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MELISSA TYROCH
MEMBER

IN THE MATTER OF §
BINARY TRADE FOREX, FX TRADES AND §
IQTRADE §

Order No. ENF-20-CDO-1825

BINARY TRADE FOREX

Service by certified mail, return receipt requested, addressed to (1) 189 Laurel Lane, Valentine, Texas 79854; (2) care of WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for its Website at PO Box 0823-03411, Panama City, Panama; (3) care of Quijano & Associates, the attorneys for WhoisGuard, at Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama; (4) care of Namecheap, Inc., the Registrar of its website, at 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034; and (5) 25 Cabot Square, Canary Wharf, London E144Q4.

FX TRADES

Service by certified mail, return receipt requested, addressed to (1) 189 Laurel Lane, Valentine, Texas 79854; (2) care of WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for its Website at PO Box 0823-03411, Panama City, Panama; (3) care of Quijano & Associates, the attorneys for WhoisGuard, at Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama; (4) care of Namecheap, Inc., the Registrar of its website, at 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034; and (5) 3359 Broad Street, Birmingham, Alabama 35215.

IQTRADE

Service by certified mail, return receipt requested, addressed to (1) 189 Laurel Lane, Valentine, Texas 79854; (2) care of WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for its Website at PO Box 0823-03411, Panama City, Panama; (3) care of Quijano & Associates, the attorneys for WhoisGuard, at Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama; (4) care of Namecheap, Inc., the Registrar of its website, at 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034; and (5) 3359 Broad Street, Birmingham, Alabama 35215.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stats. Ann. arts. 581-1 - 581-45 (the "**Securities Act**").

The Staff of the Enforcement Division of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. Binary Trade Forex, FX Trades and IQtrade are engaging in an illegal online scheme to fraudulently sell investment plans tied to forex, binary options, and cryptocurrencies.
2. To add legitimacy to the scheme, Binary Trade Forex, FX Trades and IQtrade are falsely claiming to be licensed and regulated by the Isle of Man Gambling Supervision Commission.
3. The parties are also concealing highly material information, such as the identity of the principals of the firms and their business plans and strategies for actually earning profits. The parties are also using phony or non-existent addresses or otherwise concealing their actual location.
4. The Securities Commissioner is entering this Emergency Cease and Desist Order to stop the illegal and fraudulent securities offering and protect Texans from immediate and irreparable harm.

RESPONDENT BINARY TRADE FOREX

5. Binary Trade Forex ("**Respondent Binary Trade Forex**") maintains a website accessible at www.binarytradeforex.com (the "**Binary Trade Forex Website**").
6. The Binary Trade Forex Website represents it maintains addresses at 189 Laurel Lane, Valentine, Texas 79854, and 25 Cabot Square, Canary Wharf, London E144Q4.
7. WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for the Binary Trade Forex Website. It can be contacted at PO Box 0823-03411, Panama City, Panama, and through Quijano & Associates at the Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama.
8. Namecheap, Inc. is the Registrar of the Binary Trade Forex Website and its address is 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034.

RESPONDENT FX TRADES

9. FX Trades ("**Respondent FX Trades**") maintains a website accessible at fxtrades.online (the "**FX Trades Website**").
10. The FX Trades Website represents it maintains addresses at 189 Laurel Lane, Valentine, Texas 79854 and 3359 Broad Street, Birmingham, Alabama 35215.
11. WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for the FX Trades Website. It can be contacted at PO Box 0823-03411, Panama City, Panama, and through Quijano & Associates at the Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama.
12. Namecheap, Inc. is the Registrar of the FX Trades Website and its address is 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034.

RESPONDENT IQTRADE

13. IQtrade ("**Respondent IQtrade**") maintains a website accessible at iqtrade.online (the "**IQtrade Website**").
14. The IQtrade Website represents it maintains addresses at 189 Laurel Lane, Valentine, Texas 79854 and 3359 Broad Street, Birmingham, Alabama 35215.
15. WhoisGuard, Inc., is the Registrant, Technical Contact and Administrative Contact for the IQtrade Website. It can be contacted at PO Box 0823-03411, Panama City, Panama, and through Quijano & Associates at the Salduba Building, Third Floor, 53rd East Street, Urbanizacion Marbella, Panama City, Republic of Panama.
16. Namecheap, Inc. is the Registrar of the IQtrade Website, and its address is 4600 East Washington Street, Suite 305, Phoenix, Arizona 85034.

