

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

BETH ANN BLACKWOOD
CHAIR

E. WALLY KINNEY
MEMBER

DAVID A. APPLEBY
MEMBER

ALAN WALDROP
MEMBER

MIGUEL ROMANO, JR.
MEMBER

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

Texas State Securities Board

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

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

IN THE MATTER OF
FXBITGLOBE AKA FX BIT GLOBE LIMITED AKA
FXBITGLOBE TRADING COMPANY FKA FIDELITY
TRADING COMPANY

§
§
§
§

Order No. ENF-19-CDO-1776

TO: FXBITGLOBE AKA FX BIT GLOBE LIMITED AKA FXBITGLOBE TRADING COMPANY FKA FIDELITY TRADING COMPANY
Space, Mies-van-der-Rohe-Strabe 8, Munchen Germany 80807, Frankfurt; 18 Baker Street, London, United Kingdom; 142 Blackfriars Road, London, United Kingdom, SE1 8EQ; and 11F Hong Kong New World Tower, 302, Huaihai Zhong Road, Luwan District, Shanghai 20002

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 to 581-45 (West 2010 & Supp. 2018) (the "Securities Act").

The Enforcement Division of the State Securities Board has presented evidence sufficient for the Securities Commissioner to find that:

FINDINGS OF FACT

1. This Emergency Cease and Desist Order is brought to stop an illegal international offering of investments tied to cryptocurrencies, binary options and other products by a firm using a phony address, publishing a forged government record and misrepresenting its status as a registered broker-dealer and investment adviser.

THE RESPONDENT

2. FxBitGlobe aka Fx Bit Globe Limited aka FxBitGlobe Trading Company fka Fidelity Trading Company (hereinafter referred to as "Respondent FxBitGlobe") purports to maintain addresses at 1210 Smith Street, Houston, Texas 77002; Space, Mies-van-der-Rohe-Strabe 8, Munchen Germany 80807, Frankfurt; 18 Baker Street, London, United Kingdom; 142 Blackfriars Road, London, United Kingdom, SE1 8EQ; 11F Hong Kong New World Tower, 302, Huaihai Zhong Road, Luwan District, Shanghai 20002; and Kuala Lumpur, Malaysia.

THE INTERNET WEBSITE

3. Respondent FxBitGlobe maintains an internet website accessible by the public at fxbitglobe.com (hereinafter referred to as the "FxBitGlobe Website").
 - A. The FxBitGlobe Website claims the company was founded in 2014 and is now one of the leading investment companies in the industry trading cryptocurrencies, forex, binary options, and insurance investments.
 - B. Potential investors are able to use the FxBitGlobe Website as a platform to purchase investments in products tied to cryptocurrencies, forex, binary options, and insurance investments. The FxBitGlobe Website refers to the products as Service Plans.

THE SERVICE PLANS

4. Respondent FxBitGlobe, through the FxBitGlobe Website, is describing the Service Plans as follows:
 - A. Investors can pay between \$500.00 and \$1,999.00, payable in fiat currency or cryptocurrency, to purchase an investment in the Seed Service Plan. The FxBitGlobe Website initially claims the investors purchasing an investment in the Seed Service Plan are entitled to daily profits on trades, weekly payouts, a 25% monthly return, and 30% to 40% capital insurance.
 - B. Investors can pay between \$2,000.00 and \$9,999.00, payable in fiat currency or cryptocurrency, to purchase an investment in the Investor Service Plan. The FxBitGlobe Website initially claims the investors purchasing an investment in the Investor Service Plan are entitled to daily profits on trades, weekly payouts, a 35% monthly return, and 35% to 40% capital insurance.
 - C. Investors can pay between \$10,000.00 and \$49,999.00, payable in fiat currency or cryptocurrency, to purchase an investment in the Premium Service Plan. The FxBitGlobe Website initially claims the investors purchasing an investment in the Premium Service Plan are entitled to daily profits on trades, weekly payouts, a 50% monthly return, and 40 to 45% capital insurance.
 - D. Investors can pay \$50,00.00 or more, payable in fiat currency or cryptocurrency, to purchase an investment in the Sky Service Plan. The FxBitGlobe Website initially claims the investors purchasing an investment in the Sky Service Plan are entitled to daily profits on trades, weekly payouts, a 70% monthly return, and 40% to 45% capital insurance.
5. Although the FxBitGlobe Website initially claims the Seed Service Plan pays a 25% monthly return, the Investor Service Plan pays a 35% monthly return, the Premium

Service Plan pays a 50% monthly return, and the Sky Service Plan pays a 70% monthly return, it later represents the Seed Service Plan pays a 15% monthly return, the Investor Service Plan pays a 25% monthly return, the Premium Service Plan pays a 30% monthly return, and the Sky Service Plan pays a 50% monthly return.

6. The FxBitGlobe Website does not provide any information reflecting FxBitGlobe's strategy for generating returns, other than to generally explain the investments are tied to cryptocurrencies, forex, binary options, and insurance investments.

