

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 Fitbela Epro Limited,
8 Xinghua Jin,

9 Respondents.

Order No.: S-22-3424-23-FO01

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

10 THE STATE OF WASHINGTON TO:

Fitbela Epro Limited
Xinghua Jin

11 On May 16, 2023, the Securities Administrator of the state of Washington issued Statement of
12 Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose a Fine, and to Charge Costs,
13 Order No. S-22-3424-23-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice
14 of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were
15 served on Respondents Fitbela Epro Limited and Xinghua Jin on May 24, 2023. The Notice advised
16 Respondents Fitbela Epro Limited and Xinghua Jin that the Application must be received within twenty
17 days from the date of service. Respondents Fitbela Epro Limited and Xinghua Jin failed to request an
18 administrative hearing within twenty days of service.

19 The Securities Administrator therefore adopts as final the following Findings of Fact and
20 Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondents
21 Fitbela Epro Limited and Xinghua Jin to cease and desist from violations of the Securities Act, and to
22 impose the fines and costs sought in the Statement of Charges.
23

FINAL ORDER

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

1 **FINDINGS OF FACT**

2 **Respondents**

3 1. Fitbela Epro Limited (“Fitbela Epro”) is a United Kingdom Private limited Company,
4 incorporated on August 16, 2021, with its principal place of business purportedly in London, England. Fitbela
5 Epro holds itself out as a cryptocurrency trading and investment company, operating associated websites:
6 fitbelaepro.com and fitbelaepro.org.

7 2. Xinghua Jin (“Jin”) is a New York State resident and the CEO of Hights Kim Trading Inc.
8 and Hights CA Trading Inc. Jin is the sole individual associated with both businesses.

9 **Related Entities**

10 1. Hights Kim Trading Inc. (“Hights Kim Trading”) is a New York domestic business
11 corporation formed on March 7, 2022. Hights Kim Trading holds itself out as an antique appraisal and
12 consignment business.

13 2. Hights CA Trading Inc. (“Hights CA Trading”) is a California stock corporation formed on
14 April 7, 2022. Hights CA Trading holds itself out as operating in the antique-trade.

15 3. Kechung Trading Co., Limited (Kechung Trading) is a private company registered in Hong
16 Kong, formed on March 30, 2022.

17 **Overview**

18 4. From approximately April 2022 to August 2022, Fitbela Epro defrauded A.F. and C.L.,
19 Washington residents, out of \$60,000 and \$210,000, respectively, by making false or misleading claims about
20 its cryptocurrency trading platform and offerings. Specifically, Fitbela Epro defrauded A.F. and C.L. by
21 having its representatives inform them that they could earn a profit by making cryptocurrency trades with
22 trading information provided by Fitbela Epro agents. A.F. and C.L. made a number of wire transfers to fund
23 their Fitbela Epro accounts, a number of which were to entities controlled by Xinghua Jin. Both A.F. and

1 C.L. were later alerted that they could not withdraw the funds, principal or supposed profits invested with
2 Fitbela Epro until they paid advance tax bills. Fitbela Epro never made any payments to C.L. Fitbela Epro
3 only made a single payment to A.F., in the amount of \$1000.

4 **Nature of the Conduct**

5 ***Washington Resident A.F.***

6 5. In or around April 2022, A.F. received an invitation to an investment group on Viber¹ that
7 appeared to be a group dedicated to information about stocks. A.F. shared with the group that she and her
8 husband were both retired and had traditional investments, including a 401K, and had previously only dealt
9 with investment advice from trusted advisors.

10 6. In or around May 2022, A.F. received a Viber call from “Nancy,” an employee or agent of
11 Fitbela Epro, who shared with A.F. an investment opportunity in cryptocurrency. Nancy described the
12 investment as invest money and “play”—through various transactions, directed by Nancy—to earn profit.
13 A.F. decided to “play” with a \$40,000 investment after reading some positive Viber comments from other
14 purported Fitbela Epro investors. A.F. was not provided with any further information prior to her investment.

15 7. Nancy instructed A.F. to work with Fitbela Epro customer service to wire money for the
16 investment. Customer service, via a chat feature on the Fitbela Epro website, directed A.F. to wire money to
17 an account held by Haight CA Trading Inc. at JPMorgan Chase. The instructions detailed that A.F. was not
18 to include any comment in the comment section, this instruction was very explicit, shared multiple times.
19 When A.F. inquired about the process, Fitbela Epro shared that they used multiple accounts and banks because
20 of the vast number of daily wire transactions, but that each company and bank account were run by one finance
21 department. On May 6, 2022, as instructed by Fitbela Epro, A.F. wired \$40,000 from her bank to the Jin-

22 _____
23 ¹ Viber is popular application used for voice over IP and instant messaging. Viber is one of the most popular
messaging apps in the world, offered in over 40 languages.

1 controlled Hights CA Trading Inc. account. Afterwards, Fitbela Epro instructed A.F. to send them
2 confirmation of her wire transfers, including photos of her driver license.

3 8. After A.F.'s initial investment and transfer of funds, Nancy directed A.F. to make specific
4 cryptocurrency trades online using MetaTrader 4². Nancy would sporadically contact A.F., by phone or text,
5 to make a transaction.

