

TRAVIS J. ILES  
SECURITIES COMMISSIONER



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DEPUTY SECURITIES COMMISSIONER

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## *Texas State Securities Board*

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.texas.gov

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CHAIR

MIGUEL ROMANO, JR.  
MEMBER

KENNY KONCABA  
MEMBER

ROBERT BELT  
MEMBER

MELISSA TYROCH  
MEMBER

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IN THE MATTER OF §  
MIRROR TRADING INTERNATIONAL PTY LTD; §  
CORNELIUS JOHANNES "JOHANN" STEYNBERG; § **Order No. ENF-20-CDO-1811**  
FOREXANDBITCOIN.COM; MICHAEL AARON §  
CULLISON; STEVE HERCEG AND BRIAN D. KNOTT §

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### **Mirror Trading International PTY LTD**

Service by certified mail, return receipt requested, addressed to (1) 43 Plein Street, Unit 1 Ground Floor, Stellenbosch, Western Cape, South Africa 7600; and (2) P.O. Box 7149, Drosty Centre, Stellenbosch, Western Cape, South Africa 7599.

### **Cornelius Johannes "Johann" Steynberg**

Service by certified mail, return receipt requested, addressed to (1) 43 Plein Street, Unit 1 Ground Floor, Stellenbosch, Western Cape, South Africa 7600; and (2) P.O. Box 7149, Drosty Centre, Stellenbosch, Western Cape, South Africa 7599.

### **ForexandBitcoin.com**

Service by certified mail, return receipt requested, addressed to (1) 9850 South Maryland, Parkway, Suite A5, #448, Las Vegas, Nevada 89183; (2) 122 Coney Island Avenue, Las Vegas, Nevada 89123; (3) 1860 Autumn Gold Avenue, Last Vegas, Nevada 89123; (4) 8493 Moon Dance Cellars Court, Las Vegas, Nevada 89139; (5) 10352 Gwynns Falls South, Las Vegas, Nevada 89123; and (6) 1371 Pedro Street, San Jose, California 95126.

### **Michael Aaron Cullison**

Service by certified mail, return receipt requested, addressed to (1) 9850 South Maryland, Parkway, Suite A5, #448, Las Vegas, Nevada 89183; (2) 122 Coney Island Avenue, Las Vegas, Nevada 89123; (3) 1860 Autumn Gold Avenue, Last Vegas, Nevada 89123; (4) 8493 Moon Dance Cellars Court, Las Vegas, Nevada 89139; (5) 10352 Gwynns Falls South, Las Vegas, Nevada 89123; and (6) 1371 Pedro Street, San Jose, California 95126.

### **Steve Herceg**

Service by certified mail, return receipt requested, addressed to (1) 2219 West Olive Avenue, #322, Burbank, California 91506; and (2) 182 Kenneth Road, Glendale, California 91201.

**Brian D. Knott**

Service by certified mail, return receipt requested, addressed to (1) 10409 Long Leaf Place, Las Vegas, Nevada 89134; and (2) and 2209 Latitudes Court, Las Vegas, Nevada 89108.

**EMERGENCY CEASE AND DESIST ORDER**

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

The Enforcement Division of the Texas State Securities Board (the "**Enforcement Division**") has presented evidence sufficient for the Securities Commissioner to find:

**FINDINGS OF FACT**

1. Mirror Trading International PTY LTD ("**Respondent Mirror Trading**") can be served at 43 Plein Street, Unit 1 Ground Floor, Stellenbosch, Western Cape, South Africa 7600, and P.O. Box 7149, Drostdy Centre, Stellenbosch, Western Cape, South Africa 7599.
2. Cornelius Johannes "Johann" Steynberg ("**Respondent Steynberg**") is the Founder, Director, and Chief Executive Officer of Respondent Mirror Trading. He can be served at 43 Plein Street, Unit 1 Ground Floor, Stellenbosch, Western Cape, South Africa 7600, and P.O. Box 7149, Drostdy Centre, Stellenbosch, Western Cape, South Africa 7599.
3. ForexandBitcoin.com ("**Respondent ForexAndBitcoin**") is a multilevel marketer for Respondent Mirror Trading. It can be served at 9850 South Maryland, Parkway, Suite A5, #448, Las Vegas, Nevada 89183; 122 Coney Island Avenue, Las Vegas, Nevada 89123; 1860 Autumn Gold Avenue, Last Vegas, Nevada 89123; 8493 Moon Dance Cellars Court, Las Vegas, Nevada 89139; 10352 Gwynns Falls South, Las Vegas, Nevada 89123; and 1371 Pedro Street, San Jose, California 95126.
4. Michael Aaron Cullison ("**Respondent Cullison**") is the owner of Respondent ForexAndBitcoin and a multilevel marketer for Respondent Mirror Trading. He can be served at 9850 South Maryland, Parkway, Suite A5, #448, Las Vegas, Nevada 89183; 122 Coney Island Avenue, Las Vegas, Nevada 89123; 1860 Autumn Gold Avenue, Last Vegas, Nevada 89123; 8493 Moon Dance Cellars Court, Las Vegas, Nevada 89139; 10352 Gwynns Falls South, Las Vegas, Nevada 89123; and 1371 Pedro Street, San Jose, California 95126.

