

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. S-25-0002**

**IN THE MATTER OF:  
CIRKOR INC.**

**RESPONDENT**

**REQUEST FOR CEASE AND DESIST ORDER**

The Staff of the Arkansas Securities Department ("Staff") has received certain information and has in its possession certain evidence indicating that Cirkor Inc. ("Cirkor") has violated provisions of the Arkansas Uniform Money Services Act ("AUMSA"), Ark. Code Ann. §§ 23-55-101 through 23-55-1007.

**ADMINISTRATIVE AUTHORITY**

1. This matter is brought in connection with violations of the AUMSA and is therefore properly before the Arkansas Securities Commissioner ("Commissioner") in accordance with Ark. Code Ann. § 23-55-807.

**RESPONDENT**

2. Cirkor is a cryptocurrency ("crypto") exchange app available to consumers to download via the Google Play Store. Cirkor once conducted business online through clockbits.com and h5.cirkortrading. At the time of this Order, both websites have been taken down.
3. Cirkor is a registered business entity with the Washington Secretary of State as a public utility corporation. On its registration Cirkor claims to have a principal place of business located at 100 N. Howard St. Ste. R, Spokane, WA, 99201-0508. When reviewing the address, the Staff noted it belongs to Washington Commercial Registered Agent, a company providing registered agent services as well as virtual office space.
4. When the Staff reviewed the address further, it was noted there were no businesses operating in Washington under the Cirkor name. This, along with Cirkor only maintaining

a virtual office space, led the Staff to conclude that Cirkor does not operate or conduct business in Washington.

5. In addition to maintaining a registration with the Washington Secretary of State, Cirkor is registered with the Financial Crime Enforcement Network (“FinCEN”), a bureau within the United States Department of the Treasury charged with maintaining the registration of money services businesses (“MSB”). In its FinCEN registration, Cirkor indicates it conducts the following MSB activities: issuer of money orders, seller of money orders, money transmitter, seller of prepaid access, and provider of prepaid access in Arkansas.

#### **FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER**

6. Cirkor is holding itself out as offering a seamless mobile trading experience with features such as intuitive interface for effortless navigation, a wide selection of crypto, and trading pairs, real-time market data and basic analytical tools. More specifically, Cirkor is holding itself out as offering a wallet for consumers, which allows for easy asset management, swift deposits, and withdrawals.
7. On January 14, 2025, the Washington Department of Financial Institutions (“DFI”) issued a statement regarding Cirkor and Zenith Asset Investment Education Foundation (“Zenith”). In the statement, DFI indicated that Cirkor and Zenith appeared to be engaging in fraudulent activity, running afoul of securities laws. A copy of the statement can be found here: <https://dfi.wa.gov/consumer/alerts/alleged-cryptocurrency-platform-cirkor-and-zenith-asset-investment-education>.
8. The Staff learned about Cirkor and Zenith when it received a consumer complaint filed by an Arkansas resident (“AR1”) with the Arkansas Attorney General’s Office.

9. In the complaint, AR1 summarized their experience with Zenith and Cirkor. AR1 stated they discovered Zenith through a Facebook ad promoting Zenith via a computer-generated depiction of television personality Kevin O'Leary.
10. Zenith, at the time of operation, claimed to be a private investment education foundation. It conducted business via its website: [www.assetoc.com](http://www.assetoc.com). At the time of this Order, Zenith does not appear to be operating. The Staff was able to retain copies of certain sections of the website using Wayback Machine, an online archive database.
11. Zenith's goal was to assist investors in achieving exponential and secure wealth growth by promoting knowledge of global account investments and fraud detection. It stated that one of its short-term goals was to help 100,000 investors achieve an increase in investment returns ranging from 300% to 1000%.
12. Zenith claimed to be led by a highly qualified, educational staff and was utilizing FINQbot, an intelligent AI investment system which offered personalized investment and analysis to investors created by Zenith.
13. To achieve its goals, Zenith utilized Cirkor as the platform for consumers to purchase and store digital assets created by and for Zenith.
14. A representative of Zenith told AR1 that Zenith was an education form that teaches consumers about crypto and trading, as well as watching signs and buying into newly introduced crypto.
15. To entice consumers to purchase and store crypto on Cirkor, Zenith provided consumers with a sign-on bonus of 2,000 tokens or the equivalent of a \$600 deposit.
16. AR1 was told by the representative to create a separate wallet through a third-party platform and move crypto from the wallet to AR1's wallet on Cirkor.

