

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Trademining, Inc., a/k/a Trademining.io,
Devon T. Shigaki,

Respondents.

Order No. S-20-3000-20-CO01

CONSENT ORDER

INTRODUCTION

On September 30, 2020, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Summary Order to Cease and Desist and Notice of Intent to Impose a Fine and Charge Costs (“Summary Order”), Order Number S-20-3000-20-TO01, against Respondents Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki. Pursuant to the Securities Act of Washington, Chapter 21.20 RCW, the Securities Division and Respondents Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki do hereby enter into this Consent Order in settlement of the matters set forth in the Summary Order and as alleged below. Respondents Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki neither admit, nor deny the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. TradeMining, Inc., a/k/a Trademining.io, (TradeMining) is a Washington State company that was incorporated on June 22, 2020. Its principal place of business is in Bellevue, Washington. TradeMining is in the business of offering and selling licenses to the Infinity Trade Engine, which trades in cryptocurrency.

2. Devon T. Shigaki (Shigaki) is a resident of Bellevue, Washington. He is Chairman and CEO of TradeMining.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 **Nature of the Conduct**

2 *The Offering*

3 3. Through a website at <https://trademining.io>, Shigaki and TradeMining generally solicited
4 investors to purchase unregistered securities in the form of licenses for the Infinity Trade Engine, which
5 purportedly used mathematics to trade cryptocurrency. In addition, TradeMining and Shigaki publicly
6 advertised the investment on social media platforms such as Facebook, LinkedIn, and Instagram. In July 2020,
7 TradeMining and Shigaki also generally solicited investors by placing Craigslist ads in multiple regions of
8 Texas.

9 4. TradeMining and Shigaki represented to investors that the Trade Engine was “100% hands-
10 free” and resulted in a “passive flow of income” for investors. Shigaki represented to at least one prospective
11 investor that the Trade Engine, and Shigaki’s business partner who was managing the Trade Engine, was
12 based in the Netherlands.

13 5. On or around September 30, 2020, TradeMining and Shigaki offered three license investment
14 options with varying setup costs and profit splits. The details of these options had changed since TradeMining
15 and Shigaki started offering the investments in or around June 2020, but the substance of the securities offer
16 remained the same.

17 6. To earn a profit from their license investment, an investor signed up for one or more trading
18 accounts on a cryptocurrency exchange. The investor then purchased Bitcoin and deposited the
19 cryptocurrency into their exchange accounts. Depending on the investment option they chose, investors were
20 required to deposit one or three Bitcoin to begin trading. In the exchange account, the investor connected API
21 keys¹ that restricted withdrawals from the exchange accounts while allowing the Trade Engine to trade in the
22

23 ¹ An application programming interface (API) key is code that can establish permissions or authenticate users of an application.

1 investor's accounts. A connection to the Trade Engine was then established. When the Trade Engine earned
2 a certain profit for the investor, TradeMining would send an invoice to the investor for TradeMining's portion
3 of the profit. The profit split was 50/50, 60/40, or 70/30. TradeMining and Shigaki represented to investors
4 that, in the current bear market, the Trade Engine averaged gains of 0.53% to 2.73% compounded daily and
5 that, in a previous bull market, the Trade Engine made total gains of 3,700%.

6 7. Once the Trade Engine was allowed access to the investor's exchange accounts, the investor
7 relied on the Trade Engine to trade for a profit. The investor did not have any additional role in earning a
8 profit on their investment.

9 8. On <https://trademining.io>, TradeMining and Shigaki also solicited people to sell the Trade
10 Engine licenses under a Software Reseller program. In the program, resellers applied to be resellers and were
11 then provided with a certain number of licenses to sell. Resellers received a commission of 5% of the profit
12 that TradeMining received from the licenses that the reseller sells.

13 *Liens, Civil Judgments, and Criminal Convictions Entered Against Shigaki*

14 Federal Tax Liens

15 9. On March 23, 2015, a federal tax lien totaling \$38,027.93 was filed against Shigaki in Pierce
16 County, Washington.

17 10. On June 19, 2017, a federal tax lien totaling \$55,069.37 was filed against Shigaki in Pierce
18 County, Washington.

19 Child Support Liens

20 11. On September 8, 2014, a lien for unpaid child support totaling \$1,768.28 was filed against
21 Shigaki in Pierce County, Washington.

22 12. On January 24, 2017, a lien for unpaid child supporting totaling \$9,977.28 was filed against
23 Shigaki in Pierce County, Washington.

1 sites belonging to McKinley. In addition, a judgment was entered against Shigaki and the additional
2 defendants totaling \$3,069,901.

3 Criminal Actions

4 18. On August 7, 2008, an Information was filed against Shigaki in King County Superior Court.
5 The Information alleged that Shigaki had committed burglary in the second degree and theft in the first degree
6 by unlawfully entering Northgate Mall in Seattle, Washington and stealing 11 Rosetta Stone software
7 packages from a kiosk. It was alleged that Shigaki attempted to sell the Rosetta Stone software by, among
8 other things, posting an ad on Craigslist. On December 3, 2008, Shigaki pleaded guilty to burglary in the
9 second degree and was subsequently sentenced to 30 days of confinement and 240 hours of community service
10 and ordered to pay \$533.37 in restitution.

