



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
TRADER’S WAY,)
d/b/a TRADERSWAY,)
d/b/a TRADER’SWAY, and) AP-16-46
d/b/a TRADERS WAY,)
)
Respondent.)
)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement Sandra J. McDowell, has alleged that Trader’s Way (“Respondent”), offered for sale unregistered, non-exempt securities, transacted business as an unregistered broker-dealer, offered prohibited commodities contracts, and engaged in unregistered and/or unlicensed commodity merchant business in violation of Section 409.3-301, 409.4-401, 409.803.1, 409.808.1 and 409.808.2, RSMo. (Cum. Supp. 2013)¹, and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent’s alleged violations of Section 409.3-301, 409.4-401, 409.803.1, 409.808.1 and 409.808.2

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives Respondent’s right to a hearing with respect to this matter.
6. Respondent waives any right that Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondent and Related Parties

12. Trader's Way (hereinafter "Trader's Way" or "Respondent") is a website with an address of www.tradersway.com.
13. A check of records maintained by the Commissioner indicates that at all times relevant to this matter Trader's Way was not registered in Missouri as investment adviser, broker-dealer, investment adviser representative, or broker-dealer agent.
14. A check of records maintained by the Commissioner indicates that at all times relevant to this matter there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for securities offered and/or sold by Trader's Way.
15. Upon information found in the National Futures Association's BASIC database, at all times relevant to this matter, Respondent was not registered as any type of commodity merchant or intermediary in connection with futures trading.²

B. Enforcement Section Investigation

16. Trader's Way may also be doing business as Tradersway, Trader'sway, and/or Traders Way.
17. On August 15, 2016, the Enforcement Section sent a letter of inquiry to Trader's Way via e-mail. The letter requested a claim of exemption from registration or exception from definition upon which Trader's Way relied in offering unregistered securities in the State of Missouri. The letter also requested additional information about offers to any other Missouri residents.
18. The Enforcement Section sent the letter of inquiry to support@tradersway.com.
19. The Enforcement Section asked, among other things, that Respondent produce a list of all Missouri investors who invested with or had an account with Respondent.
20. On August 15, 2016, the Enforcement Section received an e-mail from Trader's Way, support@tradersway.com, confirming receipt of the letter of inquiry.
21. The Enforcement Section, to date, has not received a formal response from Trader's Way.

² BASIC is the database where futures commission merchants or intermediaries must register in order to be considered registered with the Commodities Futures Trading Commission.

22. In the absence of a reply from Respondent, the Enforcement Section examined the advertisements and offerings on the Respondent's website.
23. On December 13, 2010, www.tradersway.com became an operational website.
24. The website lists the following contact information for Trader's Way:
 - a. +1 (849) 937-0815;
 - b. sales@tradersway.com;
 - c. helpdesk@tradersway.com; and
 - d. support@tradersway.com.
25. Trader's Way through www.tradersway.com, advertises a binary options trading platform to enable investors to execute binary options trades that derive their value from currencies and/or commodities. As of November 4, 2016, Respondent's website states and/or contains the following:
 - a. "Trader's Way provides services for trading on financial markets. It is part of a group of companies with a wide range of activities. We offer technological and analytical services as well as services which provide our clients with access to various international markets. Since commencing its brokerage business, the company has been dedicated to providing a wide range of top-quality services for online forex trading and for trading in CFDs for a wide range of financial instruments such as stock indices, commodities, energies, and precious metals;"
 - b. "Managed by highly qualified professionals with a great deal of experience, the company has gained its rightful place in the market by always looking forward and utilizing the latest technology, by developing and implementing new systems for trading and customer service, and by establishing strong, trust-based relationships with its many partners;"
 - c. "Our focus is on long-term and mutually beneficial relationships with our clients. We were one of the first companies to introduce STP/NDD processing for online forex trading. This enabled us to offer some of the most competitive and eye-catching spreads for currency pairs while charging one of the lowest commissions in the retail market;"
 - d. "Today Trader's Way is a fast-growing company that is trusted by thousands of customers worldwide. Nevertheless, we are not resting on our laurels; instead, we are continually developing and implementing new technologies for customer service and bringing maximum automation to all interactions between the client and the forex broker. We were one of the first on the market to implement cTrader, a trading system perfect for ECN trading which offers short response time ideal for algorithmic trading;"

