

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310

Texas State Securities Board

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

E. WALLY KINNEY
CHAIR

MIGUEL ROMANO, JR.
MEMBER

KENNY KONCABA
MEMBER

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

IN THE MATTER OF §
FOREX BIRDS, LTD.; KUMAR BABU GONDESI; §
ERIC BALUSEK AKA DARWIN ERIC BALUSEK §
AKA BITCOIN POPE; AND PEK UNIVERSE §

Order No. ENF-20-CDO-1820

Forex Birds, Ltd.

Suite B2, 207 Regent Street, London, England, W1B 4ND; and Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and Grenadines

Kumar Babu Gondes

Suite B2, 207 Regent Street, London, England, W1B 4ND; and Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and the Grenadines; and Suite B2, City Cloisters, London, England EC1V 9FR

Eric Balusek aka Darwin Eric Balusek aka Bitcoin Pope

Suite B2, 207 Regent Street, London, England, W1B 4ND; and Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and the Grenadines

Pek Universe

101 Mount St., West Perth, WA 6004, Australia

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 "**Texas Securities Act**").

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

FINDINGS OF FACT

1. Forex Birds, Ltd. ("**Respondent Forex Birds**") is a British domiciled company. It may be served by certified mail addressed to its last known address of Suite B2, 207 Regent Street, London, England W1B 4ND, and at Suite 305, Griffith

Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and the Grenadines.

2. Kumar Babu Gondesi ("**Respondent Gondesi**") is the Company Director of Respondent Forex Birds. He may be served by certified mail addressed to Suite B2, 207 Regent Street, London, England W1B 4ND and at Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and the Grenadines. He can also be served by certified mail addressed to Suite B2, City Cloisters, London, England EC1V 9FR.
3. Eric Balusek aka Darwin Eric Balusek aka Bitcoin Pope ("**Respondent Balusek**") is a trader with Forex Birds Ltd. He may be served by certified mail addressed to Suite B2, 207 Regent Street, London, England W1B 4ND and at Suite 305, Griffith Corporate Centre, P.O. Box 1510, Beachmont, Kingston, Saint Vincent and the Grenadines.
4. Pek Universe ("**Respondent Pek Universe**") is an entity that purports to be domiciled in Australia. It claims to be the parent company of Respondent Forex Birds. It may be served by certified mail addressed to its last known address of 101 Mount St., West Perth, WA 6004, Australia

THE PUBLIC SOLICITATION

5. Respondents Forex Birds, Pek Universe, Gondesi and Balusek (collectively "**Respondents**") maintain websites at <https://forexbirdsltd.com> and <https://pekuniverse.com>, which describe how to participate in cryptocurrency trading investment programs.
6. Respondents published an advertisement in the general community section of the Craigslist website targeting residents of Dallas, Texas.
7. The advertisement claims Respondents created an "amazing avenue" to help individuals trade in foreign currency exchange ("**Forex**") and cryptocurrency for more than a "Hundred Percent Profit" guaranteed.

RESPONDENT FOREX BIRDS' CRYPTOCURRENCY INVESTMENTS

8. Respondents are now offering for sale investments in Respondent Forex Birds' cryptocurrency trading program, and potential investors can purchase the cryptocurrency investments through its public internet website at www.forexbirdstld.com (the "**Forex Birds Ltd. Website**").
9. The Forex Birds Ltd. Website describes the investments as Trading Plans and explains their terms as follows:

- A. Respondent Forex Birds is representing a minimum investment in the amount of \$100.00 in its ECN Plan will return 5% in profits;
 - B. Respondent Forex Birds is representing a minimum investment in the amount of \$3000.00 in its Standard Plan will return 4% in profits;
 - C. Respondent Forex Birds is representing a minimum investment in the amount of \$2000.00 in its Premium Plan will return 11% in profits; and
 - D. Respondent Forex Birds is representing a minimum investment in the amount of \$10,000.00 in its Prime Plan will return 10% in profits.
10. Respondent Forex Birds claims to offer insurance of \$1,000,000.00 on investor funds for no extra cost.
11. The Forex Birds Ltd. Website claims there is "a Low [*sic*] level of risk and can result in losses that exceed initial deposits."

