

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

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

5 ITP Corporation,
Respondent.

Order No. S-23-3678-24-SC01

STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND
DESIST, TO IMPOSE A FINE, AND TO CHARGE
COSTS

7 **THE STATE OF WASHINGTON TO:** ITP Corporation

8 **STATEMENT OF CHARGES**

9 Please take notice that the Securities Administrator of the State of Washington has reason to believe
10 that Respondent ITP Corporation has violated the Securities Act of Washington. The Securities Administrator
11 believes these violations justify the entry of an order against Respondent ITP Corporation to cease and desist
12 from such violations, to impose a fine, and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.395.
13 The Securities Administrator finds as follows:

14 **TENTATIVE FINDINGS OF FACT**

15 **Respondents**

16 1. ITP Corporation (“ITP”) dba “ITP,” “Intelligent Technology Pioneer Company,” and “ITP
17 TRON” is a Washington entity formed on November 18, 2022 with its principal place of business purportedly
18 in Seattle, Washington. ITP claims to be a global cryptocurrency trading platform that utilizes artificial
19 intelligence (“AI”) quantification, which allows investors to buy and sell cryptocurrency on the ITP platform
20 at a guaranteed profit.

21 **Nature of the Conduct**

22 *Overview*

1 to the ITP platform, they selected a “recharge channel.” After clicking on the “recharge channel,” investors
2 then clicked on “submit” to reveal an ITP wallet address identified for their deposit. ITP provided investors
3 with new wallet deposit addresses for each investment. The webpage instructed investors to copy the deposit
4 address and paste it in their crypto wallet to transfer funds to ITP. Once the transaction was complete, ITP
5 instructed investors to return to the platform and “click the ‘Recharge Complete’ button so that your recharge
6 can be credited in time.”

7 5. The offered rate of return on the investment contracts ranged from 2.5% up to 4% until late
8 November, when the highest offered rate of return rose to 37% and up to 100% for bonus offerings.

9 6. Investors relied on ITP to trade for a profit. The investor did not have any additional role in
10 earning a profit on their investment beyond clicking buttons within the platform.

11 7. ITP offered investors guaranteed profits via a tiered investment structure in which larger
12 investments yielded larger returns. ITP’s offerings evolved over time in both the investment structure of each
13 tier and the terminology used to describe each investment tier.

14 8. After investors “recharged” their account by depositing funds and selecting “recharge
15 complete,” the platform allowed investors to hit the “single start ITP quantization” button from five to ten
16 times within twenty-four hours. The number of times investors could “quantify,” or utilize AI to trade
17 cryptocurrency for profit, depended on their investment tier. The investment tiers rewarded higher deposits
18 by allowing more “quantification” clicks per day.

19 9. The platform made it appear that investors earned a profit each time they hit the button. The
20 profit increased incrementally with each hit of the button, and ultimately totaled the promised profit return
21 assigned to an investor’s investment tier at the end of the 24-hour period in which the investor hit the
22 maximum numbers of “quantization” clicks allowed for their tier.

23

1 10. ITP did not disclose how it purportedly was able to determine the exact rate of return on future
2 crypto trades such that the number of allotted “quantification” clicks always resulted in earnings that matched
3 the promised rate of return within an investor’s tier. ITP further did not disclose how it was able to determine
4 that the exact rate of return on investors’ future trades would match the promised rate of return within their
5 tier despite having no way of knowing when investors would choose to “quantify” within a 24-hour period.

6 11. In ITP’s earlier offerings, profits ranged from 2.5% to 4% per day. Investors were broken
7 down into various investment levels with investments starting at \$100 being promised 2.5% return per day
8 and larger investments purportedly yielding 4% per day.

9 12. Earlier offerings within the platform separated investors into 6 different categories ranging
10 from what various versions of the webpage and platform referred to as “LV1-LV6” and “G1-G6.”

