STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:	)	
	)	
SPOTFN.COM, SPOT FN, LLC;	)	
JAMES KINGSLEY; BINARY HOLDINGS; and	)	Case No. AP-15-12
BINARY ACADEMICS,	)	
	)	
Respondents.	)	

FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING COSTS, RESTITUTION, AND CIVIL PENALTIES

Now on the 11th day of February, 2016, the Commissioner, having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On March 27, 2015, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through Director of Enforcement John Phillips, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed in the above-referenced matter.

2. On April 2, 2015, the Commissioner issued an Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed ("Order") in the above-referenced matter. On that same day, a copy of the Order and Notice of Right to Request a Hearing were sent via registered mail, return receipt requested, to Respondents at the following addresses:

   a. SpotFN.com, Spot FN, LLC, and James Kingsley at 25 Old Broad Street, 6th Floor, London, EC2N 1HN, United Kingdom; and

   b. Binary Holdings and Binary Academics at 405 Lexington Ave., 26th Floor, New York, NY 10174.

3. On or around April 2, 2015, a copy of the Order was made available to the general public on the Missouri Secretary of State's website.[1]

[1] http://www.sos.mo.gov/cmsimages/securities/orders/AP-15-12.pdf.

4. On or around April 3, 2015, the Order was sent via e-mail to Respondents at the e-mail addresses listed on their respective websites:

   a. SpotFN.com, Spot FN, LLC and James Kingsley via e-mail to accounts@spotfn.com, accounting@spotfn.com, and support@spotfn.com; and

   b. Binary Holdings and Binary Academics via e-mail at info@binaryacademics.com.

5. The Enforcement Section received no confirmation of receipt by registered mail for SpotFN.com, Spot FN, LLC, or James Kingsley. However, a delivery confirmation of the e-mail service was received on April 3, 2015.

6. On April 24, 2015, the return receipt card for Binary Holdings and Binary Academics was returned signed by an unknown person (signature illegible).

7. On May 20, 2015, the Commissioner was served pursuant to Section 409.6-611(b), RSMo. (Cum. Supp. 2013),[2] and Section 409.843, by providing a copy of the process to the office of the Commissioner. On that same day, Notice of Service and Copy of Process were sent to Respondents' last known addresses. The Commissioner also e-mailed an electronic version of the documents to Respondents' last known e-mail addresses.

8. On May 22, 2015, the Petitioner filed an Affidavit of Compliance demonstrating that the Enforcement Section had exercised reasonable steps to give notice to the Respondents and that substitute service on the Commissioner was justified.

9. On May 22, 2015, the Enforcement Section submitted a Motion for Final Order.

10. Respondents failed to request a hearing within the time allowed by Sections 409.6-604 and 409.843.

11. The Commissioner has not ordered a hearing in this matter pursuant to Sections 409.6-604 and 409.843.

12. To date, the Respondents have failed to respond to the Motion for Final Order.

II. FINDINGS OF FACT

A. Respondents and Related Parties

13. SpotFN.com is purported to be owned by Spot FN LLC (collectively "SPOT") with a mailing address of 6F/ 25 Old Broad Street, London, C2N 1HN, United Kingdom. SpotFN.com internet domain is registered/hosted through GoDaddy.com. The Enforcement Section was unable to find any corporation or LLC record for SPOT.

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

14. James Kingsley is purported to be the CEO of SpotFN.com and Spot FN LLC.

15. Binaryacademics.com internet domain is registered/hosted through GoDaddy.com. Binary Holdings/Binary Academics ("BIN") has an address of 405 Lexington Avenue, 26th Floor, New York, New York 10174 (this is a "Regus" rent-an-office location). No corporation or LLC record could be found for BIN. BIN is a related entity to SPOT.

16. At all times relevant to this matter, SpotFN.com, Spot FN LLC, BIN and all of the named representatives were not registered with the State of Missouri as investment advisers, investment adviser representatives, broker-dealers, or agents.

17. 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 SpotFN.com, Spot FN LLC, and BIN.

