

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	
FUNDISOPTIONS INVESTMENTS)	ADMINISTRATIVE ORDER
)	NO. CD-2019-0007
<u>RESPONDENTS</u>)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. Fundsoptions Investments ("**FUNDISOPTIONS**") is an entity that purports to conduct business from Arkansas City, Kansas, as an internet based company specializing in index, crypto and binary options trading by means of the domain name, "fundsoptions.org" and is accessible via the website: <https://www.fundsoptions.org/>. **FUNDISOPTIONS** may be served through its domain name registrar Digital Piscataway, LLC located at 1115 Centennial Ave. Piscataway, New Jersey 08854.

STATEMENT OF FACTS

2. On October 18, 2018, the ASC received a referral from the National Future Association (NFA) in reference to a complaint from an Alabama resident who advised that while researching the internet for a binary options trading platform they discovered **FUNDISOPTIONS**. The Alabama resident further stated that the **FUNDISOPTIONS** website guaranteed a payout in bitcoin every 10 days.

3. The **FUNDISOPTIONS** website and marketing materials for the Company states: *"After receiving your deposit, our expert analyst will place index and crypto trade of your invested amount, and return you with up to extra 85% of the money you invested."*

4. According to the **FUNDSoPTIONS** website and marketing materials, **FUNDSoPTIONS** *“was founded in 2014 and is now one of the leading index options and crypto trading companies.”* Additionally, the online platform claims to incorporate various security measures including network protection, up to date infrastructure, network backup, advanced monitoring and cryptocurrency cold storage.

5. **FUNDSoPTIONS** website claims that, *“one of the main benefits of becoming an investor is that our platform has been designed to appeal to both investors and clients who have found favor in trading with us. We offer both a web based accessible platform along with a highly advanced mobile platform.”*

6. **FUNDSoPTIONS** online marketing materials promotes three investment packages, which include: the *“Freedom Package”*, the *“Enterprise Package”* and the *“Business Class.”* **FUNDSoPTIONS** claims the *“three investment steps helps you grow your account with ease and our traders are always ready to ensure that clients are given freedom from concern and tranquil rest as we trade together.”* According to marketing materials, the Investment Plans offer investors daily profits between 3% and 10% depending on the package chosen by the investor.

7. **FUNDSoPTIONS** marketing materials claims to offer investors, and clients the following advantages:

Transparency – Maximum loss is pre-determined when entering the trade, along with a fixed pre-determined potential gain makes binary options completely transparent with no hidden surprises.

Ease of Trading – At Fundsoptions Investments we take out the complications of trading in our Assets by offering you the ability to simply invest on the direction of a stock, currency, index or commodity for a fixed amount, expiring at a pre-determined time.

Hedging – Binary Options are an effective tool to hedge against other open positions and thus managing risk.

Constant Trading Opportunities – Binary Options on various instruments across four asset classes allow Traders at Fundsoptions Investments the ability to trade, hedge and invest with a variety of choice on a regular basis.

Ability to Liquidate at any time – At Fundsoptions Investments, Traders have the ability to liquidate at any time.”

8. Marketing materials for **FUNDISOPTIONS** made claims and representations that option traders and investors choose Fundsoptions for several reasons:

“Flexible Leverage – Unlike other brokers, we provide one of the highest leverage ratios in the forex industry, up to 1:100. By trading with a higher leverage, you may increase your earning potential.

Extreme Low Spreads – You can trade with fixed and variable spreads, which are among the lowest in the industry, starting from just 0.1 on ECN accounts and 0.5 on standard accounts.

Free Education – Not an expert? No problem. We’ll provide you with a wide range of articles, webinars and seminars.”

9. The **FUNDISOPTIONS** business model section states; *“Our business model is based on Binary options and Forex Trading including trade and exchange in index trading through fiat currencies such as USD, GBP, EUR & JPY.”*

10. On or about May 30, 2018, the Alabama resident established an online account with **FUNDISOPTIONS**. The Alabama resident then purchased bitcoin from the Coinbase Exchange website, and \$4000.00 worth of said bitcoin was deposited into the online wallet for **FUNDISOPTIONS**. The transaction generated an online invoice which was issued to the Alabama resident. After making the bitcoin deposit, the Alabama investor has been unable to make contact with a **FUNDISOPTIONS** representative, nor has the Alabama resident received any type of distribution, interest payment or a return of their funds.

11. An internet Facebook search revealed that **FUNDISOPTIONS** has an active Facebook account in the name of *“Fundsoptions Investments”* and lists a phone number

(484) 758-4240. An online search for the phone number revealed it to be an unlisted number based in Oxford, PA. However, the Facebook account lists the company's business location as Arkansas City, Kansas. The last activity on the Facebook account is a August 8, 2018, post by a purported client which states: *"hi what is happening with peoples investments? I've had put in numerous withdrawals and nothing. No reply from support either."* An online search in the Kansas Secretary of State business search disclosed no business license for **FUNDSoPTIONS**.

