

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

FileFxOption and FileFxOption Limited,
Respondents.

**SUMMARY CEASE
AND DESIST ORDER**

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order (“Order”) against FileFxOption and FileFxOption Limited. The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

A. The Respondents

1. FileFxOption and FileFxOption Limited (collectively, “FileFxOption”) conduct their business on the internet, principally by means of a website www.filefxoption.com (the “FFO Website”). FileFxOption purports to offer trading and brokerage services for foreign exchange (“Forex”), cryptocurrency markets, and investments, including stocks.

2. The FFO Website does not provide an address or location of FileFxOption's principal place of business.

3. FileFxOption is not and has never been registered to sell securities in the State of New Jersey.

B. Cryptocurrency

4. Cryptocurrencies are digital assets created by companies or individuals that take the form of a virtual coin or token. Bitcoin is an example of one such cryptocurrency. There are thousands of other virtual coins or tokens currently in existence.

5. Virtual coins and tokens are primarily issued and distributed on a "blockchain" or a cryptographically-secured ledger which exists on the internet.

6. Virtual coins and tokens may be traded on online platforms, typically called cryptocurrency exchanges, and can be traded for other digital assets or fiat currencies, such as the U.S. Dollar or Euro.

C. FileFxOption's Securities

7. FileFxOption offers several types of investment options, including depositing funds in the form of either fiat currencies or cryptocurrencies to "start earning," the ability to "trade on several assets upto [sic] 200 stocks and also crypto trading," and "instant withdraw [sic] of profits processed to your accounts within 2 business days."

8. FileFxOption also offers a variety of "plans" for both Forex and cryptocurrency products. The "plans" range from \$499.99 to \$24,999.99 in price. FileFxOption publishes the following graphics on the FFO Website to demonstrate the "Crypto plans" and the "Forex Plan" respectively:

The screenshot shows the FILEOPTION website's trading plan selection interface. At the top, there is a navigation menu with links for Home, Guide, Open trade, Try demo, Account, Contact us, and a yellow Login button. The main heading is "Check Out Awesome Plans, And Order Now" with the subtext "Chose Which Package Is Best For You." Below this, there are two tabs: "Forex" (selected) and "Crypto". Three plan cards are displayed: "Basic plan" at \$499.99/min, "Expert plan" at \$999.99/min, and "Relluxe plan" at \$4999.99/min. Each card features a "Choose" button. The Relluxe plan card includes a red line graph showing an upward trend.

This screenshot is similar to the first one but with different pricing. The navigation menu and heading are identical. The "Forex" tab is selected. The three plan cards are: "Basic plan" at \$999.99/min, "Expert plan" at \$4999.99/min, and "Relluxe plan" at \$24999.99/min. Each card has a "Choose" button. The Relluxe plan card features a red line graph.

9. The FFO Trade Plans are securities as defined by N.J.S.A. 49:3-49(m).
10. FFO offers the FFO Plans to the general public, including New Jersey residents.
11. The FFO are neither registered with the Bureau, nor “federally covered,” nor exempt from registration, as required by the Securities Law.

12. FileFxOption is not registered with the Bureau as a broker-dealer or in any capacity.

D. The FFO Website

13. The FFO Website is accessible to the general public, including residents of New Jersey.

14. The FFO Website does not provide any information regarding FileFxOption's officers, directors or management team and does not indicate the credentials, qualifications or experience of these individuals.

15. There is no specific information available on the FFO Website regarding the terms of the "plans" or how the money is invested. The FFO Website claims, "[w]ith our all New strategy on bitcoin and forex trades, we make up to 98% daily wins, we also have a bitcoin mining team working with our platform. We generate a profit of 3BTC daily which equals \$47,686 in today's market."

16. The FFO Website claims that "Our company is SEC registered, fully licensed, and Insured, your initial capital invest is 100% insured." It also states it "is licensed and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 2178/07."

17. However, FileFxOption is not registered with the United States Securities and Exchange Commission ("SEC"), and not insured by either the Securities Investor Protection Corporation ("SIPC") or the Federal Deposit Insurance Corporation ("FDIC").

18. Further, the various licensing databases on the CySEC website do not contain any information for FileFxOption, www.filefxoption.com, or license number 2178/07.

19. On the "Regulation" page of the FFO Website, FileFxOption claims that it is licensed by CySEC, and is permitted it to offer the following services:

- a. Reception and transmission of orders in relation to one or more financial instruments;

- b. Execution of Orders on Behalf of Clients;
- c. Safekeeping and administration of financial instruments including custodianship and related services;
- d. Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- e. Foreign exchange services where these are connected to the provision of investment services.

