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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:

Debtix Enterprise Ltd. d/b/a Coinchainbtc.com,

Respondent.

Order No. S-21-3081-21-SC01

STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND
DESIST, TO IMPOSE A FINE, AND TO CHARGE
COSTS

THE STATE OF WASHINGTON TO: Debtix Enterprise Ltd. d/b/a Coinchainbtc.com

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondent Debtix Enterprise Ltd. d/b/a Coinchainbtc.com violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order against Respondent Debtix Enterprise Ltd. d/b/a Coinchainbtc.com to cease and desist from such violations, to impose a fine, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

1. Debtix Enterprise Ltd. d/b/a Coinchainbtc.com holds itself to be a “Crypto-Forex trading company” that offers “profitable Crypto-Forex investment solutions.” Coinchainbtc.com uses a United Kingdom (UK) address in Oxford that is a virtual office. Debtix Enterprises Ltd. is believed to be a UK company that was incorporated on April 22, 2016 and dissolved on September 26, 2017.

1 **Nature of the Conduct**

2 2. Between December 2020 and January 2021, a student at the University of Washington in
3 Seattle lost over \$10,000 through cryptocurrency investments that were made with Coinchainbtc.com.
4 Coinchainbtc.com claimed to offer “highly profitable investment plans” with “guaranteed profits” that
5 could be earned within days. The Washington investor has been unable to withdraw most of his investment
6 funds and he has lost nearly all of his life savings.

7 3. In December 2020, the Washington investor was solicited through a Telegram chat that used
8 the name “Wall Street Academy.” A Coinchainbtc.com account manager posted a message stating that he
9 offered investment plans and would trade for investors. The Washington investor began communicating
10 with the account manager through WhatsApp and also received information through the Coinchainbtc.com
11 website.

12 4. Coinchainbtc.com claimed to have a professional team of traders and financial analysts that
13 invested funds for investors in foreign exchange and cryptocurrency markets. Coinchainbtc.com claimed
14 to have invested more than six billion dollars from investors in 40 markets worldwide. A Coinchainbtc.com
15 representative stated that he would set up an account for the investor and would conduct all of the trades
16 for him. The Washington resident was a passive investor and had no control over the trades that were made
17 in his account. The Coinchainbtc.com website represented that investors “can earn a huge sum of money
18 without any efforts. [sic] Simply deposit money and wait.”

19 5. The Coinchainbtc.com account manager represented that the investor would earn returns of
20 800% or more within days. The account manager stated that the Washington investor would earn
21 “guaranteed profits” that could be withdrawn every fourteen days. According to a schedule that was posted
22 on Telegram, a \$500 investment would be worth \$5,300 in fourteen days, and a \$10,000 investment would
23

1 be worth \$90,000 in fourteen days. The Coinchainbtc.com website stated: “GET YOUR BITCOINS
2 DOUBLED” and “the more you deposit, the more you earn.”

3 6. Coinchainbtc.com instructed the Washington investor to transfer Bitcoin to specified wallet
4 addresses. Between January 4 and January 15, 2021, the Washington investor transferred a total of
5 approximately \$11,000 worth of Bitcoin to those wallet addresses. Coinchainbtc.com also provided the
6 Washington investor with a user name and password so that he could log into an online account using the
7 company’s website. Through this online account, the Washington investor was led to believe that his
8 account had grown to over \$70,000.

9 7. Coinchainbtc.com made misrepresentations on its website regarding the risk of the
10 investment. Coinchainbtc.com claimed that it offered a “no risk investment solution.” A Frequently Asked
11 Questions (FAQs) section of the website stated:

12 Could I lose my investment with coinchainbtc.com? No. We have established a robust
13 financial strategy to ensure that our clients enjoy a no risk investment solution that delivers
14 continual growth and total peace of mind.

15 The website also stated: “We protect your principal investment and we guarantee returns via our unique
16 investment platform.” In truth, investors faced the risk of a total loss. As described below, the Washington
17 investor was unable to withdraw most of the funds in his account.

18 8. Shortly after making his investments, the Washington investor discovered that the company’s
19 phone number did not work. Coinchainbtc.com claimed on its website that “You can get your profit at any
20 moment.” In fact, when the Washington investor attempted to withdraw funds from his account, he received
21 messages from Coinchainbtc.com with various excuses for why he could not withdraw his funds.
22 Coinchainbtc.com directed the investor to transfer an additional \$3,000 in Bitcoin to purportedly pay fees
23 to the Internal Revenue Service (IRS). The Washington investor was only able to withdraw approximately

1 \$10 from his account. When the Washington investor attempted to withdraw other funds from his account,
2 he was told that his request could not be processed.

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

4 **CONCLUSIONS OF LAW**

5 1. The offer and/or sale of the investments described above constitutes the offer and/or sale of a
6 security as defined in RCW 21.20.005(14) and (17).

7 2. Debtix Enterprise Ltd. d/b/a Coinchainbtc.com violated RCW 21.20.010, the anti-fraud
8 section of the Securities Act of Washington, by making untrue statements of material fact or omitting to
9 state material facts necessary to make the statements made, in light of the circumstances in which they were
10 made, not misleading.

11 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

12 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
13 Law, the Securities Administrator intends to order Debtix Enterprise Ltd. d/b/a Coinchainbtc.com, and their
14 agents and employees, to each permanently cease and desist from violating RCW 21.20.010.

15 **NOTICE OF INTENT TO IMPOSE A FINE**

16 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
17 the Securities Administrator intends to order that Debtix Enterprise Ltd. d/b/a Coinchainbtc.com shall be
18 liable for and shall pay a fine of \$10,000.

19 **NOTICE OF INTENT TO CHARGE COSTS**

20 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
21 the Securities Administrator intends to order that Respondent Debtix Enterprise Ltd. d/b/a
22 Coinchainbtc.com shall be liable for and for and shall pay the costs, fees, and other expenses incurred in
23 the administrative investigation and hearing of this matter, in an amount not less than \$1,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. Respondent Debtix Enterprise Ltd. d/b/a Coinchainbtc.com may make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

SIGNED and ENTERED this 24th day of September, 2021.



William M. Beatty
Securities Administrator

Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Robert Kondrat
Financial Legal Examiner