

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

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| IN THE MATTER OF: |) | |
| |) | ADMINISTRATIVE ORDER |
| GLOBALSMARTCORE.COM |) | NO. CD-2025-0006 |
| |) | |
| |) | |
| <u>RESPONDENT</u> |) | |

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having 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:

RESPONDENT

1. **Globalsmartcore.com** is an online entity that purports to provide high return financial services and is an asset management entity. **Globalsmartcore.com** provides investment opportunities in forex, stocks, and cryptocurrency. **Globalsmartcore.com** is accessible via the website www.globalsmartcore.com and may be served through their listed email address support@globalsmartcore.com, which was displayed in their contact section on the **Globalsmartcore.com** website.

STATEMENT OF FACTS

1. On September 23, 2024, the Alabama Securities Commission (Commission) received a complaint from an Alabama resident pertaining to **Globalsmartcore.com**. Starting on July 6, 2024, through September 14, 2024, the Alabama resident invested approximately 0.04223296 Bitcoin (BTC) (approximately \$2,500.00 USD) into **Globalsmartcore.com** believing they were investing in a platform called **Globalsmartcore.com** via a subject named Derek Hechter. The Alabama resident believed their funds were being used for “copy trading,” which is a common term for a trading strategy in which a trader mimics another trader’s trading activity. **Globalsmartcore.com** is now demanding the Alabama resident pay fees for future withdrawals.

2. In 2023, the Alabama resident received a friend request on Facebook from a subject named Derek Hechter (www.facebook.com/derek.hechter.493). The Alabama resident accepted the friend request, and Derek Hechter then messaged the Alabama resident asking if they were interested in investing. The Alabama resident advised Derek Hechter they were not interested at the time. The Alabama resident continued to speak with Derek Hechter, and in July of 2024, decided to invest.

3. The Alabama resident was directed to **Globalsmartcore.com** by Derek Hechter and created an account on the platform. The Alabama resident purchased Bitcoin through their Cash App account and transferred the Bitcoin to the Bitcoin address 3KaKdv6oN27cTQ5BwWN9rf65MyZ4FXpPXT, which was provided to them by Derek Hechter. The Alabama resident believed they were sending their funds to **Globalsmartcore.com**. The Alabama resident advised the Commission that Derek Hechter was generating a substantial profit with the Alabama resident’s funds via “copy trading” on **Globalsmartcore.com**.

4. The Alabama resident advised **Globalsmartcore.com** told them they did not permit the withdrawal of funds for four months after investing. The Alabama resident did not try to withdraw funds due to the four-month lock-up period. Prior to the four-month period expiring, **Globalsmartcore.com** began advising the Alabama resident they had to pay several thousand dollars in expected fees to be able to withdraw their funds.

5. The Commission has reviewed the website, **Globalsmartcore.com**. **Globalsmartcore.com** states, “We build great managed forex, Cryptocurrency and Stock portfolios with clients looking to access the managed accounts space in a meaningful way.” **Globalsmartcore.com** advises there are no fees to join, instant withdrawals, and that the investor keeps at least 70% of all the profits. **Globalsmartcore.com** also states it is registered with the “United States Security and Exchange Commission (SEC)” under CIK #0001122210 and with California as business under company number C3868347.

6. A search of businesses registered in California indicated that the company number 3868347 is associated with an entity other than **Globalsmartcore.com**. A search of United States Securities and Exchange Commission records for CIK #0001122210 indicates that this belongs also belongs to an entity other than **Globalsmartcore.com**

7. A search of the Commission’s registration files revealed no record of registration, or notice filing, nor any perfected exemption from registration for the investments offered and sold by **Globalsmartcore.com**.

CONCLUSIONS OF LAW

8. Pursuant to section 8-6-2(10), Code of Alabama, 1975, the definition of a security includes investment contracts. The Alabama resident's investment of assets into the **Globalsmartcore.com** platform at the direction of Derek Hechter with the expectation of profits to be derived from "copy trading" being performed by Derek Hechter is an investment contract, and therefore a security as defined by the Act.

9. Pursuant to section 8-6-2(18), Code of Alabama, 1975, the definition of an investment adviser is any person, who, for compensation, engages in the business of advising others, either directly or through publications or writing, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" also includes financial planners and other persons who, as an advisory services to others for compensation and as part of a business or who hold themselves out as providing the foregoing investment advisory services to others for compensation. **Globalsmartcore.com** is accessible to Alabama residents and purports to offer asset and portfolio management services in forex, Cryptocurrency, and stocks. **Globalsmartcore.com** advises it takes up to 30% of profits made. Therefore, **Globalsmartcore.com** is an Investment Advisor as defined by the Act.

10. Pursuant to section 8-6-3(b), Code of Alabama, 1975, it is unlawful for any person to transact business in the state as an investment adviser or as an investment adviser representative unless: (1) he or she is so registered under this article. **Globalsmartcore.com** is not registered in the State of Alabama to act as an Investment Advisor, has accepted at least one Alabama resident, and its platform is accessible to those residing within the State of Alabama.

11. Pursuant to section 8-6-17(a)(1), Code of Alabama, 1975, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud. **Globalsmartcore.com** reported fictitious account values, imposed undisclosed fees, and prevented the Alabama resident from accessing their funds even though the website states “instant withdrawal” in violation of the Act.

12. Pursuant to section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in or to make the statements made, in the light of the circumstances under which they are made, not misleading. **Globalsmartcore.com** purported to be registered in the State of California and with the United States Securities and Exchange Commission, but a search of online records shows the provided business number and CIK belongs to a different entity. Furthermore, there is no record of **Globalsmartcore.com** being or having been in the past two years registered with the State of California or the United States Securities and Exchange Commission.

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 Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENT** to make a timely request for hearing, or default of the **RESPONDENT**, it is the intention of the Commission to impose sanctions upon the **RESPONDENT**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENT**, an additional administrative assessment for investigative costs


arising from the investigation of the violations described herein against **RESPONDENT**, and a permanent order to bar **RESPONDENT** from participation in any securities-related industry in the State of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENT** 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 20 day of March, 2015.



ALABAMA SECURITIES COMMISSION
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BY: 
AMANDA SENN
Director