5. Steve Herceg ("**Respondent Herceg**") is a multilevel marketer for Respondent Mirror Trading. He can be served at 2219 West Olive Avenue, #322, Burbank, California 91506, and 182 Kenneth Road, Glendale, California 91201.
6. Brian D. Knott ("**Respondent Knott**") is a multilevel marketer for Respondent Mirror Trading. He can be served at 10409 Long Leaf Place, Las Vegas, Nevada 89134, and 2209 Latitudes Court, Las Vegas, Nevada 89108.

**RESPONDENT MIRROR TRADING IS  
RECRUITING MULTILEVEL MARKETERS TO PERPETRATE AN  
INTERNATIONAL CRYPTOCURRENCY AND FOREX INVESTMENT SCHEME**

7. Respondent Mirror Trading purports to operate as a private company in The Western Cape, a province of South Africa located off the south-western coast of the country.
8. Respondent Mirror Trading is perpetrating an international multilevel marketing scheme tied to investments in a cryptocurrency and forex trading pool.
9. Respondent Mirror Trading is promising to pay lucrative commissions to multilevel marketers for promoting its investments and recruiting other multilevel marketers.
10. Respondent Mirror Trading is touting the success of its multilevel marketers in recruiting new members. It claims to have recruited almost 76,000 members from more than 170 countries, including more than 22,500 members since March 1, 2020.
11. Its multilevel marketers are now illegally soliciting Texans to purchase fraudulent investments in the cryptocurrency and forex trading pool.

**RESPONDENTS FOREXANDBITCOIN, CULLISON,  
KNOTT AND HERCEG ARE PUBLICLY SOLICITING TEXAS RESIDENTS**

12. Respondents ForexAndBitcoin, Cullison, Knott and Herceg are multilevel marketers for Respondent Mirror Trading.
13. Respondents ForexAndBitcoin, Cullison, Knott and Herceg are advertising the investments in the cryptocurrency and forex trading pool through forums in craigslist.org for Texas residents.
14. Respondents ForexAndBitcoin, Cullison, Knott and Herceg are touting the profitability of the investments in the cryptocurrency and forex trading pool, variously claiming as follows:

- A. Investors deposit as little as \$100 and make an average of 10% per month;
  - B. Investors simply need to "[j]ust sit back and watch [their] MONEY grow;"
  - C. The investments pay "daily trade income," the daily trade income is "automatically compounded" and "compound interest is the 8th Wonder of the World;"
  - D. The investment "grows your bitcoin compounding daily earning an average of 10% per month;"
  - E. The investments have more than 200+ days straight with positive gains; and
  - F. The investments close 600 to 800 trades each day and have not lost a trade in almost a year.
15. In addition to touting the profitability of the investments in the cryptocurrency and forex trading pool, Respondent Herceg is targeting Texans impacted by changes to the economy, in part by encouraging them to put their governmental assistance "stimulus/covid check to work" by purchasing the investments.
16. In addition to touting the profitability of the investments, Respondents ForexAndBitcoin, Cullison, Knott and Herceg are also touting the profitability of the multilevel marketing program.