18. Based upon information found in the National Futures Association's BASIC database, at all times relevant to this matter, SpotFN.com, Spot FN LLC, and BIN were not registered as any type of commodity merchant or intermediary in connection with futures trading.[3]

19. At all times relevant to this matter, the following individuals were agents of James Kingsley, SpotFN.com, SpotFN and/or BIN: (a) Nichole Kennedy ("Kennedy"); (b) Robert King ("King"); (c) Troy Pierce ("Pierce"); (d) Collette Rousseau ("Rousseau"); (e) David Soho ("Soho"); (f) Jennifer Cruz ("Cruz"); (g) Rick Rawson ("Rawson"); (h) Alexander Greco ("Greco"); (i) Robin Swanson ("Swanson"); (j) Larry Goodwitch ("Goodwitch"); (k) Scott Fenta ("Fenta"); and (l) Michael Grant ("Grant"). At all times relevant to this matter, none of the aforementioned individuals were registered as a broker-dealer agent, investment adviser representative, or issuer agent in the State of Missouri.

20. As used herein, the term "Respondents" refers to James Kingsley, SpotFN.com, Spot FN LLC, and BIN.

SpotFN.com

21. SPOT's website states that SPOT offers the following:

    a. "We have the leading binary options platform in the world…";

    b. "Our executive Brokers are committed to maximizing the potential of a client's investment and profitability…";

    c. "Largest selection of assets and options";

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

d. "100% safe and secured trading";

e. "Up to a $5000 Welcome Bonus";

f. "One on one training courses";

g. "up to 88% return";

h. "Trade with real market professionals";

i. "Exclusive 60 second Options";

j. "24/7 live support";

k. "Enjoy hassle free withdrawals"; and

l. from the "Letter from the CEO" section of the website: "Our Senior Brokers, Analysts and Investment Specialists are here to provide their services to you, and I sincerely hope that you take advantage of their knowledge and perspective. Our goal is not simply to help you make an investment; our goal is to help you make a successful and profitable investment".

22. On January 13, 2015, the Enforcement Section sent a written request for information to SPOT via regular mail and to three e-mail addresses associated with SPOT. That response was due on January 23, 2015. No response or reply has been received from SPOT as of March 26, 2015.

BinaryAcademics.com

23. BIN's website states that it was founded in 2013 and that it offers investment education related to binary options. The following are quotes from its website:

a. "Our promise is simple: To Provide easy access to high quality, online educational resources about how to invest your money…";

b. "Simple yet effective video lessons ranging from the beginner to advanced…"; and

c. "Our mentors take a hands-on approach…" and "We take the time to get to know each and every client on a personal level…"

24. The "Products" section of BIN's website states that all credit card charges will be processed as "BINARY HOLDINGS."

Missouri Resident 1

25. Between January 8, 2015, and February 8, 2015, the Enforcement Section spoke with and received information from a 69-year-old resident of St. Peters, Missouri ("MR1"), regarding MR1's investments with SPOT. MR1 lost a total of $29,245 on this investment. In early July 2014, MR1 first learned about SPOT in a solicitation e-mail MR1 received from SPOT, which offered a "guaranteed profitable" investment opportunity.

26. During the initial phone call between MR1 and a SPOT representative, the SPOT representative told MR1 that the investment opportunity involved a "robot trader" of currencies that was "78% successful."

27. Also during this same initial phone call, a SPOT representative told MR1 that if the robot trader was successful, MR1 would receive MR1's original amount invested in the trade plus 85%. If the robot trade was unsuccessful, MR1 would lose the entire trade amount. However, only a small amount of MR1's account balance, $25 for example, would be used per trade by SPOT.

28. Prior to investing, MR1 asked a representative of SPOT if the company was registered with the SEC to sell securities, and the SPOT representative told MR1 that SPOT was not required to be registered because they were located in London.

29. On July 7, 2014, MR1 made an initial $5,000 investment with SPOT. As part of the investment agreement with SPOT, MR1 was required to fill out a "Special Credit Card Charge Request" form that allowed MR1 to send money to SPOT via credit card for the investment. MR1 used MR1's personal bank account debit card from Regions Bank on the Charge Request form, which allowed SPOT to make charges to this card/account.

30. After MR1's initial investment, MR1 was contacted multiple times by a representative of SPOT to "upgrade" MR1's account to different trading platforms that used different "traders" and promised a bigger return. Each "upgrade" usually required an additional $5,000 investment from MR1.

31. Between July 11, 2014, and August 28, 2014, MR1 invested three more times for a total of $20,450 (includes $450 in fees) invested with SPOT.

32. While discussing the exact parameters of MR1's trade account with Nicole Kennedy, a SPOT representative, Kennedy told MR1 that MR1 could reasonably expect a return of 18% per month on MR1's $20,000 investment.