- e. “We regularly offer initiatives, such as bonus programs, to give our clients new opportunities to trade forex and CFDs online;”
 - f. “We provide great opportunities for cooperation not only to individual traders, but also to managers and to partners, i.e. agents and introducing brokers. Our affiliate program - which everyone is welcome to join - stands out because of its flexible system of promotion, ease of registration, and a realistic and thoughtful approach to each member. Honesty, competence, mutual benefit: these are our principles. Choose your Trader's Way and let us help you get there;”
 - g. “Trader's Way widens your trading opportunities providing you with a 100% bonus on your deposit. You only need to make a deposit, choose the bonus amount and it will be credited to your trading account. The bonus is cashed to your account on a daily trading volume basis;”
 - h. “Please note that foreign exchange and other leveraged trading involves significant risk of loss. It is not suitable for all investors and you should make sure you understand the risks involved, seeking independent advice if necessary;” and
 - i. “All information on this website is not directed toward soliciting citizens or residents of the United States and the United Kingdom.”
26. Trader’s Way encourages clients to fund their accounts using credit/debit cards, bitcoins, or wire transfers of monies. All that Trader’s Way requires to open an account is the transfer of investment monies.

C. Interview with Traders Way Representative

27. On July 27, 2016, the Enforcement Section contacted a “site operator” for www.tradersway.com who was identified herself as Catherine. Catherine stated, among other things, the following:
- a. Trader’s Way is registered in the Commonwealth of Dominica; and
 - b. “We are not restricted from accepting US clients in our jurisdiction. We accept clients based on their own merit.”
28. On February 23, 2017, the Enforcement Section confirmed that www.tradersway.com allows Missouri residents to access and open trading accounts with Trader’s Way.
29. It was purported by a representative of Traders Way that Traders Way did not have any Missouri investors who invested with or had an account with Respondent.
30. In reviewing Respondent’s website, the Enforcement Section observed that Respondent failed to disclose, among other things, the following:

- a. Respondent was not registered to offer or sell securities in the state of Missouri;
- b. that the securities offered and/or sold by Respondent were not registered or exempt from registration in the State of Missouri;
- c. Respondent was not registered with the U.S. Commodity Futures Trading Commission; and
- d. Respondent was not registered with the U.S. Securities and Exchange Commission.

II. CONCLUSIONS OF LAW

31. The Commissioner finds Respondent offered for sale unregistered, non-exempt securities, transacted business as an unregistered broker-dealer, offered prohibited commodities contracts, and engaged in unregistered and/or unlicensed commodity merchant business in violation of Section 409.3-301, 409.4-401, 409.803.1, 409.808.1 and 409.808.2, and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
32. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

33. Respondent is permanently enjoined and restrained from offering and selling unregistered, non-exempt securities, in violation of Sections 409.3-301.
34. Respondent will within thirty (30) days from the date of the Consent Order ensure that its products cannot be accessed by Missouri investors. This denial of access to Missouri investors must be immediately apparent, and prior to any retention of personal information, on the Respondent's websites.
35. Respondent shall pay \$12,000 to the Missouri Investor Education and Protection Fund within thirty (30) days of the effective date of this Consent Order to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the **Missouri Secretary of State's Investor Education and Protection Fund**. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.

36. Respondent shall pay \$15,000 to the Missouri Secretary of State's Investor Education and Protection Fund. This amount will be suspended provided the Respondents comply with the terms of this Consent Order. This suspended amount shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction, that Respondents have violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law.
37. If required, wire instructions for payment of all monies due above shall be provided to Respondents upon entry of this Consent Order.
38. Respondent shall pay its own costs, including any wire transfer fees, and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 14th DAY OF March, 2017



John R. Ashcroft
SECRETARY OF STATE

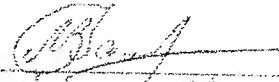
David M. Minick
David Minnick
COMMISSIONER OF SECURITIES

Consented to by:

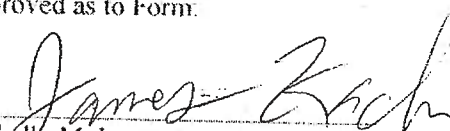
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

S. McDowell
Saundra J. McDowell
Director of Enforcement
Counsel for Petitioner

Respondent Trader's Way, d/b/a Tradersway, d/b/a
Trader'sWay, and d/b/a Traders Way


By: Velodymgo Marin

Approved as to Form:


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John Koch

Gardiner, Koch, Weisberg & Wrona
Attorneys for Respondent