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ARIZONA SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-21-0025

ORDER NO. S-21-0025-21-OR01

IN THE MATTER OF:

iTrading Express

RESPONDENT

CEASE AND DESIST ORDER

On November 9, 2021, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for a Cease and Desist Order (“Request”). In its Request, the Staff states that it has certain information and evidence indicating that iTrading Express (“iTrading”) has violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request and based upon the representations made therein finds that:

FINDINGS OF FACT

The Request contains the following representations of fact:

1. iTrading is an online entity claiming to do business from 15 Avenue Road, Great Malvern Worcestershire United Kingdom, WR14 3BA. iTrading can be served through its Registrar, NameCheap, Inc., at 11400 W. Olympic Blvd. Suite 200, Los Angeles, California 90064.
2. iTrading operates its business through an internet website available to the public at www.itradingexpress.com. iTrading operates by having investors send bitcoins to a personal trading wallet in their account. From there, iTrading claims that investors will earn a huge return on their investments. Additionally, iTrading states that with their professional team of traders, an investor is guaranteed of their earnings.
3. iTrading states that over 150,000 investors are registered with it and that over 800,000 deals happened in one day.

4. iTrading claims to be a multi-award-winning platform, claiming to have won awards such as “World’s Leading Binary Options Broker” and “Most Reliable Binary Options Broker.” After review, the Staff determined that iTrading had not won any of the awards listed on its website.
5. iTrading’s website displays testimonials from member investors who supposedly realized enormous profits by working with iTrading; however, these testimonials are not supported by any material information or substantive facts.
6. iTrading claims to be regulated by the Commodities Futures Trading Commission (“CFTC”), the International Financial Services Commission of Belize (“IFSC”), and the Cyprus Securities and Exchange Commission. After review, the Staff determined that iTrading is not registered with any of the above listed agencies.
7. On its website, iTrading offers the following plans for potential investors to choose from:
 - (a). The Bronze Plan, which requires a \$1,500 deposit with a \$2,500 bonus.
 - (b). The Silver Plan, which requires a \$5,000 deposit with a \$15,000 bonus.
 - (c). The Gold Plan, which requires a \$10,000 deposit with a \$25,000 bonus.
 - (d). The Platinum Plan, which requires a \$25,000 deposit with a \$35,000 bonus.
 - (e). The Diamond Plan, which requires a \$30,000 deposit with a \$50,000 bonus.
8. iTrading was brought to the Staff’s attention in August 2021, when a written complaint was filed with the Arkansas Securities Department (“Department”) by Arkansas Resident 1 (“AR1”).
9. AR1 was referred to iTrading by a friend, and after visiting the site, he became interested in iTrading and decided to open an account.

10. When creating his account, AR1 was asked to provide his driver's license ID, social security number, and credit score. When asked later why iTrading needed his credit score, iTrading was unable to provide a clear reason for the request. Instead, the employee stated that there was a regulation from the Federal Reserve that AR1 should be aware of.
11. After providing the necessary identification to create the account, AR1 was instructed to fund his account. AR1 was instructed to fund the account with \$1,000.00 worth of Bitcoin ("BTC") by an employee through iTrading's chat feature.
12. Through WhatsApp, AR1 was instructed by an employee to first purchase the BTC with his credit card. AR1 provided a front and back photo of his credit card to do so. When that did not work, the employee next recommended AR1 to send the money through Cex.io. AR1 could not figure that site out and they mutually decided to do a bank transfer through CashApp.
13. After his initial deposit, AR1 started to receive pop-up messages from iTrading encouraging him to deposit more BTC to upgrade his account from Mini to Bronze.
14. AR1 began noticing that he was starting to earn a large profit from his initial deposit. While his account was in the Mini Plan, AR1 saw profits reach over \$18,000.00. Because of this, AR1 initiated the withdrawal process to retrieve his initial investment.
15. AR1 was told by iTrading that he would have to upgrade from Mini to Bronze to "top up" to enable system process withdrawal. Specifically, AR1 was told that he would have to deposit £2,350.00 worth of BTC to upgrade his account to ensure a successful withdrawal. AR1 proceeded to purchase an additional \$3,200.00 worth of BTC to upgrade.
16. After the additional funds were provided, the "profits" in AR1's account skyrocketed. At one point, AR1's account showed a "profit" of \$68,632.00. AR1 provided the Staff with a

screenshot of his account's dashboard which appeared to show multiple Buy/Sell transactions in his account. Because of this, AR1 was still highly interested in withdrawing his initial deposit.