THE QUALIFICATIONS AND PRIOR FINANCIAL EXPERIENCE  
OF THE MULTILEVEL MARKETERS PROMOTING THE PRODUCT IN TEXAS

17. Although Respondents ForexAndBitcoin, Cullison, Knott and Herceg are touting the profitability of both the investments in the bitcoin and forex trading pool and the multilevel marketing program, they are not providing investors with information relating to their qualifications and their prior financial experience, including the following information:
- A. Respondents ForexAndBitcoin and Cullison are not telling potential investors that on or about June 17, 1999, Respondent Cullison filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, California Northern Bankruptcy Court, Case No. 99-54197;
  - B. Respondents ForexAndBitcoin and Cullison are not telling potential investors that on or about August 28, 2006, Respondent Cullison filed a

Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 06-12244-bam;

- C. Respondents ForexAndBitcoin and Cullison are not telling potential investors that on or about September 23, 2011, Respondent Cullison, formerly doing business as Empower Nutrition Inc., LLC, and doing business as Fusion Nutrition Inc., filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 15-15113-leb;
- D. Respondents ForexAndBitcoin and Cullison are not telling potential investors that on or about August 4, 2015, Respondent Cullison filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 06-12244-bam;
- E. Respondent Knott is not telling potential investors that on or around June 15, 2010, he filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 10-21128-bam;
- F. Respondent Knott is not telling potential investors that on or about August 9, 2019, he filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 19-15134-abl; and
- G. Respondent Herceg is not telling potential investors that on or about October 4, 2017, he filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court for the Central District of California, Case No. 2:17-bk-22205-BR.

**RESPONDENT MIRROR TRADING MAINTAINS INTERNET WEBSITES THAT SERVE AS PLATFORMS FOR PURCHASING THE INVESTMENTS IN THE CRYPTOCURRENCY AND FOREX POOL**

- 18. Respondent Mirror Trading maintains internet websites at [www.mirrortradinginternational.com](http://www.mirrortradinginternational.com) (the "**MTI Website**") and [www.mymticlub.com](http://www.mymticlub.com) (the "**MTI Club Website**").
- 19. The MTI Website and the MTI Club Website advertise the investments in the cryptocurrency and forex trading pool.
- 20. The MTI Club Website serves as a platform for purchasing the investments in the cryptocurrency and forex trading pool.

THE INVESTMENTS IN THE  
CRYPTOCURRENCY AND FOREX TRADING POOL

21. Respondent Mirror Trading is issuing investments in a cryptocurrency and forex trading pool whereby it purports to pool cryptocurrencies and somehow use the cryptocurrencies to trade forex for a profit.
22. Respondent Mirror Trading is describing the investments in the cryptocurrency and forex trading pool in greater detail as follows:
  - A. Potential investors purchase the investments in the cryptocurrency and forex trading pool by registering as members through the MTI Club Website and funding their accounts with bitcoin;
  - B. Respondent Mirror Trading thereafter verifies the deposit and transfers the bitcoin to a "trading pool" with various "registered and regulated" forex brokers;
  - C. Respondent Mirror Trading employs advanced "digital software" and "artificial intelligence" to trade the bitcoin on the forex markets through the brokers' platforms;
  - D. The forex trading generates income, and Respondent Mirror Trading retains a portion of the income to cover costs and pay salaries and commissions; and
  - E. Respondent Mirror Trading also uses income generated through forex trading to pay returns to investors equal to their a pro rata share of 40 percent of daily trading profits.
23. Respondent Mirror Trading is publishing historical information that purports to show it has earned considerable returns for investors. For example, it claims the average daily profit for investors was 0.5334 percent from September 2019 through April 2020, and it claims investors received compounded returns of 141.76 percent during this eight-month period of time.
24. Respondent Mirror Trading is also publishing current information that purports to reflect it continues to provide lucrative income for investors. For example, it is representing as follows:
  - A. On June 26, 2020, the daily trading income derived from the cryptocurrency and forex trading investment was 0.1684 percent;

- B. On June 25, 2020, the daily trading income derived from the cryptocurrency and forex trading investment was 0.2598 percent;
  - C. On June 24, 2020, the daily trading income derived from the cryptocurrency and forex trading investment was 0.6218 percent;
  - D. On June 23, 2020, the daily trading income derived from the cryptocurrency and forex trading investment was 0.5394 percent; and
  - E. On June 22, 2020, the daily trading income derived from the cryptocurrency and forex trading investment was 0.1198 percent.
25. Respondent Mirror Trading is also projecting future returns will continue to generate profits of around 10 percent per month. It projecting these future returns as follows:
- A. An investment of 1 bitcoin, valued at around \$9,168.54 at the time of investment, will generate an ending balance of around 3.73112934 bitcoin worth around \$34,209.02 at the end of a 12 month term, assuming the price of bitcoin remains constant through the term.
  - B. An investment of 1 bitcoin, valued at around \$9,139.71 at the time of investment, will generate an ending balance of around 723.10525652 bitcoin worth around \$6,608,973.07 at the end of a 60 month term, assuming the price of bitcoin remains constant through the term.
26. Respondent Mirror Trading also claims the projection of future returns of around 10 percent per month constitutes a "conservative quote" and "in reality the profits may be higher."

