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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. S-22-0041

7 FX BINARY OPTION aka FXBOT,
8 Respondent.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY DEFAULT

9 On May 11, 2022, the Director of the Department of Consumer and Business
10 Services for the State of Oregon (“Director”), by and through the Division of Financial
11 Regulation (“Division”), served an Order to Cease and Desist and Proposed Order
12 Assessing Civil Penalties (“Notice”) on FX Binary Option (“FxBot”), Respondent.

13 Because Respondent provided no address or location information to Oregon
14 consumers and failed to respond to any requests from the Division for information and
15 because there was no way to serve FxBot directly, service of the Notice was served on the
16 Corporations Division of the Oregon Secretary of State

17 The Notice offered Respondent an opportunity for a hearing if requested within 20
18 days of service of the Notice. The Notice further informed Respondent that if a hearing
19 was not conducted because Respondent did not timely request a hearing or otherwise
20 defaulted, then the designated portion of the Division’s file and all materials submitted by
21 Respondent FxBot in this case would automatically become part of the contested case
22 record for the purpose of proving a prima facie case.

23 The Director did not receive from Respondent FxBot a request for a hearing and
24 has not conducted a hearing.

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Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. FxBot has never been issued an Oregon broker-dealer license, and has never
4 registered any securities offerings with the Division or at the federal level.

5 2. On or about April 2021, an individual identifying himself as “Jeff Osborne”
6 contacted an Oregon consumer hereinafter referred to as SM. Osborne represented himself
7 to be affiliated with FxBot, which Osborne described as a foreign currency investment
8 brokerage.

9 3. Osborne described himself as a “representative” of FxBot.

10 4. Osborne communicated with SM through a social media application called
11 “WhatsApp.”

12 5. Osborne, on behalf of FxBot, made material misrepresentations to SM about
13 the purported FxBot investment opportunity, including:

14 A. FxBot was a “US registered legal international investment company.”

15 B. FxBot was created by a “...group of qualified experts, professional bankers,
16 traders and analysts who specialized in the stock, bond, futures, currencies, gold, silver and
17 oil trading.”

18 C. The alleged experts had “...more than 10 years of extensive practical
19 experience...”

20 D. FxBot had made multiple payouts to alleged investors, with the highest
21 amounting to over \$900,000.

22 E. FxBot provides risk free investment products.

23 F. FxBot is regulated by the Financial Services Commission of Mauritius.

24 Osborne, individually and on behalf of FxBot, made the misrepresentations in an
25 effort to solicit SM to invest in FxBot

26 6. Osborne said that FxBot only accepted the digital currency Bitcoin and





1 instructed SM on how to use a money transmitter to purchase Bitcoin and fund his
2 investment account.

3 7. On or about March 1, 2021, SM invested \$327.07 in FxBot and, encouraged
4 by what FxBot represented were significant capital gains, SM made a series of subsequent
5 investments between March 3, 2021 and August 4, 2021, for a total investment amount of
6 \$69,290.83

7 8. In or about June 2021, SM believed, based on representations made by
8 FxBot on SM's 'dashboard,' that his account balance was over \$500,000.

9 9. In or about June 2021, SM attempted to redeem some of the money in his
10 FxBot account.

11 10. On or about June 14, 2021 FxBot sent SM a cashier's check drawn on an
12 account that was not owned by FxBot and it was sent from an address that is not affiliated
13 with FxBot.

14 11. SM took the check to a bank that verified that the account number on the
15 check was for a valid account, but was not issued by that account holder. SM declined to
16 attempt to negotiate the check when he realized it was fraudulent.

17 12. To date, none of SM's money has been returned and Respondent stopped
18 responding to SM's messages.

19 13. As of March 11, 2022, the website and phone number used by FxBot
20 <https://fxbinaryoptiontrading.com> was no longer active. Emails to FxBot customer service
21 support, support@fxbinaryoptiontrading.com, were returned as undeliverable.