12. On January 4, 2019, a review of the registration files of the Alabama Securities Commission revealed no record of registration, nor any perfected exemption from registration, for the securities offered and sold by **FUNDSoPTIONS**. In addition, the **RESPONDENT** was neither registered to offer or sell securities in Alabama nor exempt from registration.

CONCLUSIONS OF LAW

13. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of "security" includes investment contracts and profit sharing agreements. **RESPONDENTS'** cryptocurrency investment plans require investors to invest money into the common investment plans in order to pool their investments of fiat currency and cryptocurrency with other investors. Investors share and expect a profit, as represented by **RESPONDENTS**, and the profit is derived from the managerial efforts of **RESPONDENTS**. Therefore, **RESPONDENTS'** cryptocurrency investment plans constitute investment contracts and profit sharing agreements and are "securities" as defined by the Act.

14. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities, i.e. the investment contracts and/or profit sharing agreements offered and sold by **RESPONDENTS** were neither registered nor subject to a perfected exception from

registration in Alabama at the time of solicitation or sale and were offered and sold in violation of the Act.

15. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of an “issuer” includes every person who proposes to issue, or has issued any security. **RESPONDENTS**, by issuing securities, to wit: investment contracts and/or profit sharing agreements, is an “issuer” as defined by the Act.

16. Pursuant to Section 8-6-17(a)(2), Code of Alabama 1975, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, to make or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading. **RESPONDENTS** failed to disclose that the investments offered and sold by **RESPONDENTS** were securities, which required registration in the state of Alabama, a material omission, in violation of the Act.

17. Pursuant to Section 8-6-17(a)(3), Code of Alabama 1975, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, to engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon a person. **RESPONDENTS’** business model, revealed through the website’s marketing materials and Facebook Page, contains information that is materially misleading or would otherwise deceive the public in violation of the Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar

RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 25th day of February
2019.

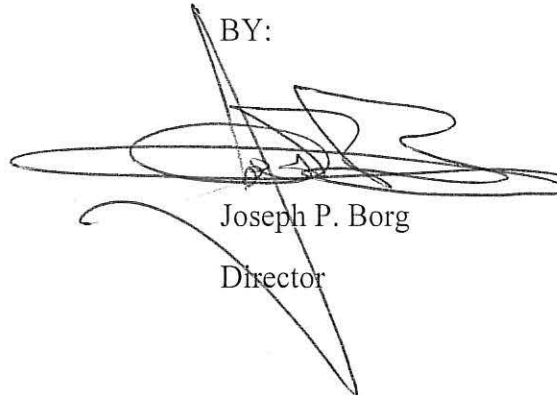
ALABAMA SECURITIES COMMISSION

P.O. Box 304700

Montgomery, AL 36130-4700

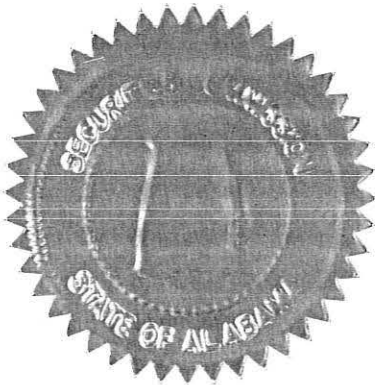
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read 'Joseph P. Borg', is written over a horizontal line. The signature is stylized with a large, sweeping loop at the end.

Joseph P. Borg

Director



**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

FUNDISOPTIONS

RESPONDENTS

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**ADMINISTRATIVE ORDER
CD-2019- 0007**

TO: FUNDISOPIOINS
Digital Piscataway, LLC
1115 Centennial Ave.
Piscataway, New Jersey 08854

NOTICE OF RIGHT TO A HEARING

THE CEASE AND DESIST ORDER TO WHICH THIS NOTICE IS ATTACHED, MADE A PART THEREOF AND INCORPORATED THEREIN, IS IMPORTANT AND YOU SHOULD READ IT IN ITS ENTIRETY. You may request a public hearing before the Alabama Securities Commission concerning this Order by making a written request directed to the Commission pursuant to Section 8-6-32, Code of Alabama 1975. Please direct your request to the Commission as follows:

Alabama Securities Commission
445 Dexter Ave., Suite 12000
Montgomery, Alabama 36104

IF A WRITTEN REQUEST FOR A HEARING BEFORE THE ALABAMA SECURITIES COMMISSION IS NOT SUBMITTED WITHIN 28 DAYS AFTER RECEIPT OF THIS ORDER, THIS ORDER SHALL CONSTITUTE A FINAL ORDER OF THE COMMISSION.

In lieu of a formal hearing, you may request an informal meeting with the Director or the Commission staff to resolve the matter. You will not waive your rights to a formal hearing. The Commission staff requests that you submit a verified statement, setting forth full details concerning your activities giving rise to this Order, no matter whether you are requesting a

formal hearing, an informal meeting, or just desire to provide your side of the matter.

Please identify yourself as a Respondent and refer to the Order number when requesting a hearing, informal meeting, or otherwise corresponding with the Commission staff concerning this matter.

Appeals from any final Order of the Commission shall be made to the Circuit Court of Montgomery County, Alabama.



JOSEPH P. BORG
Director