33. In late July 2014, MR1 contacted SPOT and again spoke with Kennedy to check the status of this account. Kennedy told MR1 that MR1's account was doing great and had a balance over $34,000. Kennedy told MR1 that there had been some losses in MR1's account and Kennedy had given MR1 $15,000 in "Bonus Dollars." MR1 was never told anything about "bonus dollars" when MR1 invested.

34. Sometime in August 2014, MR1 contacted SPOT via telephone for an update on MR1's account and was told that Kennedy had been fired from SPOT and MR1's new "broker" was Robert King.

35. King told MR1, contrary to MR1's conversation with Kennedy, that MR1's account had only been traded three times by Kennedy, all for a loss, and now King wanted MR1 to start trading MR1's own account.

36. MR1 told King that trading MR1's own account was not part of MR1's agreement with SPOT, and MR1 requested a refund of all of MR1's investment money from SPOT.

37. On or about September 1, 2014, MR1 again contacted SPOT to check the status of MR1's refund and was told that an employee of SPOT named Troy Pierce had stolen MR1's money and traded until MR1's money was gone, and that Pierce had been fired from SPOT.

38. Shortly thereafter, MR1 was contacted by SPOT "broker" Colette Rousseau, who told MR1 she had been authorized to get all of MR1's money back by helping MR1 trade MR1's account.

39. Rousseau told MR1 that Rousseau would put MR1's money in a second account that would be guaranteed against loss of MR1's funds. MR1 told Rousseau that MR1 had no more money to invest and ended the phone call.

40. On or about September 4, 2014, Rousseau contacted MR1 and said Rousseau had transferred money into MR1's "new account" from MR1's funds at Region's Bank. MR1 had not authorized this transaction, and when MR1 contacted Regions Bank, MR1 discovered SPOT had withdrawn $4,000 from MR1's account and the account was overdrawn.

41. MR1 contacted SPOT and told Rousseau MR1 had not authorized any withdrawals and demanded MR1's money be returned. SPOT refused to return the funds.

42. On or about September 4, 2014, MR1 contacted Regions Bank about the unauthorized transaction and Regions Bank was able to reverse the transaction.

43. Later in the day on September 4, 2014, Rousseau transferred an additional $4,000 to SPOT from MR1's Regions Bank account. MR1 again contacted Regions Bank and told them MR1 had not authorized any withdrawals from MR1's account. To date, MR1 is disputing that second transaction with Regions Bank.

44. After multiple requests for money to be returned, and MR1's verbal complaints to SPOT about unauthorized bank withdrawals, MR1 was contacted via phone and e-mail by David Soho of the "compliance department" at SPOT. Soho wanted to know about "all the scams" perpetrated against MR1 by SPOT.

45. Soho told MR1 the matter had been turned over to SPOT's "insurance" company "Allianz Tiriac" for a claim, and Soho had been authorized to transfer $60,000 to MR1's Regions Bank account to settle all claims against SPOT. However, Soho told MR1 that MR1 needed to "advance" 8% of the $60,000 for a service fee and taxes to Allianz Tiriac.

46. MR1 asked for proof "in writing" of the requirement for an 8% advance to Soho's insurance company.

47. On November 15, 2014, MR1 received a letter from Allianz Tiriac, which indicated Allianz Tiriac was located in Romania. The letter stated Allianz Tiriac needed to receive payment of taxes and fees before the settlement money could be released to MR1. The letter was signed by "Remi Vrignaud, CEO" of Allianz Tiriac.

48. On November 21, 2014, MR1 received an e-mail from Larry Goodwitch from the SPOT Claims Department that listed instructions and beneficiary bank account information at Bank of America where MR1 was to transfer the 8% advance fees plus taxes associated with MR1's settlement.

49. On December 3, 2014, MR1 wired $4,990, in two installments of $2,495 each, to Bank of America, Beneficiary: Jeniffer [*sic*] Cruz, account number 381041403398, as payment of the 8% advance fees plus taxes, according to the instructions of Goodwitch (see below, Bank Records).

50. After sending the 8% advance fees plus taxes as instructed, MR1 never received MR1's settlement of $60,000 from Soho and Allianz Tiriac.

51. MR1 contacted Soho to determine why MR1 had not received MR1's settlement. Soho told MR1 there was a "mix-up" in the transfer of MR1's money and MR1's settlement payment would now be $66,100, but MR1 needed to transfer more money to immediately receive the settlement.