#### THE MULTI-LEVEL MARKETING SCHEME

27. Respondent Mirror Trading is recruiting members to participate in a multilevel marketing scheme.
28. Respondent Mirror Trading is providing multilevel marketers with tools for recruiting new investors. In addition to providing access to information published in a Telegram group and YouTube channel, Respondent Mirror Trading is providing its multilevel marketers with referral links that can be embedded in websites or sent via electronic mail or text message.
29. Respondent Mirror Trading is promising to pay four streams of commissions to multilevel marketers.

30. Respondent Mirror Trading refers to the four streams of commissions as direct once-off referral bonuses, weekly profit-sharing bonuses, P1 leadership bonuses and P2 leadership bonuses. It describes them as follows:
- A. The direct once-off referral bonuses generally refer to the payment of commissions equal to 10 percent of the principal deposited by recruited investors.
  - B. The weekly profit-sharing bonuses are predicated on recruiting new investors. An agent generally qualifies for weekly profit-sharing bonuses when he or she recruits at least two new members. He or she may then share in a pool of 20 percent of the weekly gross profits derived from trading, with the maximum payout capped at \$75,000.
  - C. The P1 leadership bonus is predicated on recruiting new investors and earning shares in a pool. An agent generally earns shares in this pool when he or she refers at least two members with accounts valued at least at \$200. Respondent Mirror Trading pays P1 leadership bonuses to the agent based, at least in part, on the number of shares earned by the agent.
  - D. The P2 leadership bonus is also predicated on recruiting new investors and earning shares in a pool. An agent generally earns shares in this pool when he or she refers at least two members with accounts valued at least at \$200 and at least one such member refers at least two members with accounts valued at least at \$200. Respondent Mirror Trading pays P2 leadership bonuses to the agent based, at least in part, on the number of shares earned by the agent.
31. Respondent Mirror Trading also purports to prohibit illegal activity among membership, requires all members to adhere to all laws and accepted business practices within the countries they transact business and prohibits members from engaging in fraudulent commercial practices.

#### THE DISCLAIMERS

32. Respondent Mirror Trading is disclaiming any and all liability associated with its sale of investments in the cryptocurrency and forex trading pool. It also requires investors to agree to the following provisions:
- A. Investors must agree “[n]either MTI nor its business partners is responsible for any loss or damage of whatever nature;” and



- B. Investors must agree "MTI will not and cannot be held liable for any losses of whatsoever nature due to unfulfilled promises to prospective members or third parties by any other existing members."

### REGISTRATION VIOLATIONS

- 33. Respondents Mirror Trading, ForexAndBitcoin, Steynberg, Cullison, Knott and Herceg (collectively the "**Respondents**") have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
- 34. The investments in the cryptocurrency and forex trading pool have not been registered by qualification, notification or coordination and no permit has been granted for their sale in Texas at any time material hereto.

### FRAUD AND THE CONCEALMENT OF MATERIAL BUSINESS INFORMATION

- 35. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg are intentionally failing to disclose Respondent Steynberg's business repute, qualifications and experience, and this information constitutes a material fact.

### FRAUD AND THE DIGITAL SOFTWARE AND ARTIFICIAL INTELLIGENCE

- 36. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg are intentionally failing to disclose material facts relating to the administration of the "digital software" and "artificial intelligence" used to trade forex, including the following material facts:
  - A. The identity of the programmers and developers of the "digital software" and "artificial intelligence," including the identity of the party that coded the software, as well as its business repute, qualifications and experience;
  - B. The identity of the servicers of the "digital software" and "artificial intelligence," including the identity of the party responsible for maintaining and updating the software, as well as its business repute, qualifications and experience;
  - C. The costs associated with the "digital software" and "artificial intelligence," including any ongoing costs for licensing the software, maintaining the software and updating the software; and
  - D. The security of the "digital software" and "artificial intelligence," including the security of internet connections used to access the software, the use of

security systems to prevent or deter cyberattacks, and the use of encryption to prevent unauthorized access by third-parties.

37. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg are intentionally failing to disclose material facts relating to the implementation of the “digital software” and “artificial intelligence” used to trade forex, including the following material facts:
- A. The strategy or strategies used to buy and sell forex for a profit;
  - B. Information relating to defects, glitches, bugs or malfunctions, including information explaining these events may negatively impact the ability to trade forex for a profit; and
  - C. The strategies or procedures for overcoming hardware and software failures, power outages or network disconnections.

#### FRAUD AND THE “REGISTERED AND REGULATED” FOREX BROKERS

38. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg are intentionally failing to disclose the following material facts about the forex brokers:
- A. The identity of the forex brokers, as well as the address of their principal places of business and their business repute, qualifications and experience of the forex brokers;
  - B. Any information that reflects or relates to their registration and regulation by a government agency; and
  - C. Any information that reflects the scope of their authority to trade forex, their procedures for trading forex, or their role in receiving, maintaining and using cryptocurrencies.

#### FRAUD AND THE SAFEGUARDING OF BITCOIN

39. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg are intentionally failing to disclose the following material facts relating to the safeguarding and protecting of bitcoin, including the following material facts:
- A. The type of wallet or software it uses to receive, access and transfer bitcoin, including information that reflects whether Respondent Mirror Trading is

using a custodial wallet that affords access to a custodian or other party with the authority of a non-custodial wallet that is not affiliated with a custodian or other party;

- B. The connectivity of the wallet or software it uses to receive, access and transfer bitcoin, including information that reflects whether Respondent Mirror Trading is using a "hot" wallet such as a mobile or desktop wallet or a "cold" wallet that is typically not connected to the internet;
- C. The procedures or protocols for securing access to the wallet or software it uses to receive, access and transfer bitcoin, including its policies for safeguarding private keys and any other means of authentication and access of the wallets or software;
- D. The security of the wallet or software it uses to receive, access and transfer bitcoin, including the security of internet connections used to access the wallet, the use of security systems to prevent or deter cyberattacks, and the use of encryption to prevent unauthorized access by third-parties; and
- E. The risk that attackers may use viruses, malware or other techniques to hack systems or otherwise gain access to bitcoin.

#### FRAUD AND THE CONCEALMENT OF RISKS ASSOCIATED WITH TRADING FOREX

40. In connection with the offer of the investment in the forex trading pool, Respondents are intentionally failing to disclose the following material facts relating to the risks associated with trading foreign currencies:
- 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. Other capital markets, including stocks, bonds, and commodities markets have strong influences on exchange rates between foreign currencies;
  - 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. Leveraging transactions on margin, once called, may lead to substantial losses in excess of initial investments; and
- G. Political news can be important for forex traders, and unexpected news can negatively impact forex trading.

FRAUD AND THE CONCEALMENT OF THE RISKS  
ASSOCIATED WITH BITCOIN AND BITCOIN POOLS

- 41. In connection with the offer of investments in the cryptocurrency and forex trading pool, Respondents Mirror Trading and Steynberg and intentionally failing to disclose the following material facts relating to the risks associated with bitcoin and bitcoin pools:
  - A. Governments may adopt legislation or regulation that may negatively impact the use, transfer, exchange or price of bitcoin;
  - B. 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;
  - C. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies;
  - D. Bitcoin competes with other cryptocurrencies, and this competition may negatively impact the price of bitcoins; and
  - E. Investors will need to monetize their bitcoin, and cryptocurrency exchanges or other parties may charge considerable fees when exchanging bitcoin for fiat currency.

DECEPTION AND THE MULTILEVEL MARKETING PROGRAM

- 42. As described herein, Respondent Mirror Trading is recruiting multilevel marketers to offer the investments in the bitcoin and forex trading pool and promising to pay four tiers of commissions for selling the product.
- 43. As described herein, Respondent Mirror Trading also purports to prohibit illegal activity among membership, requires all members to adhere to all laws and

accepted business practices within the countries they transact business and prohibits members from engaging in fraudulent commercial practices.

44. These statements are materially misleading or otherwise likely to deceive the public because:
- A. Any party offering securities in Texas must generally be registered as a dealer or agent with the Securities Commissioner; and
  - B. Parties may generally only offer securities in Texas when the securities are registered or permitted for sale.