RESPONDENT FXBITGLOBE AND ITS SCHEME TO FALSELY CREATE LEGITIMACY

7. Respondent FxBitGlobe claims to maintain a place of business at 1210 Smith Street, Houston, Texas 77002. As described herein, however, Respondent FxBitGlobe does not maintain an office at 1210 Smith Street, Houston, Texas 77002, and this address does not exist in Houston, Texas.
8. Respondent FxBitGlobe is publishing a certificate of incorporation that purports to show it registered as a private limited company with Companies House on February 25, 2017. As described herein, however, Respondent FxBitGlobe was not registered as a private limited company with Companies House on February 25, 2017, and this certificate of incorporation is a forgery.
9. Respondent FxBitGlobe claims it is a registered broker-dealer, a registered investment adviser, a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and a member of the Securities Investor Protection Corporation (the "SIPC"). As described herein, however, Respondent FxBitGlobe is not registered as a broker-dealer with FINRA or the Securities Board, is not registered as an investment adviser with the Securities Board or the United States Securities and Exchange Commission (the "SEC"), and is not a member of FINRA or the SIPC.
10. Respondent FxBitGlobe claims it is a member of the Investors Compensation Fund, but as described herein, does not provide any information about the Investors Compensation Fund.

RESPONDENT FXBITGLOBE IS RECRUITING UNREGISTERED SALES AGENTS TO OFFER ITS SERVICE PLANS IN TEXAS

11. Respondent FxBitGlobe is recruiting unregistered sales agents to offer its investments.
12. Respondent FxBitGlobe is promising to pay unregistered sales agents a commission equal to five percent of the new client's principal investment.

REGISTRATION VIOLATIONS

13. Respondent FxBitGlobe has not been registered with the Securities Commissioner as a dealer or agent at any time material hereto.
14. The investments in the Service Plans have not been registered by qualification, notification, or coordination, and no permit has been granted for their sale in Texas.
15. Respondent FxBitGlobe is recruiting sales agents and promising to compensate sales agents to offer its investments without first verifying the sales agents are registered to offer or sell securities in Texas.

FRAUD RELATING TO THE QUALIFICATIONS AND OPERATIONS OF
RESPONDENT FXBITGLOBE AND ITS STRATEGIES FOR GENERATING RETURNS

16. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose the following material facts relating to the identity of its principals, their qualifications, and the company's operations:
 - A. The identity of its principals and their business repute, experience, and qualifications;
 - B. Its assets, liabilities, and capitalization, as well as any financial information that shows it can pay a fixed rate of return to investors if it is unable to generate sufficient profit from its dealings in cryptocurrencies, forex, binary options, and insurance investments; and
 - C. Respondent FxBitGlobe's relationship to Fidelity Trading Company, its experience in offering investments promising fixed rates of return as Fidelity Trading Company, and any outstanding financial obligations incurred by Respondent FxBitGlobe while operating as Fidelity Trading Company that may negatively impact its ability to pay a fixed rate of return to investors.
17. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose material facts relating to its strategies for generating fixed returns, including the following:
 - A. The identity of traders or other personnel responsible for trading or otherwise dealing in cryptocurrencies, forex, binary options, and insurance investments;
 - B. The business repute, experience, and qualifications of traders or other personnel responsible for trading or otherwise dealing in cryptocurrencies, forex, binary options, and insurance investments;
 - C. Any information about the company's strategy for generating fixed returns through trading or otherwise dealing in cryptocurrencies, forex, binary options, and insurance investments; and

- D. Any information about the company's strategy for reducing or minimizing the risks associated with trading or otherwise dealing in cryptocurrencies, forex, binary options and insurance investments.
18. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is representing it maintains an office at 1210 Smith Street, Houston, Texas 77002. These statements constitute misrepresentations of relevant facts because Respondent FxBitGlobe does not maintain an address at 1210 Smith Street, Houston, Texas 77002, and this address does not exist in Houston, Texas.

FRAUD RELATING TO THE LICENSURE OF RESPONDENT
FXBITGLOBE AND ITS LEGAL AUTHORITY TO OFFER SERVICE PLANS

19. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is representing it is registered as a broker-dealer. This representation constitutes a misrepresentation of a relevant fact because Respondent FxBitGlobe is not registered as a broker-dealer with FINRA and is not registered as a dealer with the Securities Board.
20. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is representing it is registered as an investment adviser. This representation constitutes a misrepresentation of a relevant fact because Respondent FxBitGlobe is not registered as an investment adviser with the Securities Board or the SEC.
21. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is representing it is a member of FINRA. This representation constitutes a misrepresentation of a relevant fact because Respondent FxBitGlobe is not a member of FINRA.
22. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is representing it is a member of the SIPC. This representation constitutes a misrepresentation of a relevant fact because Respondent FxBitGlobe is not a member of the SIPC.
23. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is publishing a certificate that purports to show it registered as a private limited company with Companies House on February 25, 2017. The publication of this certificate constitutes a misrepresentation of a relevant fact because Respondent FxBitGlobe was not registered as a private limited company with Companies House on February 25, 2017, and the certificate of incorporation is a forgery.