17. When AR1 reached out again to iTrading to begin the withdrawal process, he was told that he would have to pay taxes and the company's commission before his withdrawal could be approved.
18. AR1 stated that he could not afford to make such payments on the \$68,632.00 that was in his account at the time. iTrading continued to ask AR1 about the funds needed to pay off the additional fees for his account.
19. AR1 later went back to check his withdrawal status and it showed that there were two withdrawals totaling \$66,000.00 pending. However, AR1 never received the \$66,000.00.
20. After several unsuccessful attempts to withdraw funds, AR1 became suspicious of iTrading and filed a complaint with the Department.
21. AR1 was constantly reassured by iTrading "employees" that iTrading was a legit, regulated business and that he would not have anything to worry about.
22. Additionally, iTrading would send AR1 photos of "iTrading employees" that depicted those individuals as living a lavish lifestyle.
23. Upon review, the Staff discovered that there was no business located at 15 Avenue Road, Great Malvern, Worcestershire, United Kingdom, WE14 3BA. In fact, the Staff have determined that the address is fake and the location of a girls' school in Worcestershire.
24. The Staff's review of Department records found that the investment opportunities offered by iTrading were not registered pursuant to the Act. Additionally, the Staff found no

record of a filing evidencing a proof of exemption in accordance with the Act and no notice filing pursuant to federal law in connection with a covered security.

APPLICABLE LAW

25. Ark. Code Ann. § 23-42-102(17)(A)(xi) defines “security” to include investment contracts.
26. Ark. Code Ann. § 23-42-102(9)(A) defines “investment adviser” to mean any person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or that, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.
27. Ark. Code Ann. § 23-42-301(c) states that it is unlawful for a person to transact business in this state as an investment adviser without first being registered pursuant to the Act.
28. Ark. Code Ann. § 23-42-501 states that it is unlawful for any person to offer or sell any security in this state unless: 1) it is registered under the Act; 2) the security or transaction is exempted under Ark. Code Ann. § 23-42-503 or § 23-42-504; or 3) it is a covered security.
29. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
30. Ark. Code Ann. § 23-42-507(3) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to engage in any act,

practice, or course of business which operates or would operate as fraud or deceit upon any person.

31. Ark. Code Ann. § 23-42-209(a) states that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

CONCLUSIONS OF LAW

32. The investment plans offered by iTrading to Arkansans, specifically AR1, where investors would invest monetary value into an investment plan from which profits would be derived from the efforts of iTrading, were securities in the form of investment contracts under Ark. Code Ann. § 23-42-102(17)(A)(xi).
33. The securities offered by iTrading were not registered with the Department, exempt from registration with the Department, or covered securities under federal law. Therefore, iTrading violated Ark. Code Ann. § 23-42-501 when it offered securities to AR1 through its public website.
34. iTrading acted as an investment adviser under Ark. Code Ann. § 23-42-102(9)(A) by engaging in the business of advising others as to the large, guaranteed returns from investors purchasing an investment plan through its platform in exchange for compensation. iTrading violated Ark. Code Ann. § 23-42-301(c) by conducting business as an investment adviser in Arkansas without being registered with the Department pursuant to the Act.

35. iTrading violated Ark. Code Ann. § 23-42-507(2) by making false and misleading statements of material facts and omitting to make statements made, in light of the circumstances under which they were made, not misleading, including but not limited to promising large, guaranteed returns; claiming that iTrading was regulated by the three regulators mentioned in paragraph 7; representing the investment grew from \$1,000.00 to \$68,000.00; saying an additional deposit was necessary to withdraw funds; and using supposed investor testimonials.
36. iTrading also violated Ark. Code Ann. § 23-42-507(2) by claiming to have won six different awards; claiming that over 150,000 investors are registered with iTrading; promising to give bonuses to investors; and claiming that AR1's account had realized substantial profits.
37. iTrading violated Ark. Code Ann. § 23-42-507(3) by operating a website that published false and misleading statements for the purpose of soliciting investors and by providing photos of iTrading "employees" living a lavish lifestyle.
38. The conduct, acts, and practices of iTrading threaten immediate and irreparable public harm. A cease and desist order is in the public's interest and is appropriate in accordance with Ark. Code Ann. § 23-42-209(a).

ORDER

39. Respondent shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-301(c) and refrain from acting as an investment adviser until properly registered or shown to be exempt from registration pursuant to the Act.
40. Respondent shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-501 and refrain from offering or selling securities in the state of Arkansas unless

the securities are properly registered pursuant to the Act, exempt from registration, or are covered securities.

41. Respondent shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-507(2) and refrain from committing fraud and deceit in connection with the offer or sale of any securities in Arkansas.
42. Respondent shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-507(3) and refrain from committing fraud or deceit in connection with the offer or sale of any securities in Arkansas.
43. A hearing on this Cease and Desist Order shall be held if requested by Respondent in writing within thirty days of the entry of this Order or if otherwise ordered by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2)(A). Such request should be addressed to the Commissioner, 1 Commerce Way, Little Rock, Arkansas 72202.
44. If no hearing is requested and none is ordered by the Commissioner, this Cease and Desist Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2)(B).

Dated this 9th day of NOVEMBER, 2021.



Eric P. Munson
Arkansas Securities Commissioner