#### DECEPTION AND THE DISCLAIMER OF LIABILITY

45. As described herein, Respondent Mirror Trading is disclaiming any and all liability associated with its sale of investments in the cryptocurrency and forex trading pool. It also requires investors to agree to the following provisions:
- A. Investors must agree “[n]either MTI nor its business partners is responsible for any loss or damage of whatever nature;” and
  - B. Investors must agree “MTI will not and cannot be held liable for any losses of whatsoever nature due to unfulfilled promises to prospective members or third parties by any other existing members.”
46. These statements are materially misleading or otherwise likely to deceive the public because:
- A. The Securities Act provides Texans with important rights, including potential civil causes of action against Respondent Mirror Trading; and
  - B. As a matter of law, Respondent Mirror Trading may not escape potential liability by requiring members to disclaim these important rights.

#### DECEIT AND OFFERS BY MULTILEVEL MARKETERS IN TEXAS

47. As described herein, Respondents ForexAndBitcoin, Cullison, Knott and Herceg are offering the investments in the cryptocurrency and forex trading pool to Texans, variously representing as follows:
- A. Investors deposit as little as \$100 and make an average of 10% per month;
  - B. Investors simply need to “[j]ust sit back and watch [their] MONEY grow;”

- C. The investment pays "daily trade income," the daily trade income is "automatically compounded" and "compound interest is the 8th Wonder of the World;"
  - D. The investment "grows your bitcoin compounding daily earning an average of 10% per month;"
  - E. The investments have more than 200+ days straight with positive gains; and
  - F. The investment closes 600 to 800 trades each day and has not lost a trade in almost a year.
48. These statements are materially misleading or otherwise likely to deceive the public because they tout the profitability of investing in the cryptocurrency and forex trading pool but do not disclose the following information:
- A. The business repute, qualifications or experience of Respondent Mirror Trading and Steynberg;
  - B. The information relating to the administration of the "digital software" and "artificial intelligence" used to trade forex described herein;
  - C. The information relating to the implementation of the "digital software" and "artificial intelligence" used to trade forex described herein;
  - D. The information about the forex brokers described herein;
  - E. The information relating to the safeguarding and protecting of bitcoin described herein;
  - F. The information about the forex brokers described herein;
  - G. The information relating to the risks associated with bitcoin and bitcoin pools described herein;
  - H. The information relating to the registration of multilevel marketers who offer Texans the investments in the cryptocurrency and forex trading pool described herein;
  - I. The information relating to the registration of cryptocurrency and forex trading pools offered or sold to Texans described herein; and

- J. The information relating to the disclaimer of liability as described herein.
49. These statements are also materially misleading or otherwise likely to deceive the public because Respondents ForexAndBitcoin, Cullison, Knott and Herceg are touting the safety and profitability of investing in the cryptocurrency and forex trading pool and participating in the multilevel marketing program, but they are not disclosing their qualifications and their prior financial experience, including the following information:
- A. Respondents ForexAndBitcoin and Cullison are not telling potential investors that on or about June 17, 1999, Respondent Cullison filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, California Northern Bankruptcy Court, Case No. 99-54197;
  - B. Respondents ForexAndBitcoin and Cullison are not telling potential investors on or about August 28, 2006, Respondent Cullison filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 06-12244-bam;
  - C. Respondents ForexAndBitcoin and Cullison are not telling potential investors on or about September 23, 2011, Respondent Cullison filed a Voluntary Petition for Chapter 13 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 11-25075-leb;
  - D. Respondents ForexAndBitcoin and Cullison are not telling potential investors on or about September 4, 2015, Respondent Cullison, formerly doing business as Empower Nutrition Inc., LLC, and doing business as Fusion Nutrition Inc., filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 15-15113-leb;
  - E. Respondent Knott is not telling potential investors that on or around June 15, 2010, he filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 10-21128-bam;
  - F. Respondent Knott is not telling potential investors that on or about August 9, 2019, he filed a Voluntary Petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, District of Nevada, Case No. 19-15134-abl; and
  - G. Respondent Herceg is not telling potential investors that on or about October 4, 2017, he filed a Voluntary Petition for Chapter 7 Bankruptcy in

**CONCLUSIONS OF LAW**

1. The investments in the cryptocurrency and forex trading pool are “securities” as that term is defined in 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 or permitted by 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 Mirror Trading and Steynberg are engaging in fraud in connection with the offer for sale of securities.
5. Respondents are making 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 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 that 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 for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as a securities dealer or agent in Texas until they are registered with the Securities Commissioner or is acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents Mirror Trading and Steynberg 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 that 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 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 Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the 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 7<sup>th</sup> day of July, 2020.



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TRAVIS J. ILES  
Securities Commissioner