**FRAUD RELATING TO RESPONDENT FXBITGLOBE'S
CONCEALMENT OF RISKS ASSOCIATED WITH THE SERVICE PLANS**

24. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is telling potential investors any risks or uncertainties associated with the Service Plans are described in filings with the SEC. This statement is a misrepresentation of a relevant fact because Respondent FxBitGlobe has not filed documents relating to the sale of Service Plans with the SEC.
25. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose material facts relating to the risks associated with cryptocurrencies, and these risks include the following:
- A. Governments may adopt legislation or regulations that may negatively impact the use, transfer, exchange, or price of cryptocurrencies;
 - B. Cryptocurrencies are volatile, and the price of a cryptocurrency as it relates to fiat currency may decrease over a short period of time, resulting in significant loss to purchasers or traders of the cryptocurrency;
 - C. A system or technical failure, or deficient source code, may negatively impact the ability to exchange cryptocurrencies and the price of cryptocurrencies;
 - D. A hacking incident or malicious attack may negatively impact the price of cryptocurrencies; and
 - E. Cryptocurrencies compete with all other cryptocurrencies, and this competition may negatively impact the price of a specific cryptocurrency.
26. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose material facts relating to the risks associated with investments in foreign currency, and these risks include the following:
- 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. 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 a forex contract;
 - C. A system or technical failure in a platform for executing trades may negatively impact the ability to close a trade for a profit; and
 - D. Leveraging transactions on margin, once called, may lead to substantial losses in excess of initial investments.

27. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose material facts relating to the risks associated with binary options, and these risks include the following risks:
- A. Traders lose the entirety of their investment when they incorrectly predict movements in the market;
 - B. Binary options are not liquid investments and traders must wait until the options expire before he or she can move from a position regardless of movements in the market; and
 - C. The over-the-counter markets are thinly regulated and as such traders must account for possibilities of fraud, deceit, or trade discrepancy.
28. In connection with the offer of investments in the Service Plans, Respondent FxBitGlobe is intentionally failing to disclose material facts relating to the risks associated with insurance investments, and these risks include the following risks:
- A. A firm may lack sufficient capital or some form of reinsurance to pay amounts owed under an insurance investment;
 - B. A firm may contest amounts owed under an insurance contract, and investors may be reliant on a third-party to deal with the claim or litigate the matter; and
 - C. An insurance investment may require a party to pay premiums or satisfy some other form of recurring obligation to prevent the insurance investment from lapsing.

MISLEADING AND DECEPTIVE STATEMENTS RELATING
TO RESPONDENT FXBITGLOBE'S OPERATIONS AND SERVICE PLANS

29. Respondent FxBitGlobe is telling investors the Seed Service Plan pays a 25% monthly return, the Investor Service Plan pays a 35% monthly return, the Premium Service Plan pays a 50% monthly return, and the Sky Service Plan pays a 70% monthly return. These representations are materially misleading or otherwise likely to deceive the public, because it also represents the Seed Service Plan pays a 15% monthly return, the Investor Service Plan pays a 25% monthly return, the Premium Service Plan pays a 30% monthly return, and the Sky Service Plan pays a 50% monthly return.
30. Respondent FxBitGlobe is telling investors the Service Plans feature capital insurance. These representations are materially misleading or otherwise likely to deceive the public, because it is not providing investors with any information relating to the identity of the insuring party or the terms of the capital insurance.
31. Respondent FxBitGlobe is claiming to be a member of the Investors Compensation Fund. This claim is materially misleading or otherwise likely to deceive the public,

because Respondent FxBitGlobe is not providing investors with any information relating to the Investors Compensation Fund.

32. Respondent FxBitGlobe is claiming to be a company operating from Houston, Texas, and these claims are materially misleading or otherwise likely to deceive the public because Respondent FxBitGlobe has not filed with the Texas Secretary of State and is not authorized to transact business in Texas as a domestic or foreign entity.
33. Respondent FxBitGlobe is representing it will pay commissions to sales agents who sell investments in Service Plans. These representations are materially misleading or otherwise likely to deceive the public because:
 - A. Persons who offer and sell securities in Texas, including the investments in the Service Plans, who are not registered as dealers or agents or otherwise exempt from registration are violating Section 12 of the Securities Act; and
 - B. Persons who offer and sell investments in the Service Plans in Texas are offering and selling unregistered securities in violation of Section 7 of the Securities Act.

CONCLUSIONS OF LAW

1. The investments in the Fidelity Seed Plan, the Investment Plans, and the Service Plans are “securities” as the term is defined in Section 4.A of the Securities Act.
2. Respondent FxBitGlobe is 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.
3. Respondent FxBitGlobe is 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. Respondent FxBitGlobe is engaging in fraud in connection with the offer for sale of securities.
5. Respondent FxBitGlobe is making offers containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondent's 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 Respondent FxBitGlobe 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 Respondent FxBitGlobe immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondent FxBitGlobe 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 Respondent FxBitGlobe 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 9th day of April, 2019.



TRAVIS J. ILES
Securities Commissioner