RESPONDENT BALUSEK'S REPRESENTATIONS
REGARDING THE FOREX BIRDS' CRYPTOCURRENCY INVESTMENTS

12. Respondent Balusek describes the investment to potential investors as follows:
- A. Respondent Balusek is representing a minimum investment in the amount of \$500.00 in Respondent Forex Birds' ECN Plan will return 5% in profits after 24 hours for four days;
 - B. Respondent Balusek is representing a minimum investment in the amount of \$3000.00 in Respondent Forex Birds' Standard Plan will return 7% in profits daily for seven days;
 - C. Respondent Balusek is representing a minimum investment in the amount of \$6000.00 in Respondent Forex Birds' Premium Plan will return 11% in profits after 65 minutes; and
 - D. Respondent Balusek is representing a minimum investment in the amount of \$10,000.00 in Respondent Forex Birds' Prime Plan will return 15% in profits daily for thirty days.
13. Respondent Balusek is representing he charges commissions of 20% of the total profit generated for the investor.

THE SECOND FOREX BIRDS WEBSITE AND FOREX INVESTMENTS

14. Respondent Forex Birds maintains an additional public website at <https://forexbirds.com>.

15. This website claims Respondent Forex Birds is a forex broker and purports to permit the opportunity to trade forex.

RESPONDENT PEK UNIVERSE CRYPTOCURRENCY INVESTMENTS

16. As referenced herein, Respondent Pek Universe claims to be the parent company of Respondent Forex Birds.
17. Respondents are also offering for sale investments in Respondent Pek Universe's cryptocurrency trading program, and potential investors can purchase the cryptocurrency investments through its public internet website at www.pekuniverse.com (the "Pek Universe Website").
18. The Pek Universe Website describes the investment as follows:
- A. Respondent Pek Universe is representing a minimum investment in the amount of \$500.00 in its Elite Plan will return 1.4% daily in profits for a period of ten days and a 5% referral bonus;
 - B. Respondent Pek Universe is representing a minimum investment in the amount of \$20,000.00 in its Veteran Plan will return 1.6% daily in profits for a period of 20 days and a 5% referral bonus; and
 - C. Respondent Pek Universe is representing a minimum investment in the amount of \$100,000.00 in its Retirement Plan will return 1.9% daily in profits for 30 days and a 5% referral bonus.

RESPONDENT PEK UNIVERSE'S BOARD OF DIRECTORS

19. The Pek Universe Website claims, "when it comes to delivering on our words and relating to clients, we take no half measures" and claims Respondent Pek Universe is governed by a three-member board of directors.
20. The Pek Universe Website represents Eric Greg Newman as Chairman. The Pek Universe website provides a photograph that purports to portray Eric Greg Newman. The photograph that purports to portray Eric Greg Newman is an image of an individual depicted on a different website that associates a different name with the image.
21. The Pek Universe Website represents Catherine Cromwell as Chief Financial Officer. The Pek Universe website provides a photograph that purports to portray Catherine Cromwell. The photograph that purports to portray Catherine Cromwell is an image of an individual depicted on a different website that associates a different name with the image.

FALSE CLAIMS OF REGISTRATION AND REGULATION

22. Respondent Forex Birds claims to be a "well-regulated and safe" forex broker.
23. Respondent Forex Birds claims to be registered with and regulated by the European [*sic*] Securities and Investments Commission.
24. Respondent Forex Birds claims to be registered with and regulated by the Australian Securities and Investments Commission (ASIC).
25. Respondent Forex Birds claims to be a fully licensed and regulated broker governed and supervised by the Saint Vincent Finance Service Authority (FSA).

REGISTRATION VIOLATIONS

26. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
27. The Respondent Forex Birds' investments in the ECN, Standard, Premium, and Prime Trading Plans have not been registered by qualification, notification, or coordination at any time material to hereto, and no permit has been granted for their sale in Texas.
28. The Respondent Pek Universe investments in the Elite, Veteran, and Retirement Trading Plans have not been registered by qualification, notification, or coordination at any time material to hereto, and no permit has been granted for their sale in Texas.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION RELATING TO PRINCIPALS AND MANAGERS

29. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondents are intentionally failing to disclose the following material facts relating to the principals and managers of Respondent Forex Birds:
 - A. Respondents are intentionally failing to disclose the business repute, qualifications and experience of Respondent Balusek.
 - B. Respondents are intentionally failing to disclose the identity of the principals and managers of Respondent Forex Birds; and
 - C. Respondents are intentionally failing to disclose the business repute, qualifications and experience of the principals and managers of Respondent Forex Birds.

30. In connection with the offer of investments in the Elite, Veteran, and Retirement Trading Plans, Respondents are intentionally failing to disclose the following material facts relating to the principals and managers of Respondent Pek Universe:
- A. Respondents are intentionally failing to disclose the identity of the principals and managers of Respondent Pek Universe; and
 - B. Respondents are intentionally failing to disclose the business reputations, qualifications and experience of the principals and managers of Respondent Pek Universe.