11 13. Each of the six levels had designated requirements comprised of investment amount and
12 numbers of investors recruited. The lowest level “LV1” promised investors who invested \$100-\$500 a day a
13 2.5% return on investments compounded daily. The tiers increased with LV2 requiring 5 recruited affiliates
14 and a \$600-\$2,000 investment yielding 2.8% per day, LV3 requiring 20 affiliates with investments of \$2,000-
15 \$5,000 receiving 3.1% per day, LV4 requiring 45 affiliates with investments of \$5,000-\$49,999 receiving
16 3.3% per day, LV5 requiring 90 affiliates with investments of \$50,000-\$200,000 receiving 3.6% per day, and
17 LV6 requiring 150 affiliates with investments of \$250,000-\$500,000 receiving 4% per day.

18 14. Another offering on the platform broke investment categories down from G1-G6 with G1
19 requiring \$100-\$20,000 investment and allowing investors to “quantify” up to 5 times a day, which would
20 earn 2.5% daily. G2 required 5 recruits with \$500-\$30,000 invested allowing users to quantify 6 times daily
21 earning 2.8% per day. G3 required 20 recruits with \$2,000-\$50,000 invested allowing users to quantify 7
22 times daily earning 3.1% per day. G4 required 45 recruits with \$5,000-\$100,000 invested allowing users to
23 quantify 8 times daily earning 3.3% per day. G5 required 90 recruits with \$50,000-\$200,000 invested

1 allowing users to quantify 9 times daily earning 3.6% per day. G6 required 150 recruits with \$200,000-
2 \$800,000 invested allowing users to quantify 10 times daily earning 4% per day.

3 15. A subsequent offering on ITP's webpage broke investment tiers down to ten "VIP levels" with
4 new terms which decreased the minimum investment to 10 TRX¹, increased the promised investment returns
5 to 10%-37%, and no longer contained recruitment requirements. VIP1 was designated for investments
6 ranging from 10 TRX- 1,000 TRX with a daily profit of 10%, VIP2 1,001 TRX- 10,000 TRX at 11% return,
7 VIP3 10,001 TRX- 20,000 TRX with 12% return, VIP4 20,001 TRX- 50,000 TRX at 14%, VIP 5 50,001
8 TRX- 100,000 TRX at 17%, VIP 6 100,001 TRX- 200,000 TRX at 20%, VIP7 200,001 TRX- 500,000 TRX
9 at 24%, VIP 8 500,001 TRX- 1,000,000 TRX at 29%, VIP 9 1,000,001 TRX- 2,000,000 TRX at 35%, and
10 VIP 10 2,000,001 TRX- 9,999,999 TRX at 37%.

11 *Multilevel Marketing*

12 16. While ITP's "VIP" offering didn't include recruitment requirements within investment tiers,
13 ITP simultaneously offered a recruitment compensation plan that did not require recruiters to make an
14 investment. Recruiters were promised a percentage of profit made off of recruits' investments. ITP's
15 webpage stated, "if you have no deposit, you can share the invitation link to invite your friends to join the ITP
16 intelligent mining platform and unlock exciting invitation rewards."

17 17. The ITP platform offered a bonus for signing up new investors as well as a commission-based
18 structure on investor recruitment. The webpage stated, "support new users to make their first deposit and get
19 a 2% bonus." To sign new investors up, users merely had to click on an "introduce" or "invite friends" buttons
20 on the platform. ITP's webpages advertise that investors earn 15% of the investment profits for investments
21 made by "first-level subordinates," 2% for "second level subordinates" and 1% for "third level subordinates."
22 ITP's webpages indicate "invite friends to join and the 18% commission can be withdrawn immediately!"

23 _____
¹ TRX, or Tronix, is the native cryptocurrency of Tron, a block-chain based cryptocurrency platform.

1 *Bonus Promotion*

2 18. In late November of 2023, ITP ran a “Thanksgiving 2023² Deposit Bonus” in which it
3 advertised a 100% return on investment using numerical examples including that “a single deposit of \$263-
4 \$264 will receive a bonus of \$263a single deposit of \$37,023-\$37,024 will receive \$37,023.”

