



Washington State Department of Financial Institutions

Division of Securities

WINTER 2024 UPDATE

Washington’s New Whistleblower Award and Protection Act

Washington’s new Whistleblower Award and Protection Act went into effect on July 23, 2023. This new law allows DFI’s Securities Administrator to provide financial awards to whistleblowers who provide original information to the Securities Division that leads to successful enforcement action under the Securities Act. It also provides protections from retaliation and confidentiality. We are proud to be one of five states that have adopted these provisions for whistleblowers. Learn more at [Whistleblower Award and Protection Act Frequently Asked Questions](#). You can find the text of the new legislation at RCW 21.40. To file a whistleblower complaint, you can use [the Securities Division’s complaint form](#).

DIVISION STATS AT A GLANCE AS OF DEC. 31, 2023

Number of Licensees

Securities Broker Dealers	1,700
Investment Advisers	622
Investment Adviser Representatives	14,427
Securities Salespersons	222,769
Registered Securities Offerings	86
Registered Franchise Offerings	996
Registered Business Opportunities	3

Enforcement Results for Calendar Year 2023 through Dec. 31:

Complaints Received

314

Enforcement Actions Issued

79

Active Cases

147



Washington State Department of Financial Institutions

Division of Securities

DFI Participates in \$3 Million Multi-State, Multi-Agency Settlement with TradeStation Crypto, Inc



DFI joined members of the North American Securities Administrators Association (NASAA) and the Securities and Exchange Commission (SEC) in entering a [settlement](#) totaling \$3 million with TradeStation Crypto, Inc. (TradeStation). TradeStation is a Florida corporation that was formed in 2018 and provides crypto-asset-related financial services to retail and institutional customers in the United States. In the settlement, TradeStation agreed to pay a total of up to \$1.5 million to state securities regulators, about \$29,000 of which has been paid to DFI.

For the past two years, DFI, along with the California Department of Financial Protection and Innovation (CA DFPI), led a task force of state regulators from Alabama, Mississippi, North Carolina, Ohio, South Carolina, and Wisconsin investigating TradeStation’s possible offer and sale of securities. The investigation revealed that TradeStation offered a crypto interest-earning program to Washington investors, in the form of an interest feature associated with investor digital trading accounts. Under this program, investors passively earned interest on crypto assets by loaning them to TradeStation. TradeStation maintained total discretion over the revenue-generating activities utilized to earn returns for investors. The company offered and promoted their crypto interest-earning program in Washington and the United States at large via its website and various platforms without a license to do so.

As a result of the investigation, DFI and CA DFPI led the task force negotiations with TradeStation to settle the allegations of the offer and sale of unregistered securities. The eight working group states and 18 additional securities regulators have agreed to the terms of the settlement. More states are expected to follow. DFI and TradeStation entered a consent order adopting the settlement terms on Dec. 21, 2023.