52. MR1 did not transfer any more funds and is now disputing MR1's transfer of $4,990 to Bank of America in an attempt to get the two wire transfers reversed.

53. MR1's total loss related to the investment with SPOT, including service fees, is $29,245.

54. MR1 filed a police report with the St. Peters Police Department, report #2014-25007, detailing the investment with SPOT, the unauthorized transactions in MR1's bank account, and MR1's attempts to obtain a refund.

Missouri Resident 2

55. Between October 27, 2014 and January 8, 2015, the Enforcement Section spoke with and received information from a 60 year-old resident of Doniphan, Missouri ("MR2"), regarding MR2's investments with SPOT and BIN. MR2 lost a total of $53,000 on the investments.

56. MR2 was 59 years-old at time of the investments.

57. MR2 subscribes to multiple sources that provide free financial advice e-mails, and that is how MR2 found out about SPOT's website and its services.

58. "Binary Options" was the new "big thing" in investing, and MR2 wanted to find a website/company that offered these services. MR2 was looking for a company that would do the trading for MR2 because MR2 has a bad back and neck and cannot sit in front of a computer for long periods of time.

59. MR2 read a lot of negative comments online about SPOT, but the negative comments all seemed to be from persons who invested $500 or less, and who did not read about how SPOT works and what an investor must do to get the investor's money out of his or her account.

60. At the time MR2 invested, there were not many highly exaggerated claims about SPOT's performance to be found on the internet, which led MR2 to believe SPOT was a legitimate company.

61. On or about April 15, 2014, MR2 invested $10,000 with SPOT, and SPOT gave MR2 a $5,000 "bonus" for MR2's investment.

62. According to the New Customer Verification Form, executed by MR2 before investing:

    a. any bonus received by an investor from SPOT also increased the dollar amount of trades the investor has to make before the investor can withdraw his or her money in cash from the investor's account; and

    b. there is a certain dollar amount of trades one has to make in the investor's SPOT account before they are allowed to withdraw any money in cash. The dollar amount of trades is directly related to the amount deposited and any bonuses received from SPOT.

63. MR2 believed MR2 understood the disclosed risks involved with SPOT and that MR2 would have to make $450,000 in trades before MR2 could get MR2's initial $10,000 investment back out of MR2's SPOT account.

64. MR2 worked with an "Account Specialist" assigned to MR2 by SPOT. The specialist's name was Rick Rawson.

65. MR2 spoke to Rawson many times and had a good business relationship with Rawson.

66. On May 28, 2014, MR2 invested an additional $5,000 with SPOT.

67. Approximately six weeks after investing, MR2 contacted Rawson because MR2 was unhappy with the performance of MR2's accounts. MR2 discovered SPOT was making

"robot" trades in MR2's account and MR2 wanted a person to actually be making the trades.

68. Rawson recommended that MR2 talk with Alexander Greco, who was with BIN, an associated company. BIN has a website that offers binary options trading and education. Rawson set up a conference call between Rawson, Greco and MR2.

69. During the conference call on or around July 14, 2014, MR2 was told that, for another $10,000 investment, MR2 would be upgraded to an "Elite account" and all trades would be made by an actual person and not "robot" trades. MR2 agreed and invested $10,000 with BIN and received a $5,000 bonus in MR2's account.

70. The account upgrade included free "peak time" trading, which guaranteed money would be returned to MR2's account if any was lost from the trades. However, it was later discovered that any money returned to MR2's account from trade losses was returned in the form of a "bonus," which further increased the dollar amount of trades MR2 had to make before MR2 could receive any cash out of MR2's account.

71. On or around July 15, 2014, and shortly after MR2 upgraded MR2's account, the balance was approximately $63,000. Then, a few days later, MR2's account had dropped to $8,000. MR2 called SPOT and spoke to Rawson and Greco about the guarantee on the balance in MR2's account, and Rawson and Greco raised MR2's balance back up to $60,000. MR2 later discovered that it was "bonus" money that was used to raise MR2's balance back up to $60,000.

72. By this time, MR2's account had received so many bonuses related to reinvestments and money being replaced by SPOT due to trade losses that MR2 would have to make over $1,200,000 in trades before MR2 could withdraw any cash.

73. A few weeks later MR2 noticed that the trades in MR2's account were "robot" trades involving Forex and commodities. MR2 contacted Rawson to complain about what MR2 was promised for MR2's last additional investment. MR2 talked with both Rawson and Greco, who attempted to get MR2 to invest another $50,000 to upgrade to a "premium account," but MR2 declined the offer. Rawson and Greco offered some type of binary trading training, which MR2 also declined because MR2 did not want to do the trading himself.

