizes investor funds to make trades
14 in Forex and cryptocurrency to generate profit for investors. Doyle told C.P. that she would handle all trading
15 for C.P. Doyle told C.P. that in order to have Stocktradefxt invest on their behalf, C.P. would need to
16 download a cryptocurrency wallet app, Coinbase, and transfer a certain amount of Bitcoin funds into a
17 Stocktradefxt wallet. Doyle did not provide specifics to C.P. as to the commission fee structure, nor did she
18 provide C.P. with any documents or disclosures regarding investing with Stocktradefxt.

19 6. Stocktradefxt’s website indicated that it had been in business for six years and claimed,
20 “Ventures with Stocktradefxt . . . are moderate and safe. Stocktradefxt has been doing business since 2015
21 and accomplished brilliant outcomes.” Further, the website claimed, “We will probably accomplish the most
22 astounding profit from the movement for the outside case trade (Forex) and Digital money trade markets.”
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1 7. C.P. established an account on Stocktradefxt’s website in mid-May 2021, purchased \$1000 of
2 Bitcoin, and then transferred it to a cryptocurrency wallet maintained by Stocktradefxt. C.P. did not direct or
3 manage any cryptocurrency trades with these funds, but relied on Stocktradefxt to do so. After one week,
4 C.P.’s online Stocktradefxt account showed that their initial \$1000 investment had increased in value to
5 approximately \$14,800. Doyle led C.P. to believe that they would be able to make withdrawals from their
6 account at any time after the one-week trading cycle.

7 8. C.P. then inputted their bank account information, including routing and account number, on
8 the Stocktradefxt website, and submitted a withdrawal request for \$7,000. However, when C.P. attempted to
9 withdraw their earnings from the account, C.P. received an email from Stocktradefxt, stating that there was a
10 fee to pay before their withdrawal could be processed. Over the course of the next two (2) months,
11 Stocktradefxt told C.P. to make a series of fee and commission payments totaling nearly \$17,000 prior to
12 being able to withdraw their profits, which C.P. paid.

13 9. Neither Stocktradefxt nor Doyle had previously disclosed to C.P. the additional fees or that the
14 commission fee must be paid upfront and could not be paid utilizing C.P.’s investment profits. C.P. reached
15 out to Doyle on multiple occasions during this time frame regarding these fees and Doyle told C.P. that these
16 fees were customary and must be paid prior to making any withdrawals. Soon after contacting Doyle, Doyle
17 became unresponsive on social media accounts and did not respond to C.P.

18 10. In soliciting C.P. to invest in its cryptocurrency trading program, Stocktradefxt misrepresented
19 or failed to disclose material information. In addition to its failure to disclose the withdrawal fee discussed
20 above, Stocktradefxt failed to disclose any information about its cryptocurrency trading strategy, including
21 how the strategy worked generally, how it could earn a 70% return in one week, and any risks associated with
22 earning such a return.

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1 11. Stocktradedfxt failed to respond to a subpoena from the Securities Division for information
2 concerning its transactions with Washington residents. Additionally, although its purported location is at a
3 business address in Miami, IP address information provided by Stocktradedfxt's domain registrar indicates that
4 the site is operated from an African IP address, most likely Nigeria. The Securities Division was also unable
5 to find any record showing that Stocktradedfxt is registered with any US financial authority.

6 **Registration Status**

7 12. Stocktradedfxt is not, and has never been, registered in any capacity in the State of Washington,
8 including as a broker-dealer or investment adviser.

9 13. Stocktradedfxt's cryptocurrency trading program is not registered as a security in the State of
10 Washington.

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

12 **CONCLUSIONS OF LAW**

13 1. The offer and/or sale of the cryptocurrency trading program described above constitutes the
14 offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

15 2. Stocktradedfxt has violated RCW 21.20.140, because, as set forth in the Tentative Findings of
16 Fact, it offered and/or sold securities for which no registration is on file with the Securities Administrator.

17 3. Stocktradedfxt violated RCW 21.20.010, because, as set forth in the Tentative Findings of Fact,
18 it made untrue statements of material fact or omitted to state material facts necessary to make the statements
19 made, in light of the circumstances in which they were made, not misleading.

20 Based upon the foregoing and finding it in the public interest:
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1 **FINAL ORDER**

2 IT IS ORDERED that Respondent Stocktradefxt, and its agents and employees, shall cease and desist
3 from offering and/or selling securities in any manner in violation of RCW 21.20.140, the registration section
4 of the Securities Act of Washington.

5 IT IS FURTHER ORDERED that Respondent Stocktradefxt, and its agents and employees, shall cease
6 and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

7 IT IS FURTHER ORDERED that Respondent Stocktradefxt shall be liable for and pay a fine in the
8 amount of \$20,000.

9 IT IS FURTHER ORDERED that Respondent Stocktradefxt shall be liable for and pay investigative
10 costs in the amount of \$1,250.

11 **AUTHORITY AND PROCEDURE**

12 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
13 provisions of RCW 21.20.440 and Chapter 34.05 RCW. Respondents have the right to petition the superior
14 court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the
15 requirements for judicial review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a
16 certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the
17 same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied
18 in like manner.

19 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

20 SIGNED and ENTERED this 11th day of March, 2022.


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William M. Beatty
Securities Administrator

Approved by:

Presented by:



Brian Guerard
Chief of Enforcement

James M. Kane
Financial Legal Examiner

Reviewed by:



Adam N. Yeaton
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