5 *Ransom and Disabled Withdrawals*

6 19. In late November of 2023, when investors attempted to withdraw funds from their account,
7 they received a message indicating “Tax Notice!... your funds are ready for withdrawal. According to U.S.
8 law, you need to pay 20% personal income tax to the U.S. tax department and deposit 20% based on your
9 account balance. Please deposit to your wallet account through the window.” The message contained a link
10 through which investors could pay this purported tax entitled “go to recharge.”

11 20. In late November of 2023, ITP also sent investors a message that advertised an “emergency
12 notice!! ITP has been attacked by hackers from unknown sources, and the withdrawal amounts of all users
13 have been maliciously tampered with. The ITP technical department has solved this problem, in order to
14 ensure the safety of all users’ funds, all withdrawal applications have been cancelled. To express our apology,
15 the Thanksgiving Giveback event will be extended for 24 hours!” The platform then posted the same 100%
16 bonus structure with the same numerical examples, but also indicated that “all users who have completed 2 or
17 more levels of bonus events will receive a [Thanksgiving Surprise Reward] worth 500 USDT³. All users who
18 have completed 3 or more level of rewards activities will receive a [Thanksgiving double surprise reward]
19 worth 1,000 USDT.”

20 21. On November 30, 2023, ITP sent a message to investors that due to “recent blockchain
21 volatility” ITP was transferring all accounts to a new platform. Investors were informed they must pay a \$100
22

23 ² Thanksgiving occurred on November 23, 2023.

³ Tether (USDT) is a stablecoin, or a type of cryptocurrency, pegged to the United States Dollar.

1 registration fee to transfer their accounts to a new ITP platform. This ransom fee was to be paid prior to
2 December 3, 2023. At least two known investors were given the ransom message and told they must pay the
3 \$100 fee within 10 hours. If investors paid the fee, ITP indicated “after December 3rd, ITP will complete the
4 counting and recovery of all data, and your funds and teams will be the same as before.” If investors did not
5 pay the fee “you automatically give up the restoration of the old account assets and team and other rights and
6 interests.”

7 22. On or around the same time ITP disabled withdrawals, it advertised a 72-hour withdrawal
8 guarantee. ITP “urges users who apply for withdrawal to wait patiently and not to believe/spread any bad
9 words to avoid being deceived.....users who have exceeded 72 hours will be compensated \$100,000.”

10 23. While some earlier investors were able to withdraw some of their initial investment, no known
11 investors have been able to withdraw any of their investment nor alleged profit since late November of 2023.

12 *Misrepresentations and Omissions*

13 24. ITP misrepresented material information related to the company’s age and location in an
14 apparent attempt to give the company legitimacy. The top portion of the “introduction” component on ITP’s
15 website stated, “ITP was established Washington, DC in 2013.” ITP filed its Articles of Incorporation with
16 Washington State’s Secretary of State on November 18, 2022, not in 2013 as indicated on its webpages. On
17 those Washington Secretary of State filings, ITP indicated that an address on 3rd Avenue in Seattle,
18 Washington was its primary place of business rather than the United States Capital. As of early December
19 2023, on the bottom of that same “introduction” portion of ITP’s website, it listed a physical address located
20 in Olympia Washington. As of January 2024, ITP updated its website, listing its physical address as a location
21 on Leary Way, Seattle, Washington. There is no known ITP business located in Washington State. The 3rd
22 Street Seattle address is not a valid address. The Olympia address is associated with a legal support services
23 company. The Leary Way address is associated with a medical counseling practice.

1 25. ITP misrepresented material information related to the company’s filings with the Washington
2 State Secretary of State in an attempt to make the company appear legitimate. ITP posted a link on its website
3 entitled “company qualification check.” The document attached to that link appears to be a stamped foreign
4 registration statement that shows the document was filed with the Washington Secretary of State on April 7,
5 2023, and that that the named corporation has a “Certificate of Existence/Good Standing.” The document
6 attached to the link is associated with a company named ITpipes Osco LLC which has a different UBI number
7 than ITP and has no known relationship with ITP.

