

1 1455 Northwest Irving Street in Portland, Oregon.¹

2 2. Lumentrades also purports to maintain an office in the United Kingdom at Suite
3 C 5th floor, Connect Centre, Kingston Crescent, Portsmouth, PO2 8QL.

4 3. At all relevant times, Lumentrades has maintained a website at
5 www.lumentrades.com (the "Website").

6 4. On the Website, Lumentrades represents itself as a full-service brokerage firm.
7 The Website states, "Lumentrades was founded on 21st January 2004, we offer full
8 brokerage services, and have been operating successfully till date." The Website also states,
9 "We trade stocks, forex, cryptocurrency, ETFs and mutual funds."

5. The Website states, "Lumentrades USA having its registered office at 1455
NORTHWEST IRVING STREET, PORTLAND, OR 97209, UNITED STATES. [sic] is
licensed to deal or make arrangements in investments as agent or principal on a matched
principal basis and hold client money." (Capitalized words in original.)

6. The Website also advertises the "Lumentrades Investment Program," which
allows "investments in the programme with as low as \$5,000" and promises "a guaranteed
monthly profit of 20%" and a return of the principal investment after six (6) months.

7. On or about August 11, 2018, a Florida resident identified herein as AM entered into a written contract with Lumentrades to invest in the Lumentrades Investment Programme (the "Contract").

8. The Contract promised, among other things, that AM would "earn 20%" of the amount he invested each month for twelve (12) months, after which period his principal investment would be returned.

9. On or about October 25, 2018, AM asked Lumentrades how to fund the account
his account. Lumentrades informed AM that he should send his money to Respondent, and
provided AM with bank account information to which he could wire money to Respondent.

²⁶ ¹ See related Division case number S-19-0064.

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| | 1 | When AM asked why he would be sending money to Respondent instead of Lumentrades, |
| | 2 | Lumentrades stated that Respondent was AM's "account manger." |
| | 3 | 10. On or about November 2, 2018, AM invested \$9,500, which he wired to |
| | 4 | Respondent. |
| | 5 | 11. Based on the Website and conversations with Lumentrades, AM understood |
| | 6 | that his funds would be invested in cryptocurrency, including Bitcoin. |
| | 7 | 12. AM invested the funds in part because Lumentrades advertised its program as |
| | 8 | a "passive" investment and that the "investment is managed by our team of traders." |
| | 9 | 13. On or about December 10, 2018, AM asked Lumentrades how to withdraw |
| | 10 | some of his funds. |
| | 11 | 14. Lumentrades informed AM that he could withdraw funds upon paying a |
| | 12 | "withdrawal fee" of \$1,800 to an "agent." |
| | 13 | 15. Lumentrades provided AM with the name and bank account information of an |
| | 14 | individual identified herein as RH. ² |
| | 15 | 16. On December 10, 2018, AM wired \$1,800 to RH. |
| | 16 | 17. On or about April 17, 2019, AM exchanged messages with a Lumentrades |
| egulation ilding uite 410 387 | 17 | employee, Michael Richardson. AM requested that his money be returned to him. Mr. |
| cial Regules Buildi NE, Suite 3881 378-4387 | 18 | Richardson informed him that his investment could not be returned unless AM paid \$3,000 |
| f Financ Industri r Street 97301- : (503) | 19 | to "clear" a "virus" on AM's account. |
| vision or por and Winter em, OR ephone: | 20 | 18. AM never received a return of his principal investments or any interest |
| Di Di Sa5a Te | 21 | payments. |
| | 22 | 19. At no time has Lumentrades been licensed as a broker-dealer in Oregon. |
| | 23 | 20. At no relevant time did Lumentrades register any securities with the State of |
| | 24 | Oregon. |
| | 25 | 21. At no time has Respondent been licensed as a salesperson in Oregon. |
| | 26 | ² See related Division case number S-19-0112. |