74. Rawson and Greco guaranteed that with another $10,000 investment, every trade would go through Greco before it was made. MR2 agreed and invested another $10,000 on July 31, 2014. No record of this investment was ever reflected on MR2's account.

75. Beginning on August 1, 2014, MR2 attempted to contact Rawson repeatedly over the next two to three days, without success.

76. MR2 attempted to check MR2's SPOT account and was unable to login. MR2 was also unable to get in contact with anyone at SPOT via telephone, website chat board, or e-mail.

77. After a few days, MR2 finally contacted Troy Pierce at SPOT via telephone. Pierce told MR2 that Rawson and others no longer worked at SPOT due to mismanagement of investors' accounts. Pierce also stated that SPOT was under new management.

78. Pierce attempted to review MR2's account and stated that MR2 only had a "demo" account and did not actually have a "real" account. Pierce told MR2 he would do some checking about MR2's account and return a call to MR2.

79. Approximately fifteen (15) minutes after speaking to Pierce, MR2 received a call from Rawson. Rawson called from a number associated with SPOT. Rawson asked MR2 how MR2's day was and MR2 replied "better than yours" and Rawson asked why. MR2 said "I heard you were fired from SPOT." Rawson stated "that's news to me" and told MR2 he would call MR2 back, but he never did.

80. MR2 continued to receive e-mails from Rawson for the next few days, until MR2 asked a few questions that only Rawson would know the answers, and MR2 never received another e-mail from Rawson. MR2 also attempted to e-mail Greco, but received no response.

81. The next day after speaking to Pierce, MR2 called SPOT for an update on MR2's account and spoke to Robin Swanson, who stated she was MR2's new account representative.

82. Swanson told MR2 that MR2's account was an "e-mail account," which is a type of account she had never seen before. MR2 told Swanson that MR2 had been unable to log in to MR2's account and had been unable to change MR2's password on the account.

83. Swanson gave MR2 a new e-mail address and password (new password was 123456) to use to log in to MR2's account. MR2 then logged in to MR2's account with the information provided by Swanson, changed MR2's password, and logged out of the account.

84. Later in the day after MR2 changed MR2's password, he attempted to log in to MR2's account using the new password, without success. MR2 decided to try the old password that Swanson had assigned to MR2, and was able to log in. MR2 then called Swanson at SPOT to see why MR2's account reverted back to the old "123456" password after he changed it. Swanson did not have an answer about the password.

85. MR2 then checked MR2's account for a record of MR2's July 31, 2014, $10,000 investment and discovered it was not listed.

86. MR2 e-mailed SPOT to ask why the $10,000 did not show up in MR2's account. MR2 attached a copy of MR2's credit card statement that showed the $10,000 payment to SPOT. MR2 got multiple replies from SPOT that stated SPOT never received MR2's attachments on the e-mail.

87. MR2 then e-mailed SPOT with questions why MR2's password always reverted back to what Swanson assigned MR2. MR2 never got a response from SPOT.

88. On or about August 10, 2014, MR2 received a call from Scott Fenta, who was offering recovery services. Fenta could recover all of MR2's money invested with SPOT for a fee of $12,000. MR2 believed Fenta was associated with SPOT because Fenta already had all of MR2's contact and account information. MR2 did not accept Fenta's offer for recovery services.

89. After the call with Fenta, MR2 bought a voice recorder and started recording the phone calls MR2 had with SPOT and BIN representatives.

90. On August 22, 2014, MR2 received multiple calls from Swanson with various offers of bonuses if MR2 invested another $10,000. In one offer, Swanson described a new "algorithm investment program" to MR2. MR2 declined all of the offers and did not invest any more money.

91. During these calls, Swanson also stated that Greco and Rawson were no longer with the company and told a "sob story" about how Greco and Rawson lost a lot of money in investor accounts.

92. MR2 then checked MR2's credit card balance/statement and discovered that SPOT charged MR2 $1,000 on August 22, 2014, and $2,000 each on both the 23rd and 24th of August. These charges were not authorized by MR2. MR2 disputed these charges with this credit card company and was refunded the $5,000.

93. Finally on September 24, 2014, MR2 received an e-mail from SPOT's accounting department stating SPOT needed forty-eight hours to review MR2's questions. MR2 has not heard back from SPOT since the September 24, 2014 e-mail.