20. The FFO Website displays several testimonials from purported investors such as:

The screenshot shows the top portion of the FFO website. At the top left is the logo for FILE@OPTION. To the right is a navigation menu with links for Home, Guide, Open trade, Try demo, Account, Contact us, and a yellow Login button. Below the navigation is a section titled "Hear From Our Clients". This section features two testimonials side-by-side. Each testimonial includes a circular profile picture of the client, a quote icon, the client's name, their profession, and their location. The first testimonial is from Rinda Smith, a Real Estate Agent from the UK. The second is from Paul Wills, a Pro Trader from the USA. Below the testimonials are two small square indicators, one blue and one black.

This screenshot shows the bottom portion of the FFO website, continuing the "Hear From Our Clients" section. It features two more testimonials side-by-side. Each testimonial includes a circular profile picture of the client, a quote icon, the client's name, their profession, and their location. The first testimonial is from Rose Powell, a Bitcoin Analyst from Canada. The second is from John Joseph, a Model from South Africa. Below the testimonials are two small square indicators, one black and one blue.

21. The photographs of the individuals are actually stock photographs and appear on

various other websites. Additionally, exactly the same testimonials are found on another website, <https://realbitcoremining.com/m/index.php>, another purported trading website.

22. FileFxOption and the FFO Website do not notify potential investors of the risks associated with Forex trading, investing in stocks, cryptocurrency trading, or any of the risks of investing with FileFxOption itself. The only risk disclosure states “[r]isk warning: Trading CFDs, Forex, Cryptocurrency has associated risks to them, only invest as you can, and allow experts to manage your accounts.”

E. Omissions of Material Facts to Potential Investors by FileFxOption in its Offers to Buy and Sell Securities

23. In connection with its offers to purchase and sell securities via FileFxOption, FileFxOption omits the following material facts:

- a. The identity of its principals and management;
- b. Its physical address and its principal place of business;
- c. The company’s financial statements, including its assets, liabilities, or profitability;
- d. The risks of FileFxOption;
- e. Any terms of service, user agreements, privacy policies, or other legal notices;
- f. Information about the payment of taxes on any gains or losses incurred; or
- g. That FileFxOption is not registered with the Bureau as a broker-dealer or in any other capacity as required by the Securities Law.

F. Untrue or Materially Misleading Statements of Material Facts to Potential Investors by FileFxOption in its Offers to Buy or Sell Securities

24. As discussed above, FileFxOption falsely claims on the FFO Website to be “SEC registered, fully licensed, and Insured, your initial capital invest is 100% insured.”

25. Additionally, the FFO Website displays several testimonials from purported clients, when in fact, the photographs are stock photos and the testimonials appear on at least one other website.

CONCLUSIONS OF LAW

26. The FileFxOption “plans” are securities as defined by N.J.S.A 49:3-49(m).

27. FileFxOption is offering securities that are neither registered with the Bureau, nor “federally covered,” nor exempt from registration, in violation of N.J.S.A. 49:3-60.

28. The FileFXOption is offering trading in “upto [sic] 200 stocks.” FileFxOption is effecting or attempting to effect transactions in securities for the accounts of others or for its own account without registration as a broker-dealer in violation of N.J.S.A. 49:3-56.

29. In connection with the offer, sale, or purchase of securities, FileFxOption is making materially false and misleading statements and/or omitting to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not materially misleading to investors, in violation of N.J.S.A. 49:3-52(b).

30. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Securities Law.

31. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

32. FileFxOption’s violations of the Securities Law are continuous and ongoing, therefore it is in the public interest and appropriate that this Order be issued.

CONCLUSION

THEREFORE, it is on this 27th day of October 2021, **ORDERED** that:

33. FileFxOption and any person, employee, officer, director, entity, agent, FileFxOption representative, or independent contractor under FileFxOption’s direction or control immediately **CEASE AND DESIST** from:

- a. offering for sale any security in New Jersey until the security is registered with the Bureau or is offered for sale pursuant to an exemption from registration under the Securities Law;
- b. acting as broker-dealers or agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law;
- c. making material misstatements of fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in connection with its offer and/or sale of securities in New Jersey; and
- d. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

34. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to FileFxOption.

35. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to FileFxOption.

Christopher W. Gerold

Christopher W. Gerold
Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i) the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70-1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you.