| 1 | 22. On February 4, 2020, the Division issued a final order by default against | | | |
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| 2 | Lumentrades. The Division found that Lumentrades violated provisions of the Oregon | | | |
| 3 | Securities Law, including: offering and selling securities in Oregon without the securities | | | |
| 4 | being registered or exempt from registration, in violation of ORS 59.055; employing a | | | |
| 5 | salesperson to act in this state without being licensed as a salesperson under the Oregon | | | |
| 6 | Securities Law, in violation of ORS 59.165(3); failing to comply with a subpoena issued | | | |
| 7 | in connection with an investigation under the Oregon Securities Law, in violation of ORS | | | |
| 8 | 59.315(1); directly or indirectly, in connection with the purchase or sale of any security, | | | |
| 9 | making untrue statements of material fact or omitting to state material facts necessary in | | | |
| 10 | order to make the statements made, in light of the circumstances under which they are | | | |
| 11 | made, not misleading, and engaging in an act, practice, or course of business which | | | |
| 12 | operates as a fraud or deceit upon investors, in violation of ORS 59.135(2) and (3). | | | |
| 13 | CONCLUSIONS OF LAW | | | |
| 14 | The Director CONCLUDES that: | | | |
| 15 | 23. Under ORS 59.015(19)(a), a "security" is defined to include an investment | | | |
| 16 | contract and evidence of indebtedness. | | | |
| 17 | 24. The Contract, as described above, in which an individual invests money in | | | |
| 18 | common enterprise with the expectation of profits to be managed and controlled by | | | |
| 19 | Lumentrades, constitutes an investment contract and thus a "security" under ORS | | | |
| 20 | 59.015(19)(a). | | | |
| 0.1 | | | | |

21 25. The Contract, as described above, in which an individual invests money and
22 Lumentrades acknowledges it owes a debt for that investment and further in which an
23 individual invests funds with a view of receiving a profit through the efforts of
24 Lumentrades, constitutes evidence of indebtedness and thus a "security" under ORS
25 59.015(19)(a).

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> > 26. Under ORS 59.055, it is unlawful to offer or sell any security in Oregon

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unless the security is registered, the security or the sale is exempt from registration, or the
 security is a federal covered security for which a notice has been filed and a fee has been
 paid.

4 27. The securities which Lumentrades sold, as described above, were not
5 registered for sale in Oregon, were not exempt from registration, and were not federal
6 covered securities.

7 28. By offering and selling the foregoing securities in Oregon without the
8 securities being registered or exempt from registration, Lumentrades violated ORS
9 59.055.

10 29. Under ORS 59.165(1), it is unlawful for any person to transact business in this
11 state as a broker-dealer or salesperson unless the person is licensed under the Oregon
12 Securities Law.

30. By transacting business as a salesperson without being licensed under the
Oregon Securities Law, Respondent violated ORS 59.165(1).

15 31. Under ORS 59.135(2), it is unlawful for any person, directly or indirectly, in
16 connection with the purchase or sale of any security or the conduct of a securities business
17 to make any untrue statement of a material fact or to omit to state a material fact necessary
18 in order to make the statements made, in the light of the circumstances under which they
19 are made, not misleading.

32. By promising AM that it would guarantee a 20% return on the amount he invested each month for twelve (12) months, after which period of time his principal investment would be returned, when in fact Lumentrades paid no interest nor did it return the principal investment, Lumentrades violated ORS 59.135(2). Further, by stating on the Website that Lumentrades "is licensed to deal or make arrangements in investments as agent or principal on a matched principal basis and hold client money" when in fact Lumentrades is not so licensed, Lumentrades violated ORS 59.135(2).

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Under ORS 59.135(3), it is unlawful for any person, directly or indirectly, in
 connection with the purchase or sale of any security or the conduct of a securities business
 to engage in any act, practice, or course of business which operates or would operate as a
 fraud or deceit upon any person.

34. By allowing her bank account to accept funds for Lumentrades, and specifically
by accepting AM's money, commingling it with other funds in her account, and using that
money for personal expenses, Respondent engaged in an act, practice, or course of business
which operates as a fraud or deceit, in violation of ORS 59.135(3).

