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MIGUEL ROMANO, JR.
MEMBER

IN THE MATTER OF §
FOREX EA & BITCOIN INVESTMENT LLC AKA MY §
FOREX EA & BITCOIN INVESTMENT LLC AKA MY § **Order No** ENF-18-CDO-1763
FOREX EA, JAMES BUTCHER AND RICHARD DUNN §

TO: FOREX EA & BITCOIN INVESTMENT LLC AKA MY FOREX EA & BITCOIN
INVESTMENT LLC AKA MY FOREX EA
277 Canal Street, New York, NY 10013

JAMES BUTCHER
277 Canal Street, New York, NY 10013

RICHARD DUNN
277 Canal Street, New York, NY 10013

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (hereinafter referred to as 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. 2017) (hereinafter referred to as the "Securities Act").

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

FINDINGS OF FACT

1. Forex EA & Bitcoin Investment LLC aka My Forex EA & Bitcoin Investment LLC aka MY Forex EA (hereinafter referred to as "Respondent Forex EA & Bitcoin") maintains a last known address at 277 Canal Street, New York, NY 10013.
2. James Butcher (hereinafter referred to as "Respondent Butcher") maintains a last known address at 277 Canal Street, New York, NY 10013.
3. Richard Dunn (hereinafter referred to as "Respondent Dunn") maintains a last known address at 277 Canal Street, New York, NY 10013.

4. Respondent Forex EA & Bitcoin and Respondent Butcher are publishing advertisements for investments in a Forex and Bitcoin trading program that target Texas residents.
5. Respondent Forex EA & Bitcoin and Respondent Butcher are directing Texans to contact Respondent Forex EA & Bitcoin at a telephone number that uses an area code assigned to the geographic region in and around Houston, Texas.
6. Respondent Forex EA & Bitcoin, Respondent Butcher and Respondent Dunn (hereinafter collectively referred to as "**Respondents**") are telling potential investors that an investment in the Forex and Bitcoin trading program will provide the following returns:
 - A. Respondents are representing that an investment of \$500.00 in the Forex and Bitcoin trading program will return \$5,000.00 in twenty-one calendar days,
 - B. Respondent Forex EA & Bitcoin and Respondent Butcher are representing that an investment of \$1,000.00 in the Forex and Bitcoin trading program will return \$10,000.00 in twenty-one calendar days,
 - C. Respondent Forex EA & Bitcoin and Respondent Butcher are representing that an investment of \$2,000.00 in the Forex and Bitcoin trading program will return \$20,000.00 in twenty-one calendar days, and
 - D. Respondent Forex EA & Bitcoin and Respondent Butcher are representing that an investment of \$5,000.00 in the Forex and Bitcoin trading program will return \$50,000.00 in twenty-one calendar days.
7. Respondents are also variously claiming an investment in the Forex and Bitcoin Trading Program is guaranteed, that it involves no risk, that its returns are 100% assured and that there is no possible way investors can lose money.
8. Respondent Forex EA & Bitcoin and Respondent Butcher are stating that Respondent Forex EA & Bitcoin will draw upon an account with a balance of "500k and climbing" to satisfy its guarantee. They are explaining that, "[i]f we did lose a \$1000 investment it will be easily replaced with the rest of our balance and [investors will] still get your quoted return."
9. Respondents are providing Texans with a contract referred to as both an "Investment Contract" and an "Investment Agreement." The contract contains the following key terms:
 - A. The contract reflects that the term of the investment is twenty-one days,
 - B. The contract provides Respondent Forex EA & Bitcoin is guaranteeing "100% profits in 21days [sic] or a refund will be issued in cases where [the] investment could not yield profits," and
 - C. The contract provides it is governed by and construed in accordance with the laws of Texas.

REGISTRATION VIOLATIONS

10. Respondent Forex EA & Bitcoin has not been registered with the Securities Commissioner as a dealer at any time material hereto.
11. Respondent Butcher and Respondent Dunn have not been registered with the Securities Commissioner as agents of Respondent Forex EA & Bitcoin at any time material hereto.
12. The investments in the Forex and Bitcoin trading program have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas.

FRAUD IN CONNECTION WITH THE OFFER OF INVESTMENTS IN THE FOREX AND BITCOIN TRADING PROGRAM

13. In connection with the offer of investments in the Forex and Bitcoin trading program, Respondents are intentionally failing to disclose the following material facts:
 - A. Respondents are intentionally failing to disclose the identity of the principals of Respondent Forex EA & Bitcoin,
 - B. Respondents are intentionally failing to disclose any information about Bitcoin, including basic information about Bitcoin being a cryptocurrency that uses a decentralized technology known as the blockchain to secure payments from one party to another party without an intermediary such as a bank or other financial institution, and
 - C. Respondents are intentionally failing to disclose any information about Forex, including basic information about the Forex market where participants exchange one currency for another and the role of traders who speculate on movements in exchange rates.
14. In connection with the offer of investments in the Forex and Bitcoin trading program, Respondent Forex EA & Bitcoin is intentionally failing to disclose the following material facts relating to the guarantee of profitability:
 - A. Respondent Forex EA & Bitcoin is intentionally failing to disclose information about the account and the corpus of the account that will be used to guarantee investments, including the type of assets held in the account and the liquidity of the assets held in the account, and
 - B. Respondent Forex EA & Bitcoin is intentionally failing to disclose its assets, liabilities and capitalization, as well as any other financial information that reflects its ability to satisfy its guarantee if funds from the aforementioned account are unavailable or lost.

**MATERIALLY MISLEADING AND DECEPTIVE PRACTICES AND
THE OFFER OF INVESTMENTS IN THE FOREX AND BITCOIN TRADING PROGRAM**

15. Respondents are representing investments in the Forex and Bitcoin trading program will provide lucrative profits while failing to disclose risks associated therewith, which is materially misleading or otherwise likely to deceive the public because there are risks associated with the Forex and Bitcoin trading program, and these risks relate to trading in cryptocurrencies as follows:
- 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.
16. Respondents are representing investments in the Forex and Bitcoin trading program will provide lucrative profits while failing to disclose any risks associated therewith, which is materially misleading or otherwise likely to deceive the public because there are risks associated with the Forex and Bitcoin trading program, and these risks relate to trading in Forex as follows:
- 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.
17. Respondent Forex EA & Bitcoin is claiming to be a limited liability company with a place of business in New York, which is materially misleading or otherwise likely to deceive the public because the New York Department of State, Division of

Corporations, does not reflect any filings attributable to Respondent Forex EA & Bitcoin.

CONCLUSIONS OF LAW

1. The investments in the Bitcoin and Forex trading program 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 the Securities Commissioner.
3. Respondent Forex EA & Bitcoin 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. Respondent Butcher and Respondent Dunn are violating Section 12 of the Securities Act by offering securities for sale in Texas as agents of Respondent Forex EA & Bitcoin without being registered as agents of Respondent Forex EA & Bitcoin pursuant to the provisions of Section 12 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for sale of securities.
5. Respondents are making offers 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 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 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 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 \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 8th day of

May, 2018.



TRAVIS J. ILES
Securities Commissioner