6 9. In or around early June 2022, A.F. attended a lecture in another Viber group, hosted by another
7 Fitbela Epro agent, "Mr. Andrews." Mr. Andrews shared a different Fitbela Epro offering—A.F. could pool
8 her money with others and engage in similar trading strategies for greater returns. In June 2022, A.F. wired
9 an additional \$20,000 for this group investment to an account held by Kechung Trading. Mr. Andrews began
10 to similarly direct A.F. to buy and sell cryptocurrencies using MetaTrader 4.

11 10. In or around July 2022, Nancy directed A.F. to set up a Crypto.com wallet after A.F. asked
12 how to withdraw money from her account. Nancy explained to A.F. that the withdrawal process was time
13 consuming, but Fitbela Epro would transfer \$1000 in the interim as proof of concept. A.F. received the \$1000
14 deposit. Nancy then attempted to solicit A.F. to invest more money with a "new level" opportunity. A.F.
15 declined, content to wait until her withdrawal was processed.

16 11. After waiting some time, A.F. communicated her concerns about the withdrawal process with
17 Fitbela Epro customer service. Customer service stated that the withdrawal could not process because the
18 investment term was not complete. Then, customer service demanded A.F. pay, in advance, \$100,000 in
19 taxes.

22 ² MetaTrader 4 is a popular smartphone app used to conduct foreign market exchange transactions. MetaTrader 4
23 allows licensees to use a plug in, known as a Virtual Dealer, which can be used to simulate account balances, profits,
or losses. A similar product, the MetaTrader 5 app, was removed from the Apple App Store in September 2022 after it
was used in a cryptocurrency scam to defraud a California investor out of more than \$1 million.

1 12. A.F. instructed Fitbela Epro to take the taxes out of her account, which purportedly held
2 \$290,000; Fitbela Epro explained that the taxes must be paid in advance. A.F. continued to try to take a
3 withdrawal—the withdrawal was denied.

4 13. A.F. lost all but \$1000 of her investment.

5 ***Washington Resident C.L.***

6 14. In or around April 2022, C.L. began chatting with “Nancy,” a woman that recently joined his
7 Viber group. After several weeks of chatting, Nancy shared with C.L. that she was a Fitbela Epro account
8 coordinator and extended an opportunity to invest with her in cryptocurrency. Nancy stated that the more
9 money that C.L. invested, the more money he would earn. Nancy did not disclose to C.L. any other
10 information about the investment other than it was associated with cryptocurrency.

11 15. In or around May 2022, Nancy directed C.L. to contact Fitbela Epro customer service for
12 directions on how to transfer money to a Fitbela Epro account. Customer service instructed C.L. to transfer
13 his investment funds in two different ways: 1) to deposit \$100,000 into a Crypto.com account by wiring funds
14 to MCB bank, then transfer the Crypto.com account funds to Fitbela Epro, and 2) to wire another \$120,000
15 into Jin-controlled accounts—Haight CA Trading and Haight Kim Trading. Further, Fitbela Epro instructed
16 C.S. to send them confirmation of his wire transfers, including photos of his driver license.

17 16. After funding the Fitbela Epro account, Nancy instructed C.L. to download MetaTrader 4 to
18 access his Fitbela Epro account. The MetaTrader application displayed the same account information
19 available on the Fitbela Epro website.

20 17. For weeks, Nancy directed C.L. to perform a number of specific trades on MetaTrader 4.

21 18. After a few weeks, Nancy abruptly alerted C.L. that his investment plan was finished, despite
22 no prior acknowledgement that the investment was a term investment. Nancy explained that C.L. must now
23 pay a tax bill of \$70,000 in order to withdraw his funds.

1 19. C.L. has not been able to withdraw any of his investment.

2 *Xinghua Jin*

3 20. Washington residents A.F. and C.L. wired funds to accounts owned by Haight CA Trading
4 and Haight Kim Trading. Xinghua Jin is the sole person associated with both accounts and the only
5 individual with signatory authority.

6 21. Jin opened the Haight CA Trading account on April 23, 2022 at the Flushing Skyview Center
7 branch of JPMorgan Chase located in Flushing, New York. This account received wire transfers from April
8 29, 2023 until May 18, 2023 from various entities and individuals, including from A.F. and C.L., totaling over
9 \$1.4 million dollars. By May 18, 2023, the account was zeroed out with nearly all of the funds transferred by
10 wire to accounts in Hong Kong. A number of the incoming wires included notes, such as “Payment of
11 Personal Taxes,” “For Trading,” “IN Vestment,” “37 Percent Fed. Tax,” “Trade Related,” and “Buying
12 Crypto.”

13 22. Jin, identified as the sole business owner on the account application, opened the the Haight
14 Kim Trading account on March 29, 2022 at the Great Neck branch of Wells Fargo Bank located in Great
15 Neck, New York. This account received wire transfers from May 2, 2022 until May 20, 2022 from various
16 entities and individuals, including from C.L., totaling over \$180,000. By May 20, 2022, the account had
17 wired at least \$60,000 to an account in Hong Kong. On June 7, 2022, Wells Fargo Bank closed the account
18 and removed the remaining \$75,664.03 with an entry for “Loss Prevention Closing.”