THE INVESTMENT PLANS

17. The Binary Trade Forex Website, the FX Trades Website, and the IQtrade Website (collectively the "**Respondent Websites**") are publicly soliciting investment plans tied to forex, binary options and cryptocurrencies ("**Investment Plans**").
18. The Respondent Websites generally refer to the Investment Plans as Startup, Starter, Silver, Gold, Platinum and/or VIP Plans and describe the Investment Plans as follows:
 - A. The Binary Trade Forex Website and the IQtrade Website represent investors can purchase investments in the Startup Plan for a minimum of \$500, the Silver Plan for a minimum of \$1,000, the Gold Plan for a minimum of \$2,500.00 and the VIP Plan for a minimum of \$10,000; and

- B. The FX Trades Website represents investors can purchase investments in the Starter Plan for a minimum of \$500.00, the Silver Plan for a minimum of \$1,000, the Gold Plan for a minimum of \$2,500, the Platinum Plan for a minimum of \$7,000 and the VIP Plan for a minimum of \$10,000.
19. The Respondent Websites represent the rate of return correlates with principal, and investors can earn between 30 percent and 120 percent daily returns depending on the amount of their deposit.
20. The Respondent Websites are also touting the safety of the Investment Plans. The FX Trades Website provides a "100 percent profit guarantee" and the Binary Trade Forex Website and the IQtrade Website "guarantee the minimal risk ever!"

THE REFERRAL PROGRAMS

21. Respondents Binary Trade Forex, FX Trades and IQtrade (the "**Respondents**") are recruiting sales agents to refer new clients.
22. Respondents are promising to pay commissions to sales agents who refer new clients.

THE PHONY ADDRESSES

23. The Binary Trade Forex Website represents its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This address does not resolve to a physical address in Texas.
24. The FX Trades Website represents its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This address does not resolve to a physical address in Texas.
25. The IQtrades Website represents its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This address does not resolve to a physical address in Texas.

THE FALSE CLAIM OF LICENSURE

26. Respondents are claiming their Investment Plans are "tournaments and games of skill" and are "considered e-gaming."
27. Respondents are falsely claiming they are regulated under e-gaming in the British Isles by the Isle of Man Gambling Supervision Commission.

THE FAKE TESTIMONIALS

28. Respondent Websites are publishing testimonials that purport to portray images of satisfied clients.

REGISTRATION VIOLATIONS

29. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
30. The Investment Plans have not been registered by qualification, notification, or coordination at any time material hereto, and no permit has been granted for their sale in Texas.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION RELATING TO PRINCIPALS

31. In connection with the offer of the Investment Plans, Respondent Binary Trade Forex is intentionally failing to disclose the identity of its principals, as well as their business repute and qualifications, and this information constitutes a material fact.
32. In connection with the offer of the Investment Plans, Respondent FX Trades is intentionally failing to disclose the identity of its principals, as well as their business repute and qualifications, and this information constitutes a material fact.
33. In connection with the offer of the Investment Plans, Respondent IQtrade is intentionally failing to disclose the identity of its principals, as well as their business repute and qualifications, and this information constitutes a material fact.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION RELATING TO BUSINESS OPERATIONS

34. In connection with the offer of the Investment Plans, Respondent Binary Trade Forex is intentionally failing to disclose its strategy for generating the represented profits over the represented terms, and this information constitutes a material fact.
35. In connection with the offer of the Investment Plans, Respondent FX Trades is intentionally failing to disclose its strategy for generating the represented profits over the represented terms, and this information constitutes a material fact.
36. In connection with the offer of the Investment Plans, Respondent IQtrade is intentionally failing to disclose its strategy for generating the represented profits over the represented terms, and this information constitutes a material fact.

FRAUD AND THE FAILURE TO DISCLOSE FINANCIAL INFORMATION

37. In connection with the offer of the Investment Plans, Respondent Binary Trade Forex is intentionally failing to disclose its assets, liabilities and any other financial information that reflects its ability to pay daily interest regardless of the profitability of the underlying investment activity, and this information constitutes a material fact.

38. In connection with the offer of the cryptocurrency investments, Respondent FX Trades is intentionally failing to disclose its assets, liabilities and any other financial information that reflects its ability to pay daily interest regardless of the profitability of the underlying investment activity, and this information constitutes a material fact.
39. In connection with the offer of the cryptocurrency investments, Respondent IQtrade is intentionally failing to disclose its assets, liabilities and any other financial information that reflects its ability to pay daily interest regardless of the profitability of the underlying investment activity, and this information constitutes a material fact.

FRAUD AND THE PHYSICAL LOCATION OF THE ISSUERS

40. In connection with the offer of the Investment Plans, Respondent Binary Trade Forex is representing its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This representation constitutes a knowing misrepresentation of a relevant fact because this address does not resolve to a physical address in Texas.
41. In connection with the offer of the Investment Plans, Respondent FX Trades is representing its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This representation constitutes a knowing misrepresentation of a relevant fact because this address does not resolve to a physical address in Texas.
42. In connection with the offer of the Investment Plans, Respondent IQtrade is representing its Texas address is 189 Laurel Lane, Valentine, Texas 79854. This representation constitutes a knowing misrepresentation of a relevant fact because this address does not resolve to a physical address in Texas.
43. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose their actual physical address, and this information constitutes a material fact.