22 CONCLUSIONS OF LAW

23 The Director CONCLUDES that:

24 14. Under ORS 59.015(19)(a), "security" means a note, stock, evidence of
25 indebtedness, investment contract, or, in general, any interest or instrument commonly
26 known as a "security."



- 1 15. The investments in FxBot made by SM constitute securities under ORS
2 59.015(19)(a), as those investments are investment contracts, stocks, or bonds.
- 3 16. Under ORS 59.055, it is unlawful for any person to offer or sell any security
4 in this state unless the security is registered, the security is exempt from registration, or the
5 security is a federal covered security.
- 6 17. By selling the SM securities that were not registered or exempt from
7 registration and that were not federal covered securities, FxBot violated ORS 59.055.
- 8 18. Under ORS 59.015(1), “broker-dealer” means a person who engages, all or
9 part of the time, in effecting transactions in securities for the account of others or for the
10 person’s on account.
- 11 19. FxBot acted as a “broker-dealer” when it effected trades in Bitcoin on behalf
12 of SM.
- 13 20. Under ORS 59.165(1), it is unlawful for any person to transact business in
14 this state as a broker-dealer unless the person is licensed under the Oregon Securities Law.
- 15 21. By transacting business in this state as a broker-dealer without being
16 licensed under the Oregon Securities Law, FxBot violated ORS 59.165(1).
- 17 22. Under ORS 59.135(2), it is unlawful for any person, directly or indirectly,
18 in connection with the purchase or sale of any security to make any untrue statement of a
19 material fact.
- 20 23. FxBot violated ORS 59.135(2) by making untrue statements of material
21 facts in connection with the sale of the FxBot securities to SM, as more fully described in
22 Paragraph 5 above.
- 23 24. Because the Director has reason to believe that FxBot has engaged, is
24 engaging, or is about to engage in violations of the Oregon Securities Law, the Director
25 may issue an order to FxBot to cease and desist from violations of the Oregon Securities
26 Law under ORS 59.245(4).

1 25. Because the Director has reason to believe that FxBot has engaged in or is
2 about to engage in violations of the Oregon Securities Law, or that the use of any exemption
3 by FxBot would work a fraud or imposition on purchasers, the Director may deny FxBot
4 the use of exemptions pursuant to ORS 59.045(2).

5 26. Under ORS 59.995(1)(a), any person who violates or who procures, aids, or
6 abets the violation of ORS 59.005 to 59.505, 59.710 to 59.830, 59.991 and 59.995, or any
7 rule or order of the Director shall be subject to a penalty of not more than \$20,000 for every
8 violation, which shall be paid to the General Fund of the State Treasury.

9 ORDERS

10 Now therefore, the Director issues the following ORDERS to Respondent FxBot:

11 27. Pursuant to ORS 59.245(4), the Director hereby ORDERS FxBot to CEASE
12 AND DESIST from violating any provision of the Oregon Securities Law.

13 28. Pursuant to ORS 59.045(2), the Director hereby DENIES FxBot the use of
14 exemptions that might otherwise be available under ORS 59.025 and ORS 59.035,
15 concerning securities and transactions exempt from the registration requirements of the
16 Oregon Securities Law.

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1 29. Pursuant to the authority of ORS 59.995(1), the Director hereby ORDERS
2 the assessment of \$20,000 in CIVIL PENALTIES against FxBot for violating ORS 59.055,
3 59.165(1), and 59.135(2).

4
5 SO ORDERED this 23rd day of June, 2022.

6
7 ANDREW STOLFI, Director
8 Department of Consumer and Business Services

9 /s/ Dorothy Bean

10 Dorothy Bean, Chief of Enforcement
11 Division of Financial Regulation

12 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

13 **You are entitled to judicial review of this order in accordance with ORS**
14 **183.482. You may request judicial review by filing a petition with the Court of**
15 **Appeals in Salem, Oregon, within 60 days from the date this order is served. Note**
16 **that under ORS 59.295(2), in the absence of a timely demand for a hearing, no**
17 **personal shall be entitled to judicial review of the order.**

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