19 23. Jin claimed to the Securities Division that the wire transfers received from A.F. and C.L. were
20 on behalf of a Hong Kong entity, for the purchase of Chinese art pieces, including the following:

- 21 • Chinese ink and wash painting on paper by Huang Binhong—\$10,000;
- 22 • Chinese ink and with paintings in booklet by Mei Quing—\$100,000; and

- Chinese ink and wash painting by Fu Baoshi—\$40,000.

24. Neither A.F. nor C.L. intended to wire funds for the purchase of art.

25. Jin possessed personal information of A.F. and C.L. including account information and copies of their Washington State driver licenses—information that A.F. and C.L. had provided *only* to Fitbela Epro.

Misrepresentation or Omissions of Material Fact

26. Fitbela Epro misrepresented to investors where investor funds would be deposited. Fitbela Epro represented that all investor wire transfers would be to accounts held by partner companies under the same finance department, instead funds were transferred to accounts held by entities solely associated with Jin.

27. Fitbela Epro failed to disclose material information regarding the company, including, but not limited to, financial statements, operational history, and financial conditions.

28. Fitbela Epro failed to provide any information about its owner(s).

29. Fitbela Epro failed to provide any information about the risks of investing with the company.

30. Fitbela Epro's claims about the expected return on investment were misleading because the company failed to provide a reasonable basis for its projections.

Engagement in Activities Which Operate or Would Operate as a Fraud Upon a Person

31. Fitbela Epro directed investors to wire funds to Jin-controlled Haight's Kim Trading and Haight's CA Trading. Jin later wired these funds to accounts in Honk Kong, accounts not associated with Fitbela Epro.

32. Fitbela Epro, through its own website and MetaTrader's plug-in, displayed false account information to investors—showing "deposits" when funds remained in Jin-controlled accounts or Hong Kong accounts.

1 33. Jin knew or should have known that the A.F. and C.L. wire transfers were Fitbela Epro
2 investments and not purchases on behalf of a foreign company to purchase art.

3 34. Fitbela Epro and Jin worked in concert to direct the investor funds into Jin-controlled accounts,
4 as evidenced by Jin's possession of personal investor information provided to Fitbela Epro, including driver
5 license photos.

6 **Registration Status**

7 35. Fitbela Epro is not currently registered to sell its securities in the state of Washington and has not
8 previously been so registered, nor has it filed a claim of exception from registration.

9
10 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

11 **CONCLUSIONS OF LAW**

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

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

17 3. Fitbela Epro violated RCW 21.20.010, the anti-fraud section of the Securities Act of
18 Washington, by employing a device, scheme, or artifice to defraud; making untrue statements of material fact
19 or omitting to state materials facts necessary to make the statements made, in light of the circumstances in
20 which they were made, not misleading; or engaging in an act, practice, or course of business which operates
21 or would operate as a fraud or deceit upon any person.

1 4. Jin violated RCW 21.20.010(3), the anti-fraud section of the Securities Act of Washington, by
2 engaging in an act, practice, or course of business which operates or would operate as a fraud or deceit upon
3 any person.

4 **FINAL ORDER**

5 IT IS HEREBY ORDERED that Respondents Fitbela Epro Limited and Xinghua Jin, and their agents
6 and employees, shall each cease and desist from offering and/or selling securities in any manner in violation
7 of RCW 21.20.140, the securities registration section of the Securities Act of Washington.

8 IT IS FURTHER ORDERED that Respondents Fitbela Epro Limited and Xinghua Jin, and their
9 agents and employees, shall each cease and desist from violations of RCW 21.20.010, the anti-fraud section
10 of the Securities Act of Washington.

11 IT IS FURTHER ORDERED that Respondent Fitbela Epro Limited shall be liable for and pay a fine
12 in the amount of \$70,000.

13 IT IS FURTHER ORDERED that Respondent Xinghua Jin shall be liable for and pay a fine in the
14 amount of \$30,000.

15 IT IS FURTHER ORDERED that Respondents Fitbela Epro Limited and Xinghua Jin shall be jointly
16 and severally liable for and shall pay costs in the amount of \$16,500.

17 **AUTHORITY AND PROCEDURE**

18 This FINAL ORDER is entered pursuant to RCW 21.20.390 and is subject to Chapter 34.05 RCW.
19 Respondents have the right to petition the superior court for judicial review of this agency action under Part
20 V of Chapter 34.05 RCW. Pursuant to RCW 21.20.395(4), a certified copy of this Final Order may be filed
21 in superior court. If so filed, the clerk shall treat the Final Order in the same manner as a superior court
22 judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

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

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SIGNED and ENTERED this 16th day of June, 2023.



/s/

William M. Beatty
Securities Administrator

Presented by:

/s/

Megan Campbell
Financial Legal Examiner

Approved by:

/s/

Brian Guerard
Chief of Enforcement

Reviewed by:

/s/

Holly Mack-Kretzler
Financial Legal Examiner Supervisor