FRAUD AND DECEPTION AND
THE BUSINESS OF RESPONDENTS FOREX BIRDS AND PEK UNIVERSE

31. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondents are intentionally failing to disclose the strategy for generating profits.
32. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondents are intentionally failing to disclose the assets, liabilities or other financial information that demonstrates Respondent Forex Birds' ability to pay profits to investors regardless of the price of cryptocurrencies.
33. In connection with the offer of investments in Elite, Veteran, and Retirement Trading Plans, Respondents are intentionally failing to disclose the strategy for generating profits.
34. In connection with the offer of investments in the Elite, Veteran and Retirement Trading Plans, Respondents are intentionally failing to disclose the assets, liabilities or other financial information that demonstrates Respondent Pek Universe's ability to pay profits to investors regardless of the price of cryptocurrencies.

FRAUD AND THE REPRESENTATIONS THAT
RESPONDENT FOREX BIRDS IS REGISTERED WITH
THE EUROPEAN [S/C] SECURITIES AND INVESTMENTS COMMISSION

35. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondent Forex Birds is misrepresenting that it is registered with and regulated by the European [sic] Securities and Investments Commission, and this misrepresentation constitutes a misrepresentation of a material fact.

FRAUD AND THE REPRESENTATIONS THAT
RESPONDENT FOREX BIRDS IS REGISTERED WITH THE
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC)

36. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondent Forex Birds is misrepresenting that it is registered with and regulated by the Australian Securities and Investments Commission (ASIC), and this misrepresentation constitutes a misrepresentation of a material fact.

FRAUD AND THE REPRESENTATIONS THAT
RESPONDENT FOREX BIRDS IS REGULATED BY
THE SAINT VINCENT FINANCE SERVICE AUTHORITY (FSA)

37. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondent Forex Birds is misrepresenting that it is regulated by the Saint Vincent Finance Service Authority (FSA), and this misrepresentation constitutes a misrepresentation of a material fact.

FRAUD AND THE INSURANCE POLICY

38. In connection with the offer of investments in the ECN, Standard, Premium, and Prime Trading Plans, Respondent Forex Birds is intentionally failing to disclose the following material facts relating to the insurance policy that purportedly protects its cryptocurrencies:
- A. The issuer of the insurance policy; and
 - B. The term of the insurance policy and the coverage provided by the insurance policy.

FRAUD AND DECEPTION AND THE CONCEALMENT
OF THE RISKS ASSOCIATED WITH CRYPTOCURRENCIES

39. In connection with the offer of investments in the trading program, Respondent Forex Birds is claiming the investments involve "a Low [*sic*] level of risk and can result in losses that exceed initial deposits," and this constitutes a misrepresentation of material fact because Respondents are also representing returns from the trading program are guaranteed.
40. In connection with the offer of investments in the trading programs, Respondents are making materially misleading statements that are likely to deceive the public and are intentionally failing to disclose the following material facts relating to the risks associated with cryptocurrency investments:

- A. Governments may adopt legislation or regulation that may negatively impact the use, transfer, exchange, or price of cryptocurrencies;
- B. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies; and
- C. Cryptocurrencies compete with all other cryptocurrencies, and this competition may negatively impact the price of specific cryptocurrency.

DECEPTION REGARDING PEK UNIVERSE'S BOARD OF DIRECTORS

41. Respondent Pek Universe is making an offer containing statements reflecting the identity of persons associated with Respondent Pek Universe, and these statements are materially misleading or likely to deceive the public because:
- A. Respondent Pek Universe is claiming that Eric Greg Newman is the Chairman of Respondent Pek Universe's board of directors. Respondent Pek Universe is not telling investors that the photograph that purports to portray Eric Greg Newman is an image of an individual depicted on a different website that associates a different name with the image.
 - B. Respondent Pek Universe is claiming that Catherine Cromwell is the Chairman of Respondent Pek Universe's board of directors. Respondent Pek Universe is not telling investors that the photograph that purports to portray Catherine Cromwell is an image of an individual depicted on a different website that associates a different name with the image.

CONCLUSIONS OF LAW

- 1. The investment in the ECN, Standard, Premium, and Prime Trading Plans are securities as the term is defined by Section 4.A of the Securities Act.
- 2. The investment in the Elite, Veteran and Retirement Trading Plans are securities as the term is defined by Section 4.A of the Securities Act.
- 3. 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.
- 4. 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.
- 5. Respondents are engaging in fraud in connection with the offer for sale of securities.

6. Respondents have made an offer containing statements that are materially misleading or otherwise likely to deceive the public.
7. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
8. 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 securities dealer or agent in Texas until Respondents are registered with the Securities Commissioner or are 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 offering 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 3rd day of September, 2020.



TRAVIS G. ILES
Securities Commissioner