94. MR2 invested a total of $40,000 with SPOT of which $10,000 was never credited to MR2's account.

95. MR2 invested a total of $20,000 with BIN. MR2 disputed $10,000 of MR2's investment with MR2's credit card company and was refunded $7,000 by BIN.

96. MR2 plans on disputing the remaining $13,000 invested in BIN with MR2's credit card company.

97. MR2's total losses from MR2's investment with SPOT and BIN are $53,000.

98. On August 27, 2014, MR2 filed a complaint with the Internet Crime Complaint Center related to SPOT's website and its fraudulent activity.

Missouri Resident 3

99. Between February 9, 2015 and February 10, 2015, the Enforcement Section spoke with and received information from a 65-year-old resident of Blue Springs, Missouri ("MR3"), regarding MR3's investments with SPOT. MR3 invested $1,497 and lost a total of $497 on the investment.

100. MR3 learned about SPOT in a solicitation e-mail MR3 received from SPOT. The e-mail offered a "guaranteed profitable" investment opportunity.

101. After responding to SPOT's solicitation e-mail, MR3 received a second e-mail from Kennedy at SPOT that explained how the program worked and that SPOT charged no fees and zero commissions. The e-mail also stated MR3 could earn up to 88% in returns.

102. MR3 is disabled and cannot work, so MR3 was looking for a way to earn some money.

103. On or about April 23, 2014, MR3 first "purchased" the "Auto Trading Program" from SPOT for $497 and then had to "deposit an investment" for the trades. MR3 deposited $1,000 from MR3's credit card to MR3's account for use with the auto trading program.

104. Over the next three weeks MR3 watched MR3's account, which seemed to always be losing money from the trades the auto trader program was making.

105. MR3 decided MR3 wanted to take MR3's money out of the trading program and get a refund.

106. After many days spending hours on the telephone with SPOT representatives and sending multiple e-mails to SPOT, MR3 received a refund of MR3's $1,000 investment, but was told the $497 for the purchase of the auto trader program was not refundable.

107. On May 16, 2014, MR3 received an e-mail from Michael Grant at SPOT stating MR3 would receive a refund.

108. During one of MR3's conversations with SPOT representatives, MR3 asked if SPOT was "registered to trade" securities and MR3 was told "SPOT is not required to be registered."

Missouri Resident 4

109. On April 30, 2014, the Enforcement section received a written complaint from a 61-year-old resident of Pleasant Hill, Missouri ("MR4"), regarding MR4's investments with SPOT. MR4 invested $250, but all of MR4's money was refunded.

110. MR4 was 60 years old at the time of investment.

111. MR4 learned about the investment opportunity after receiving an e-mail about how easy it was to make money trading "digital currency" at SpotFN.com.

112. MR4 invested $250 via credit card on March 19, 2014. MR4 then decided to invest some money in a different "digital trading" company and requested $200 of MR4's money to be returned from SPOT, also on March 19, 2014.

113. MR4 request for a refund was "cancelled" by SPOT.

114. MR4 then made multiple phones calls to and spoke with multiple representatives from SPOT in an attempt to get all of MR4's money refunded. MR4 continued to get excuses why SPOT would not refund MR4's money, or SPOT would tell MR4 the refund is "on the way" and MR4 would not receive the refund as promised.

115. On May 20, 2014, MR4 contacted the Enforcement Section and stated MR4 no longer wanted to file a complaint against SPOT, because MR4 had been refunded all of MR4's investment money.

Bank Records

116. On February 10, 2015, a subpoena was issued by the Commissioner of Securities to Bank of America for information on the bank account to which MR1 transferred MR1's investment of $4,990 (as described above). The subpoenaed records contained the following information:

a. account number 381041403398 was opened on October 27, 2014, by Sonia Cruz. The address on the account was 200 Oak Street, Floor 1, Bogota, New Jersey 07603-1716;

b. the account received two deposits of $2,495 each on November 28, 2014, and December 3, 2014, via Missouri teller transfer (MR1's transfers);

c. two additional transfers were made out of the account: (i) one transfer on December 1, 2014, for $2,494.70; and (ii) one transfer on December 3, 2014 for $2,494.99. Both transfers were to an unknown destination through an online international money transfer website;

d. on November 28, 2014, a purchase was made at JetBlue Airlines totaling $162;

e. from December 2, 2014, to December 4, 2014, small withdrawals were made from Santo Domingo in the Dominican Republic, which left an account balance of $2.78 on December 31, 2014; and

f. no more deposits were made in the account, and the account was closed on January 6, 2015.

