

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	ADMINISTRATIVE ORDER
FIDEFXLTD.COM,)	
FIDE INVESTMENTS,)	NO. CD-2025-0002
)	
<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"), and upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. **FIDEFXLTD.COM ("FIDEFX")** is an online entity that purports to be an online crypto currency and forex trading platform. **FIDEFX** was accessible via the website www.fidefxltd.com and may be served through the email address xiaod6687@gmail.com, which was provided to GoDaddy.com by the purchaser when the domain was purchased.

2. **FIDE INVESTMENTS** is the owner of **FIDEFX**. **FIDEFEX** is a trading website established by **FIDE INVESTMENTS**, which purports to be an online forex trading platform that also provides platforms for commodities, stocks, and indices trading and may be served through the email address xiaod6687@gmail.com, which was provided to GoDaddy.com by **FIDE INVESTMENTS**.

STATEMENT OF FACTS

3. On April 25, 2024, the Alabama Securities Commission (“Commission”) received information pertaining to a sixty-nine (69) year old Alabama resident having invested approximately \$1.8 million utilizing cryptocurrency into a trading platform named **FIDEX**. These investments were made from January of 2024 through March of 2024. The Alabama resident is now unable to access their funds.

4. Through an interview conducted by the Commission, it was learned the Alabama resident was initially contacted by a female, “Cathy,” via WhatsApp in the fall of 2023. Cathy advised they accidentally contacted the Alabama resident. The Alabama resident and Cathy continued to speak via WhatsApp and later via email (yieximious@gmail.com). During their conversations, Cathy discussed gold and Bitcoin with the Alabama resident. Cathy also told the Alabama resident that she was a successful businesswoman who had a wine import business on the West Coast.

5. While communicating via WhatsApp, Cathy asked the Alabama resident if they ever traded. Cathy presented the Alabama resident with the **FIDEX** platform and told the Alabama resident she liked **FIDEX** due to not having to pay taxes. The Alabama resident, on the advice of Cathy, invested approximately \$6,000.00 and after several trades the Alabama resident believed they had increased their funds to \$11,000.00.

6. Cathy then showed screenshots of what was purported to be Cathy’s **FIDEX** account, and it had a value of \$10,000,000.00. Cathy also showed the Alabama resident screenshots of Bank of America accounts that reflected balances totaling approximately \$14,000,000.00. Cathy told the Alabama resident what Cathy and the Alabama resident were doing was boring, and Cathy told the Alabama resident to place \$50,000.00 into the Alabama resident’s account and she would also place \$50,000.00 in the Alabama resident’s account at **FIDEX**, which they did. The Alabama resident then made trades at the coaching of Cathy, which appeared to be successful.

7. After completing these trades, Cathy advised the Alabama resident to reach out to **FIDEX** to see if they had new customer promotions. The Alabama resident contacted **FIDEX** and was told they did have a new customer promotion, and the Alabama resident would be eligible

to participate. This new costumer promotion had varying levels and there would be a bonus when one reached different deposit levels.

8. The Alabama resident initially wanted to invest \$100,000.00, and Cathy stated when she started trading, she missed the “big bonus” and that the Alabama resident should do \$1,200,000.00. The Alabama resident was reluctant to do this, so Cathy asked the Alabama resident to invest \$150,000.00 more and Cathy would put \$1,000,000.00 into the Alabama resident’s **FIDEX** account.

9. The Alabama resident placed the funds into the **FIDEX** account and was made to believe Cathy had placed the agreed upon funds into the **FIDEX** account. Once the Alabama resident reached the promotional status threshold, **FIDEX** provided the Alabama resident a “Broker Agent” named “Dermot.” Dermot told the Alabama resident they were going to make a lot of money. WhatsApp records provided by the Alabama resident to the Commission indicate Dermot was employed by **FIDEX** and was to receive a 30% commission on the profits made by the Alabama resident. Furthermore, WhatsApp records indicate Dermot told the Alabama resident what and when to trade. Dermot also suggested the Alabama resident could obtain funds from their 401(k).

10. Furthermore, Dermot told the Alabama resident **FIDEX** was regulated, and one of the regulators was in the State of Colorado. Records from Colorado’s Secretary of State show FideFx Trading Markets Ltd. was registered on December 8, 2023, utilizing a credit/debit card which was used to register approximately 1,707 other businesses with the Colorado Secretary of State’s office. A review of the Alabama Secretary of State’s online database revealed no business filing for the **FIDEX**, **FIDE INVESTMENTS**, or FideFx Trading Markets Ltd. as a domestic or foreign businesses. **FIDEX** indicated it was regulated by the Financial Conduct Authority (“FCA”), and a review of their online records produced negative results.