11 19. On April 14, 2009, an Information was filed against Shigaki in Snohomish County Superior
12 Court. The Information alleged that Shigaki had committed second degree burglary by unlawfully entering
13 Alderwood Mall in Lynnwood, Washington and stealing 13 Rosetta Stone software packages from a kiosk.
14 On September 9, 2009, Shigaki pleaded guilty to second degree burglary and was subsequently sentenced to
15 four months confinement and ordered to pay \$3,294 in restitution.

16 20. On May 4, 2017, an Information was filed against Shigaki in King County Superior Court. The
17 Information alleged that Shigaki had violated the Uniform Controlled Substances Act by unlawfully
18 manufacturing THC, conspiring to unlawfully manufacture DMT, and using a building for drug purposes in
19 Renton, Washington. On December 1, 2017, Shigaki pleaded guilty to the solicitation to commit a violation
20 of the Uniform Controlled Substances Act by manufacturing THC. Shigaki was sentenced to a suspended
21 sentence of 364 days, 40 hours of community service, and 24 months of probation. He was also ordered to
22 not manufacture, refine, or grow marijuana in the state.

Misrepresentations and Omissions

1
2 21. TradeMining and Shigaki failed to disclose material information related to the offer and sale
3 of the Trade Engine licenses, including Shigaki’s financial background, the background of the person
4 managing the Trade Engine, and specifics regarding the Trade Engine. TradeMining and Shigaki also failed
5 to disclose material information related to the Software Reseller program.

6 22. TradeMining and Shigaki failed to disclose material information related to Shigaki’s financial
7 background, including but not limited to the federal tax liens totaling more than \$93,000 entered against
8 Shigaki, the child support liens totaling more than \$13,600 entered against Shigaki, the outstanding civil
9 judgements totaling more than \$3,000,000 entered against Shigaki for defrauding a former business partner
10 and sabotaging a third party’s business, and the criminal convictions of Shigaki for burglary and soliciting the
11 manufacture of a controlled substance.

12 23. TradeMining and Shigaki failed to disclose material information related to Shigaki’s business
13 partner, including but not limited to the partner’s identity and experience with cryptocurrency, trading in
14 cryptocurrency, and developing or managing a cryptocurrency trade engine.

15 24. TradeMining and Shigaki failed to disclose material information related to the ownership of
16 the Trade Engine. TradeMining and Shigaki failed to disclose who owned the Trade Engine, whether
17 TradeMining had an ownership interest in the Trade Engine, and whether there were remedies available to
18 investors if Shigaki’s partner restricts access to the Trade Engine.

19 25. TradeMining and Shigaki failed to disclose material information related to the function of the
20 Trade Engine, including but not limited to what cryptocurrencies it traded in, the assumptions and parameters
21 used to program the Trade Engine, whether the assumptions and parameters could change, whether a person
22 could ever override the Trade Engine, the mistakes or malfunctions that could impact the function of the Trade
23 Engine, and whether an investor had a remedy if the Trade Engine did not function as expected. TradeMining

1 and Shigaki also failed to disclose material information related to the security of the Trade Engine, including
2 but not limited to who had access to the Trade Engine and the systems used to protect the Trade Engine.

3 26. TradeMining and Shigaki failed to disclose material information related to the Software
4 Reseller program offered on the website. TradeMining and Shigaki failed to disclose to investors that the
5 Trade Engine licenses are securities, and that anyone who offered or sold securities must be registered or
6 exempt from registration.

7 **Registration Status**

8 27. TradeMining, Inc., a/k/a Trademining.io, is not currently registered to sell its securities in the
9 state of Washington and has not previously been so registered. Nor has it filed a claim of exemption from
10 registration.

11 28. Devon T. Shigaki is not currently registered as a securities salesperson or broker-dealer in the
12 state of Washington and has not previously been so registered.

13
14 Based upon the above Findings of Fact, the following Conclusions of Law are made:

15 **CONCLUSIONS OF LAW**

16 1. The offer and/or sale of the Trade Engine licenses as described above constitutes the offer
17 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

18 2. TradeMining, Inc., a/k/a Trademining.io, and Devon T. Shigaki each violated RCW 21.20.140
19 because, as set forth in the Findings of Fact, Respondents offered and/or sold securities for which no
20 registration is on file with the Securities Administrator.

21 3. Devon T. Shigaki violated RCW 21.20.040 because, as set forth the in the Findings of Fact,
22 Shigaki offered and/or sold securities while not being registered as a securities salesperson or broker-dealer
23 in the state of Washington.

1 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

2
3 Signed this 11th day of April 2021.

4
5 Signed by:
6 Trademining, Inc., a/k/a Trademining.io

Signed by:

7 /s/
8 Devon T. Shigaki
9 Chairman and CEO

/s/
Devon T. Shigaki
Individually

10 SIGNED and ENTERED this 6th day of May 2021.

11 

12
13 William M. Beatty
14 Securities Administrator

15 Approved by:

Presented by:

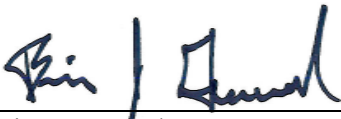
16 

17 

18
19 Suzanne Sarason
20 Chief of Enforcement

Holly Mack-Kretzler
Financial Legal Examiner

21 Reviewed by:

22 

23 Brian Guerard
Financial Legal Examiner Supervisor

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760