8 26. ITP misrepresented material information related to its designated registered agent. ITP
9 identified a legal services company located in Spokane, Washington as its registered agent with the
10 Washington State of Secretary of State. The legal services company ITP designated as its registered agent
11 has no knowledge of ever being hired by ITP nor has any known relationship with ITP.

12 27. ITP misrepresented material information related to the company’s status by indicating on its
13 website that “ITP has received multiple awards from global blockchain alliances for its innovation in the
14 blockchain space, a feat that few companies have been able to achieve. Since its establishment, ITP has
15 continued to increase its share of global cryptocurrency investment market, continuously breaking records,
16 and creating one business miracle after another.” Next to these descriptions of ITP’s alleged
17 accomplishments, the webpage displays an image of what purports to be ITP’s office interior. The image
18 depicts walls and desks within the office adorning ITP’s name and logo. No known ITP business nor office
19 exist, nor has this fraudulent platform received any known awards.

20 28. ITP misrepresented material information when it promised “zero risk, 100% accurate”
21 investments on its webpage.

22 29. ITP failed to disclose material information when it did not warn users of any associated risks
23 with investment nor the possibility that investors may not earn a profit at the promised rates of return.

1 30. ITP failed to disclose material information related to the function of the ITP quantification
2 system including but not limited to what cryptocurrencies it trades in, the assumptions and parameters used
3 to program the quantification system, whether these assumptions and parameters could change, the mistakes
4 or malfunctions that could impact the function of the quantification system, how it could earn up to 100%
5 immediate investment returns, and whether an investor had a remedy if the quantification system does not
6 function as expected.

7 31. ITP failed to disclose to investors that the offered investment contracts are securities, and that
8 anyone who offers or sells securities must be registered or exempt from registration.

9 **Registration Status**

10 32. ITP is not currently registered to sell its securities in the state of Washington and has not
11 previously been so registered, nor has it filed a claim of exemption from registration.

12 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

13 **CONCLUSIONS OF LAW**

14 1. The offer and/or sale of the investment contracts described above constitutes the offer and sale
15 of a security as defined in RCW 21.20.005(14) and (17).

16 2. ITP violated RCW 21.20.140, the securities registration section of the Securities Act of
17 Washington, by offering and/or selling securities for which no registration is on file with the Securities
18 Administrator.

19 3. ITP violated RCW 21.20.010, the anti-fraud section of the Securities Act of Washington, by
20 making untrue statements of material fact or omitting to state material facts necessary to make the statements
21 made, in light of the circumstances in which they were made, not misleading.

22 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

1 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
2 Law, the Securities Administrator intends to order ITP, and their agents and employees, to each permanently
3 cease and desist from violating RCW 21.20.010 and RCW 21.20.140.

4 **NOTICE OF INTENT TO IMPOSE FINES**

5 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
6 the Securities Administrator intends to order that ITP shall be liable for and shall pay a fine of \$75,000.

7 **NOTICE OF INTENT TO CHARGE COSTS**

8 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
9 the Securities Administrator intends to order that ITP shall be liable for and shall pay the costs, fees, and other
10 expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than
11 \$1,799.50.

12 **AUTHORITY AND PROCEDURE**

13 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
14 to the provisions of Chapter 34.05 RCW. ITP may make a written request for a hearing as set forth in the
15 Notice of Opportunity for Hearing accompanying this Order. If a respondent does not make a hearing request
16 in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and
17 Conclusions of Law as final and to enter a permanent order to cease and desist as to that respondent, to impose
18 any fines sought against that respondent, and to charge any costs sought against that respondent.

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20 SIGNED and ENTERED this 5th day of February, 2024.

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/s/

William M. Beatty
Securities Administrator

Approved by:

Presented by:

_____/s/_____
Brian J. Guerard
Chief of Enforcement

_____/s/_____
Denise Griffith
Financial Legal Examiner

Reviewed by:

_____/s/_____
Holly Mack-Kretzler
Financial Legal Examiner Supervisor