11. After making the Alabama resident believe they had reached the required deposit amount of \$1,200,000.00, Cathy “withdrew” \$220,000.00 she had provided the Alabama resident. The Alabama resident was then made to believe the Alabama resident was short of the \$1,200,000.00 needed and if it was not reached before a specified date, the Alabama resident would

have to pay an additional fee to have an extension or pay a fee of 27.5% of the Alabama resident's account balance to withdraw the Alabama resident's funds.

12. The Alabama resident made additional contributions to **FIDEFX** to get above the \$1,200,000.00. The Alabama resident was then made to believe they lost funds in a trade and needed to add additional funds to again be above \$1,200,000.00. Per the Alabama resident, they paid approximately \$1,822,737.78 in deposits and fees to **FIDEFX**. The Alabama resident was last told they needed to provide another \$375,000.00 in order to complete a contract. The Alabama resident has not been able to withdraw their funds.

13. The Alabama resident's funds were initially sent to the below cryptocurrency addresses controlled by **FIDEFX** among others:

- a. 0x09ccc01b82346948a19019231a303c258d7c0b6a
- b. 0xd60e6799f09adc7b9185b42941e66c0b701dfbd3
- c. 0x6c49bba062bd8c9567c3b0bb7c920524979f4999
- d. 16P7FTowQ9hJEbG7sWeb8tEF1312JTTbGm

14. On May 31, 2024, and September 18, 2024, a review of the registration files of the Alabama Securities Commission revealed no registration for the **FIDEFX**, FideFx.com, FideFx Trading Markets Ltd., FideFx, Dermot or Fide Investments in any capacity.

CONCLUSIONS OF LAW

15. Pursuant to section 8-6-2(18), Code of Alabama, 1975, an Investment Adviser is any person who, for compensation, advises others, either directly or indirectly, as to the value of, or the advisability of investing in securities. The definition includes those who manage portfolios or the accounts of other investors. **FIDE INVESTMENTS** advised of methods to fund investments and/or fees through the utilization of 401(k) assets and other means. **FIDE INVESTMENTS** also advised when, what, how, and how much to invest. **FIDE INVESTMENTS** through Dermot was charging a 30% commission for services provided. Therefore, the **FIDE INVESTMENTS** is an Investment Advisor as defined under this Act.

16. Pursuant to section 8-6-3(b), Code of Alabama, 1975, it is unlawful for any person to transact business in this state as an investment adviser unless: (1) He or she is so registered under this article; (2) His or her only clients in this state are investment companies as defined in the Investment Company Act of 1940, other investment advisers, broker-dealers, banks, trust companies, savings and loan associations, insurance companies, employee benefit plans with assets of not less than \$1,000,000, and governmental agencies or instrumentalities, whether acting for themselves or as trustees with investment control, or other institutional investors as are designated by rule or order of the commission; or (3) He or she has no place of business in this state and during any period of 12 consecutive months does not direct business communications in this state in any manner to more than five clients, other than those specified in subdivision (2), whether or not he, she, or any of the persons to whom the communications are directed is then present in this state. **FIDEFX** nor **FIDE INVESTMENTS** are registered in this state as investment advisors; and therefore, they are in violation of the Act.

17. Pursuant to section 8-6-17(b)(1), Code of Alabama, 1975, it is unlawful for any person, who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, (1) to employ any device, scheme, or artifice to defraud the other person. **FIDE INVESTMENTS** through Dermot and **FIDEFX** proposed the liquidation of existing investments to invest via **FIDE INVESTMENTS**. **FIDE INVESTMENTS** via **FIDEFX** and Dermot misled the Alabama resident to incorrectly believe **FIDEFX/ FIDE INVESTMENTS** was a registered and regulated entity. Furthermore, **FIDEFX/ FIDE INVESTMENTS** imposed

undisclosed fees, froze the Alabama resident's assets, and utilized bonus deposits. These statements and actions are in violation of the Act.

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

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities 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 violations 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 CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 30th day of January, 2025.

ALABAMA SECURITIES COMMISSION
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BY:



Amanda L. Senn
Director