17. AR1 invested about \$19,000 worth of crypto into the Zenith via their Cirkor wallet.
18. While in the Cirkor app, AR1 received instructional and promotional videos on how to invest in crypto. These videos utilized a computer-generated depiction of Arthur Frank, alleged to be the founder of Zenith, to entice investors to follow Zenith's advice.
19. Sometime after the initial investment, AR1 was influenced into investing in Zenith's latest token project, HMB, by a "financial assistant" with Zenith. Given the financial assistant's persistence, AR1 decided to invest in HMB. Investing in HMB was described as a "no risk" investment. AR1 was guaranteed not to lose their initial investment but may receive earnings from the investment.
20. To invest in HMB, AR1 and other consumers entered into a purported loan with Zenith. AR1 and other consumers signed a contract with Zenith ratifying the terms of the loan. The contract claimed to provide consumers with a 30,000 USDT (Tether token – a crypto stablecoin) loan. Per the contract, consumers would repay the loan within two days of the HMB token closing and posting to consumers' wallets.
21. Upon the closing and posting of the HMB token, AR1's Cirkor wallet reflected \$272,60.54 in USDT. Wanting to cash out the supposed gains, AR1 requested the financial assistant with Zenith to repay the 30,000 USDT loan using the proceeds generated from the HMB token.
22. Zenith denied the repayment plan. Unbeknownst to AR1, Zenith required that the loan had to be repaid using USD ("United States dollar") from an external bank account. Unable to repay the loan from another source, AR1 reiterated their willingness to honor the terms of the contract but requested using the profit held in the Cirkor wallet. AR1 attempted to

create a separate wallet to move and transfer the necessary funds to repay the loan. Zenith would not accept this and demanded the loan be repaid using USD.

23. AR1 attempted to withdraw their initial investment by sending demand letters to Zenith and Cirkor but did not receive a response. However, a company called Local Currency Exchange Merchant responded by threatening to put banners around AR1's home. The Staff notes that there was no information found identifying who or what Local Currency Exchange Merchant is and what connection it may have to Zenith and Cirkor.
24. After not responding or repaying the loan, AR1 received a message from Zenith claiming the loan had been paid off. At that point, however, AR1 had determined this was a scam and filed their complaint.
25. Another Arkansas resident ("AR2") had a similar experience as AR1 with Zenith and Cirkor.
26. AR2 had an interest in learning and participating in crypto buying and trading. However, AR2 did not want to trade on their own. This led AR2 to seek out companies claiming to specialize in crypto trading. This eventually led to AR2 finding Zenith.
27. AR2 invested \$2,500 worth of crypto via the Cirkor wallet into tokens created by and for Zenith. Given AR2's prior experience with trading platforms, AR2 started to become suspicious of Zenith and Cirkor's legitimacy. AR2 claimed everything the two companies were providing started to sound "too good to be true."
28. AR2 continued to monitor and invest in the Cirkor app. At one point, AR2 attempted to withdraw supposed gains from their wallet. However, a representative from Zenith told AR2 that additional fees would need to be paid to release the funds. AR2 was not aware of

these additional fees. In fact, AR2 asked if there were hidden fees prior to their initial investment, to which Zenith stated there were no additional fees.

29. AR2 was told that the fees needed to be paid using USD from an external bank account and could not be paid from the supposed profits. Additionally, AR2 was told by Zenith that AR2's wallet had been frozen by FinCEN and could be unfrozen by paying a \$40,000 fee. At that time, AR2 decided Zenith and Cirkor were a scam and ceased further communication with the companies.
30. A review of Department records found that Cirkor is not licensed with the Department in any capacity to engage in the business of money transmission in Arkansas. Additionally, there is no record of Cirkor seeking an exclusion from licensure under Ark. Code Ann. § 23-55-103 of the AUMSA.

#### **APPLICABLE LAW**

31. Ark. Code Ann. § 23-55-102(13)(A) defines "money transmission" as selling or issuing payment instruments or stored value to a person located in this state; facilitating, selling, trading, transferring, or converting virtual currency or monetary value in this state; or receiving money for transmission from a person located in this state.
32. Ark. Code Ann. § 23-55-201(a) states that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed under the AUMSA, is an authorized delegate of a person under the AUMSA, or is excluded from licensing under Ark. Code Ann. § 23-55-103 of the AUMSA.
33. Ark. Code Ann. § 23-55-807(a)(2) states that if as a result of an investigation the Commissioner finds that a person has engaged or is about to engage in an act or practice

constituting a violation of the AUMSA or a rule of order under the AUMSA, the Commissioner may summarily issue a cease and desist under § 23-55-803.

### **CONCLUSIONS OF LAW**

34. Cirkor violated Ark. Code Ann. § 23-55-201(a) by holding itself out as being eligible to provide money transmission services, as defined by Ark. Code Ann. § 23-55-102(13)(A), when Cirkor claimed that it was capable of holding virtual currency in a Cirkor wallet as stored value on behalf consumers and being capable of selling, transferring, or converting virtual or fiat currency that investors need to fund their respective Cirkor wallets.
35. Cirkor's conduct, acts, and practices violate the AUMSA and threaten immediate and irreparable public harm on an ongoing basis. Therefore, a cease and desist order is in the public's interest and is appropriate under Ark. Code Ann. § 23-55-807.

### **PRAYER FOR RELIEF**

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Cirkor Inc. to immediately cease and desist from engaging in money transmission activities in Arkansas until Cirkor is properly licensed under the AUMSA; and, for all other relief to which the Staff may be entitled.

Respectfully submitted,



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