FRAUD AND THE CONCEALMENT OF THE RISKS ASSOCIATED WITH CRYPTOCURRENCIES

44. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the following risks associated with cryptocurrencies and investments tied to cryptocurrencies, and these risks constitute material facts:
 - A. Governments may adopt legislation or regulations that may negatively impact the use, transfer, exchange, or price of cryptocurrencies;
 - B. Cryptocurrencies are volatile, and the price of a cryptocurrency as it relates to fiat currency may decrease over a short period of time, resulting in significant loss to owners of cryptocurrencies;

- C. A system or technical failure, or deficient source code, may negatively impact the ability to exchange cryptocurrencies for fiat currencies, as well as the price of cryptocurrencies;
- D. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies; and
- E. Cryptocurrencies compete with all other cryptocurrencies, and this competition may negatively impact the price of a specific cryptocurrency.

**FRAUD AND THE CONCEALMENT OF
THE RISKS ASSOCIATED WITH BINARY OPTIONS**

45. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the following risks associated with binary options and investments tied to cryptocurrencies, and these risks constitute material facts:
- A. Traders may lose the entirety of their original investment when they fail to correctly wager on the market's direction and price at the time of expiration;
 - B. Fluctuations in markets may negatively impact the profitability of a binary option;
 - C. Traders must wait until the option expiration date before they can take their profits and losses, and as such the illiquidity of the investment may negatively impact the ability to trade for a profit; and
 - D. Binary option platforms are thinly regulated, and the lack of regulation may negatively impact the ability to securely trade the investments.

**FRAUD AND THE CONCEALMENT OF
THE RISKS ASSOCIATED WITH FOREX**

46. In connection with the offer of the Investment Plans, Respondents are intentionally failing to disclose the following risks associated with forex and investments tied to cryptocurrencies, and these risks constitute material facts:
- A. Fluctuations in a country's interest rates may lead to fluctuations in a currency's value, thereby negatively impacting the ability to close a trade for a profit;
 - B. Macroeconomic statistics, such as inflation, can have a significant impact on forex markets;
 - C. Stock, bond, commodity and other capital markets have a strong influence on exchange rates;

- D. International trade numbers, such as trade deficits and surpluses, play a vital role in forex markets;
- E. Fluctuations in the foreign exchange rate between the time of placing a trade and the time of closing a trade may negatively impact the price of forex;
- F. A system or technical failure in a platform for executing trades may negatively impact the ability to close a trade for a profit;
- G. Leveraging transactions on margin, once called, may lead to substantial losses in excess of initial investments; and
- H. Political news can be important for forex traders, and unexpected news can negatively impact forex trading.

DECEPTION AND THE GUARANTEES

47. Respondent FX Trades is representing it provides a "100 percent profit guarantee" and Respondent Binary Trade Forex and Respondent IQtrade are representing they will "guarantee the minimal risk ever!" These statements are materially misleading or otherwise likely to deceive the public because Respondents are not disclosing the risks associated with binary options, forex, or cryptocurrencies.

DECEPTION AND THE REFERRAL PROGRAMS

48. As described herein, the Respondents are promising to pay commissions to sales agents who refer new clients. These representations are materially misleading or otherwise likely to deceive the public because the Respondents are not disclosing the following information:
- A. Persons who offer and sell securities in Texas, including their Investment Plans, who are not registered as dealers or agents and who do not qualify for an exemption violate Section 12 of the Securities Act; and
 - B. Persons who offer and sell the Investment Plans in Texas are offering unregistered securities in violation of Section 7 of the Securities Act.

FRAUD AND DECEPTION AND THE FALSE CLAIM OF LICENSURE

49. In connection with the offer of Investment Plans, Respondents are falsely claiming they are licensed and regulated under e-gaming in the British Isles by the Isle of Man Gambling Supervision Commission, and this claim constitutes a knowing misrepresentation of a relevant fact.
50. Respondents are also representing their Investment Plans are "tournaments and games of skill" and are "considered e-gaming." The statements regarding licensure and regulation, and the characterization of the Investment Plans as e-

gaming and tournaments and games of skill, are materially misleading or otherwise likely to deceive the public because:

- A. The Investment Plans offered in Texas are regulated as securities by the Securities Act; and
- B. The Texas State Securities Board is responsible for the licensure and regulation of parties offering securities in Texas.

FRAUD AND THE FAKE TESTIMONIALS

- 51. In connection with the offer of Investment Plans, Respondents are publishing stock photographs and claiming the stock photographs represent actual clients, and their representations constitute a knowing misrepresentation of a relevant fact.

CONCLUSIONS OF LAW

- 1. The Investment Plans are securities as the term is defined by Section 4.A of the Securities Act.
- 2. Respondents are violating Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
- 3. Respondents are violating Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
- 4. Respondents are engaging in fraud in connection with the offer for sale of securities.
- 5. Respondents have made an offer containing statements that are materially misleading or otherwise likely to deceive the public.
- 6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
- 7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

ORDER

- 1. It is therefore ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered pursuant to an exemption from registration under the Securities Act.

2. It is further ORDERED Respondents immediately CEASE AND DESIST from acting as a securities dealer or agent in Texas until Respondents are registered with the Securities Commissioner or is acting pursuant to an exemption from registration under the Securities Act.
3. It is further ORDERED Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 18th day of November, 2020.



TRAVIS J. ILES
Securities Commissioner