III. CONCLUSIONS OF LAW

117. Because the Respondents have failed to request a hearing within the time allowed by Sections 409.6-604 and 409.843, and because the Commissioner never ordered such a hearing, the Order issued on April 2, 2015, against the Respondents became **FINAL** by operation of law.

118. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003 and Sections 409.800 to 409.863.

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

119. **THE COMMISSIONER CONCLUDES** that Respondents violated Section 409.3-301, when they offered and sold unregistered, non-exempt securities in the State of Missouri to MR1, MR2, MR3, and MR4 by, among other things:

a. soliciting, or employing agents to solicit, funds from investors;

b. receiving, or employing agents to receive, funds from investors; and

c. investing the funds in a common enterprise with the expectation of profits to be derived primarily from the efforts of another.

120. These activities constitute an offer to sell and sale as those terms are defined in Section 409.1-102(26).

121. The investments offered and/or sold were securities as that term is defined in Section 409.1-102(28).

122. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondents.

123. Respondents offered and sold securities in Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.

124. Respondents offered and sold unregistered securities in violation of Section 409.3-301.

125. Respondents' conduct in violation of Section 409.3-301 constitutes engaging in an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

126. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.4-401(a), in the State of Missouri when they transacted business as unregistered, non-exempt broker-dealers by:

a. opening several trading accounts in Missouri residents' names; and

b. effecting transactions in those accounts on behalf of Missouri residents.

127. These activities constitute transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4).

128. At all times relevant to this matter, Respondents were not registered as broker-dealers in the State of Missouri.

129. Respondents transacted business in or from Missouri without being registered or exempt from registration as broker-dealers in violation of Section 409.4-401(a).

130. Respondents' conduct in violation of Section 409.4-401(a) constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Employing or Associating with an Unregistered Agent

131. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.4-402(d), when Respondents employed or associated with multiple agents, who on behalf of the Respondents, among other things, offered and sold options and options contracts that derive their value from an underlying security.

132. Kennedy, King, Pierce, Rousseau, Soho, Cruz, Rawson, Greco, Swanson, Goodwitch, Fenta and Grant were employed by or associated with Respondents.

133. The individuals named in the paragraph 132 above offered and sold securities in or from Missouri on behalf of Respondents by, among other things, offering and selling options and options contracts that derive their value from an underlying security.

134. Respondents' activities constitute employing or associating with an agent in the State of Missouri under Section 409.4-402(d).

135. At all times relevant to this matter, Respondents had no registration or granted exemption for any of their agents to transact business in or from the State of Missouri.

136. Respondents employed or associated with unregistered agents who transacted business in the State of Missouri in violation of Section 409.4-402(d).

137. Respondents' conduct in violation of Section 409.4-402(d), constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making an Untrue Statement of a Material Fact, Omitting to State a Material Fact or Engaging in an Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security

138. **THE COMMISSIONER FURTHER CONCLUDES** that, Respondents violated Section 409.5-501, when, in connection with the offer, sale or purchase of a security as described above, Respondents made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in multiple

acts, practices, or courses of business that would operate as fraud or deceit upon another person.

139. **THE COMMISSIONER FURTHER CONCLUDES** that, in connection with the offer, sale or purchase of a security as described above, Respondents made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:

a. Stating to MR1 that the SPOT investment involved a "robot trader" of currencies that was "78% successful";

b. Stating to MR1 that if the robot trader was successful, MR1 would receive MR1's original amount invested in the trade plus 85%. If the robot trader was unsuccessful, he would lose the entire trade amount. However, only a small amount of MR1's account balance, $25 for example, would be used per trade by SPOT, when in fact, SPOT purported to make trades that were in excess of $25;

c. Stating to MR1 that SPOT was not required to be registered because they were located in London;

d. Soliciting MR1 for multiple "upgrades" of MR1's SPOT account where each "upgrade" used different "traders" and promised a bigger return;

e. Stating that MR1 could reasonably expect a return of 18% per month on MR1's $20,000 investment;

f. Stating to MR1 that MR1's account was doing great and had a balance of over $34,000, while then stating that there had been some losses in the account and that SPOT would provide MR1 with $15,000 in "Bonus Dollars";

g. Stating to MR1 in August 2014 that MR1's account had only been traded three times by the executive Broker in charge of MR1's account and that MR1 should now trade in MR1's own account;

