

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

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

7 PrimeFX Pro;

8 Respondent.

Order No. S-21-3190-21-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER TO
CEASE AND DESIST, TO IMPOSE FINES, AND TO
CHARGE COSTS

9 **THE STATE OF WASHINGTON TO:**

PrimeFX Pro

10 On January 1, 2022, the Securities Administrator of the State of Washington issued Statement of
11 Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose a Fine, and to Charge Costs,
12 Order No. S-21-3190-21-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice
13 of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were
14 served on Respondent PrimeFX Pro, on January 11, 2021. The Notice advised Respondent PrimeFX Pro that
15 the Application must be received within twenty days from the date of service. Respondent PrimeFX Pro
16 failed to request an administrative hearing within twenty days of service.

17 The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions
18 of Law as set forth in the Statement of Charges and enters a final order against Respondent PrimeFX Pro to
19 cease and desist from violations of the Securities Act, and to impose the fines and costs sought in the Statement
20 of Charges.

21 **FINDINGS OF FACT**

22 **Respondent**

23 1. PrimeFX Pro is an unincorporated entity that holds itself out as a cryptocurrency trading
platform with its principal place of business purportedly in Cluj-Napoca, Romania, with branch offices in
New York City, New York and London, England. PrimeFX Pro falsely lists a registered Australian Business

1 Number (“ABN”) of 2018AD947 on its website.¹ This ABN is not valid as according to the Australian
2 Government Business Register, ABN’s are unique 11-digit identifiers, which include numbers and no letters.

3 **Overview**

4 2. From approximately April 2021 to June 2021, PrimeFX Pro defrauded approximately \$7500
5 from M.M., a Washington resident, by making false or misleading claims about its cryptocurrency trading
6 platform and offerings. Specifically, PrimeFX Pro defrauded M.M. by having its representatives tell M.M.
7 that they could expect projected double-digit investment returns.² When M.M. attempted to withdraw a
8 portion of their purported profits, PrimeFX Pro would not release the funds until M.M. paid a previously
9 undisclosed twenty percent commission fee prior to making any withdrawal. As of the effective date of this
10 Statement of Charges, PrimeFX Pro has not made any payments to M.M.

11 **Nature of the Conduct**

12 3. In or around December 2019, a person claiming to be Sarah Vladimir Cruz (“Cruz”), a now-
13 presumed PrimeFX Pro affiliate, contacted M.M. via Facebook Messenger. M.M. communicated with Cruz
14 on various social media platforms, including through chat features on Facebook and Instagram, for
15 approximately one year prior to Cruz promoting the investment services of PrimeFX Pro. In or around
16 December 2020, Cruz began talking to M.M. about her investments with PrimeFX Pro. During these
17 conversations, Cruz made several claims regarding her success with PrimeFX Pro’s trading platform,
18
19

20 ¹ This ABN is also listed as the registration number for ICO Crypto at <https://demo.themenio.com/ico/> and Netcoininvest Ltd. at
21 <https://www.netcoininvest.com/gettingstarted.html>. While these websites are not currently being charged with violating the
22 Securities Act, consumers should exercise caution when deciding whether to do business with them.

23 ² Securities regulators have consistently warned that advertisements of even double-digit annual returns should be treated with
suspicion. For instance, the Securities and Exchange Commission warns that “[p]romises of consistent double-digit returns are
consistently frauds.” Securities and Exchange Commission, “Investing Smart from the Start: Five Questions to Ask Before You
Invest,” Dec. 14, 2009, available at <https://www.sec.gov/reportspubs/investor-publications/investorpubsfivequestionshtm.html>

1 including how she invested \$5,000 USD through her PrimeFX Pro agent, Erin Penelope Bradlin (“Bradlin”),
2 and made a profit of \$20,000 USD. Cruz then connected M.M. with Bradlin via WhatsApp.

3 4. Bradlin told M.M. that PrimeFX Pro account managers utilize investor funds to make trades
4 and generate profit for investors through cryptocurrency trading. Bradlin told M.M. that PrimeFX Pro
5 operated on a 45-day “trading cycle,” meaning that after an investor transfers money to PrimeFX Pro, an
6 investor could not withdraw their profits until 45 days had passed. To the Securities’ Division knowledge,
7 the term “trading cycle” is not used in the financial industry and appears to an arbitrary limitation on the
8 withdrawal of an investor’s funds that is not tied to market performance. Bradlin further stated that PrimeFX
9 Pro agents collect a 20% commission fee based upon an investor’s earned profits over a given trading cycle.
10 Bradlin told M.M. that in order to have PrimeFX Pro invest on their behalf, M.M. would need to download a
11 cryptocurrency wallet app, Coinbase, and transfer a certain amount of Bitcoin funds into a PrimeFX Pro
12 wallet. Bradlin then directed M.M. to view an investment return calculator on the PrimeFX Pro website,
13 which offers a projected investment return based upon an initial investment amount. M.M. utilized the
14 projected returns found in the investment calculator as one of the bases for choosing to invest with PrimeFX
15 Pro.