9 35. Under ORS 59.245(4), if the Director has reason to believe that any person has
10 engaged, is engaging, or is about to engage in any violation of the Oregon Securities Law,
11 the Director may issue an order, subject to ORS 59.295, directed to the person to cease and
12 desist from the violation or threatened violation.

36. Because the Director has reason to believe that Respondent has been engaged
and is engaging in the foregoing violations of the Oregon Securities Law, the Director may
issue an order directed to Respondent to cease and desist from violating the Oregon
Securities Law, under ORS 59.245(4).

Under ORS 59.115(3), every person who participates or materially aids in the
sale of securities is also liable jointly and severally with and to the same extent as the seller,
unless the nonseller sustains the burden of proof that the nonseller did not know, and, in
the exercise of reasonable care, could not have known, of the existence of facts on which
the liability is based.

38. Respondent participated and materially aided Lumentrades in the sale of
securities to AM as described above. Therefore, pursuant to ORS 59.115(3), Respondent
is liable to the same extent as Lumentrades for the foregoing violations of ORS 59.055 and
ORS 59.135.

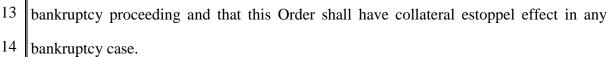
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39. Under ORS 59.995(1)(a), in addition to all other penalties and enforcement

| | 1 | provisions provided by law, any person who violates or who procures, aids or abets the |
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| | 2 | violation of ORS 59.005 to 59.505, 59.710 to 59.830, 59.991 and 59.995 or any rule or |
| | 3 | order of the Director shall be subject to a penalty of not more than \$20,000 for every |
| | 4 | violation, which shall be paid to the General Fund of the State Treasury. |
| | 5 | 40. By aiding or abetting Lumentrades in the violation of ORS 59.055 and ORS |
| | 6 | 59.135(2), Respondent violated ORS 59.995(1)(a). |
| | 7 | 41. Because Respondent violated ORS 59.165(1), ORS 59.135(3), ORS 59.115(3), |
| | 8 | and ORS 59.995(1)(a), Respondent is subject to a penalty of not more than \$20,000 for |
| | 9 | each of those violations pursuant to ORS 59.995(1)(a). |
| | 10 | ORDERS |
| | 11 | The Director ISSUES the following ORDERS: |
| | 12 | Order to Cease and Desist |
| | 13 | 42. Pursuant to ORS 59.245(4), the Director hereby ORDERS Respondent, and all |
| | 14 | entities owned or controlled by Respondent, her successors and assignees, to CEASE AND |
| | 15 | DESIST from violating ORS 59.165(1), 59.055, 59.135(3), 59.115(3), or any |
| | 16 | administrative rule adopted by the Director under those statutes. |
| gulation Iding iite 410 87 | 17 | Order Assessing Civil Penalties |
| ial Regul es Buildi NE, Suit 3881 78-4387 | 18 | 43. Pursuant to the authority of ORS 59.995(1), the Director hereby assesses twenty |
| f Financ Industri Street 97301- (503) 3 | 19 | thousand dollars (\$20,000) in CIVIL PENALTIES against Respondent for violating ORS |
| Division of Labor and J 350 Winter Salem, OR Felephone: | 20 | 59.165(1), ORS 59.135(3), ORS 59.115, and ORS 59.995(1)(a). |
| Div S35(Tel | 21 | 44. The Director SUSPENDS nineteen thousand dollars (\$19,000) of the foregoing |
| | 22 | civil penalties for a period of three (3) years, provided that Respondent complies with all |
| | 23 | provisions of the Oregon Securities Law and this Consent Order during such time period. |
| | 24 | 45. Respondent agrees to submit the remaining one thousand dollars (\$1,000) of |
| | 25 | civil penalties at the time she returns this executed Consent Order. |
| | 26 | 46. If Respondent commits any further violation of the Oregon Securities Law or |
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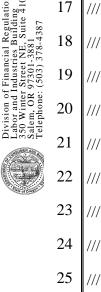


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