

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

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

7 Stocktradefxt;

8 Respondent.

Order No.: S-21-3185-21-SC01

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

9 THE STATE OF WASHINGTON TO:

Stocktradefxt

10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the State of Washington has reason to believe
12 that Respondent Stocktradefxt has violated the Securities Act of Washington. The Securities Administrator
13 believes those violations justify the entry of an order against the Respondent to cease and desist from such
14 violations and to charge costs pursuant to RCW 21.20.390, and under RCW 21.20.395 to impose a fine. The
15 Securities Administrator finds as follows:

16 **TENTATIVE FINDINGS OF FACT**

17 **Respondent**

18 1. Stocktradefxt (Stocktradefxt.com) is an unincorporated entity that holds itself out as a
19 cryptocurrency trading platform with its principal place of business purportedly in Miami, Florida.
20 Stocktradefxt falsely lists a certificate of incorporation with the Registrar of Companies for England and
21 Wales with a Company number of 11445991 under the name of 24EXPERTCOIN LIMITED. However, the
22 Company number 11445991 was previously registered to a separate, now-defunct, company not listed under
23 either of the above-referenced names.

1 **Overview**

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

11 **Nature of the Conduct**

12 3. C.P. is a member of a Twitter community for persons interested in trading Dogecoin, and had,
13 in late 2020, become interested in investing in cryptocurrency. C.P. stated that they were contacted via Twitter
14 by a now-presumed Stocktradefxt affiliate claiming to be named Alicia Dora Montenegro (“Montenegro”).²
15 Montenegro recommended that C.P. invest with Stocktradefxt, claiming she makes nearly \$25,000 per week
16 by investing with Stocktradefxt account manager Leise Doyle (“Doyle”). In April 2021, C.P. contacted Doyle
17 on Twitter to inquire about Stocktradefxt’s trading platform. Doyle’s Twitter handle @Trading_Ideas6, has
18 since been suspended.

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

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

17 6. Stocktradefxt’s website indicated that it had been in business for six years and claimed,
18 “Ventures with Stocktradefxt . . . are moderate and safe. Stocktradefxt has been doing business since 2015
19 and accomplished brilliant outcomes.” Further, the website claimed, “We will probably accomplish the most
20 astounding profit from the movement for the outside case trade (Forex) and Digital money trade markets.”

21 7. C.P. established an account on Stocktradefxt’s website in mid-May 2021, purchased \$1000 of
22 Bitcoin, and then transferred it to a cryptocurrency wallet maintained by Stocktradefxt. C.P. did not direct or
23 manage any cryptocurrency trades with these funds, but relied on Stocktradefxt to do so. After one week,

1 C.P.'s online Stocktradefxt account showed that their initial \$1000 investment had increased in value to
2 approximately \$14,800. Doyle led C.P. to believe that they would be able to make withdrawals from their
3 account at any time after the one-week trading cycle.

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

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

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

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

3 **Registration Status**

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

6 13. Stocktradefxt's cryptocurrency trading program is not registered as a security in the State of
7 Washington.

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

9 **CONCLUSIONS OF LAW**

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

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

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

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

18 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
19 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondent, Stocktradefxt, and its agents
20 and employees, each shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.140.

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1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
3 the Securities Administrator intends to order that Respondent, Stocktradefxt, shall be liable for and shall pay
4 a fine of \$20,000.

5 **NOTICE OF INTENT TO CHARGE COSTS**

6 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
7 the Securities Administrator intends to order that Respondent, Stocktradefxt, shall be liable for and shall pay
8 the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in
9 an amount not less than \$1,250.

10 **AUTHORITY AND PROCEDURE**

11 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
12 to the provisions of Chapter 34.05 RCW. The Respondent, Stocktradefxt, may make a written request for a
13 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
14 HEARING accompanying this Order. If a Respondent does not make a hearing request in the time allowed,
15 the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law
16 as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought
17 against that respondent, and to charge any costs sought against that Respondent.

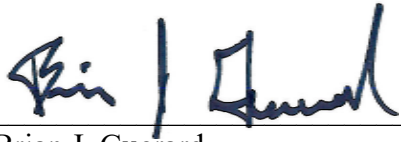
18 Signed and Entered this 1st day of January , 2022.

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22 William M. Beatty
23 Securities Administrator

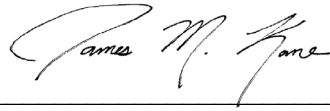
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Approved by:



Brian J. Guerard
Acting Chief of Enforcement

Presented by:



James M. Kane
Financial Legal Examiner

Reviewed by:



Adam N. Yeaton
Acting FLE Supervisor