16 5. M.M. then established an account on PrimeFX Pro’s website in mid-April 2021, purchased
17 \$7500 of Bitcoin, and transferred it to a cryptocurrency wallet purportedly maintained by PrimeFX Pro. M.M.
18 did not direct or manage any cryptocurrency trades with these funds, but relied on PrimeFX Pro to do so.
19 After forty-five days, M.M.’s account showed that they had gained \$98,500 in profit from their initial \$7500
20 investment. However, when M.M. attempted to withdraw their earnings from the account, Bradlin told them
21 that they would need to pay her 20% trading commission (\$19,700) and a value added tax (\$950) in bitcoin
22 to a PrimeFX Pro wallet prior to making a withdrawal. Neither PrimeFX Pro nor Bradlin had previously
23 disclosed to M.M. that the commission fee must be paid upfront and could not be paid utilizing M.M.’s

1 investment profits. Ultimately, M.M. did not pay the additional monies. Soon after these initial
2 communications, Bradlin and Cruz became unresponsive on social media accounts and would not respond to
3 requests for information from M.M.

4 6. In soliciting M.M. to invest in its cryptocurrency trading program, PrimeFX Pro
5 misrepresented or failed to disclose material information. In addition to failing to disclose the 20% withdrawal
6 fee, PrimeFX Pro failed to disclose any information about its cryptocurrency trading strategy, including how
7 the strategy worked generally, how it could earn a double-digit investment returns in forty-five days, and any
8 risks associated with earning such a return.

9 7. PrimeFX Pro failed to respond to a subpoena from the Securities Division for information
10 concerning its transactions with Washington residents. Although PrimeFX Pro's purported office location is
11 at a commercial address in Cluj-Napoca, Romania, the website's IP address indicates that a Virtual Private
12 Network is being utilized to mask the true server location for PrimeFX Pro. Further, information provided by
13 PrimeFX Pro's domain registrar indicates that the site is operated from an African IP address, most likely
14 Lagos, Nigeria. The Securities Division was also unable to find any record showing that PrimeFX Pro is
15 registered with any Australian, U.S., or U.K. financial authority.

16 **Registration Status**

17 8. PrimeFX Pro is not, and has never been, registered in any capacity in the State of Washington,
18 including as a broker-dealer or investment adviser.

19 9. PrimeFX Pro's cryptocurrency trading program is not registered as a security in the State of
20 Washington.

21 Based upon the above Findings of Fact, the following Conclusions of Law are made:
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23

1 **CONCLUSIONS OF LAW**

2 1. The offer and/or sale of the cryptocurrency trading program described above constitute the
3 offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

4 2. PrimeFX Pro has violated RCW 21.20.140, because, as set forth in the Tentative Findings of
5 Fact, it offered and/or sold securities for which no registration is on file with the Securities Administrator.

6 3. PrimeFX Pro violated RCW 21.20.010, because, as set forth in the Tentative Findings of Fact,
7 it made untrue statements of material fact or omitted to state material facts necessary to make the statements
8 made, in light of the circumstances in which they were made, not misleading.

9 Based upon the foregoing and finding it in the public interest:

10 **FINAL ORDER**

11 IT IS ORDERED that Respondent PrimeFX Pro, and its agents and employees, shall cease and desist
12 from offering and/or selling securities in any manner in violation of RCW 21.20.140, the registration section
13 of the Securities Act of Washington.

14 IT IS FURTHER ORDERED that Respondent PrimeFX Pro, and its agents and employees, shall cease
15 and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

16 IT IS FURTHER ORDERED that Respondent PrimeFX Pro shall be liable for and pay a fine in the
17 amount of \$20,000.

18 IT IS FURTHER ORDERED that Respondent PrimeFX Pro shall be liable for and pay investigative
19 costs in the amount of \$2,500.

20 **AUTHORITY AND PROCEDURE**

21 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
22 provisions of RCW 21.20.440 and Chapter 34.05 RCW. Respondents have the right to petition the superior
23 court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the

1 requirements for judicial review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a
2 certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the
3 same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied
4 in like manner.

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


7 SIGNED and ENTERED this 4th th day of February, 2022.

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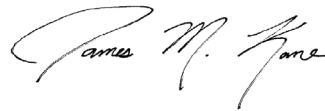
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William M. Beatty
Securities Administrator

13 Approved by:

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20 Reviewed by:

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