h. Stating to MR1 in September 2014, after MR1 requested a refund, that an employee of SPOT had stolen MR1's money and traded it until it was gone;

i. Stating to MR1 that another "broker" had been authorized to get all of MR1's money back by helping MR1 trade MR1's account;

j. Stating to MR1 that this "broker" would put MR1's money in a second account that would be guaranteed against loss of MR1's funds;

k. Stating to MR1, through SPOT's "compliance department," that he could obtain a $60,000 refund from SPOT's "insurance" company if MR1 "advanced" 8% for a service fee plus taxes to SPOT's "insurance" company;

l. On November 15, 2014, sending MR1 a letter, purporting to be from SPOT's "insurance" company stating that taxes and fees needed to be paid before the settlement money could be sent to MR1;

m. After not receiving MR1's refund even after tendering the taxes plus 8% advance fee, stating to MR1 that there was a "mix-up" in the transfer of the settlement money and the settlement payment would now be $66,100, but MR1 needed to transfer even more money to receive the settlement;

n. Providing MR2 a $5,000 "bonus" for MR2's $10,000 investment in SPOT;

o. Stating to MR2, via the New Customer Verification Form, that:

i. Any bonus received by an investor from SPOT also increased the dollar amount of trades the investor has to make before the investor can withdraw his or her money in cash from the investor's account; and

ii. There is a certain dollar amount of trades one has to make in the investor's SPOT account before they are allowed to withdraw any money in cash. The dollar amount of trades is directly related to the amount deposited and any bonuses received from SPOT;

p. Stating to MR2 that SPOT was making "robot" trades in MR2's account, despite previously stating to MR2 that human "broker" would make the trades;

q. Referring MR2 to an associated company called BIN, which purportedly offered binary options trading and education;

r. Soliciting MR2 for another $10,000 investment to be upgraded to an "Elite account" wherein all trades would be made by an actual person and not "robot" trades;

s. Stating to MR2 that the account upgrade included free "peak time" trading, which guaranteed money would be returned to MR2's account if any was lost from the trades. MR2 later discovered that the returned money was "bonus" money, which therefore increased the dollar amount of trades MR2 had to make before MR2 could receive any actual money out of MR2's account;

t. On or around July 15, 2014, stating to MR2 that MR2's SPOT account balance had decreased from approximately $63,000 to $8,000. SPOT thereafter purported to raise the balance of MR2's account back to $60,000, but SPOT used "bonus" money to do so, meaning MR2 needed to trade even more in order to get actual money out of MR2's account;

u. Despite assurances that MR2's account would be traded by an actual person, a few weeks after July 15, 2014, SPOT traded MR2's account using "robot" trades involving foreign currency and commodities;

v. Soliciting MR2 to upgrade to a "premium account" for another $50,000;

w. Soliciting MR2 to invest another $10,000 so that every trade would go through a human "broker" before the trade was made and then failing to record this investment on MR2's account;

x. Stating to MR2 that the prior "brokers" MR2 had interacted with were no longer working at SPOT due to mismanagement of investors' accounts and thereafter receiving another call from those "brokers" who were still employed with SPOT;

y. Stating to MR2 that MR2 only had a "demo" account and did not actually have a "real" account;

z. Stating to MR2 that MR2's account was an "e-mail account," which is a type of account a SPOT broker had never seen;

aa. Offering MR2 recovery services whereby SPOT would recover all of MR2's money invested with SPOT for a fee of $12,000;

bb. Soliciting MR2 to invest another $10,000 in SPOT in exchange for being enrolled in, among other things, a new "algorithm investment program";

cc. Soliciting MR3 via e-mail by offering a "guaranteed profitable" investment opportunity;

dd. Soliciting MR3 via e-mail that stated MR3 could earn a return of up to 88%;

ee. Soliciting MR3 to purchase the SPOT "Auto Trading Program" and to "deposit an investment" for the trades;

ff. Stating to MR3 that "SPOT is not required to be registered" in response to MR3's question as to whether SPOT was "registered to trade" securities;

gg. Soliciting MR4 to make money trading "digital currency"; and

hh. Cancelling MR4's request for a refund.

140. **THE COMMISSIONER FURTHER CONCLUDES** that any and all of the above statements are either untrue or misleading because of omissions of material fact, including, but not limited to:

a. Stating that Respondents did not need to be registered or exempt from registration as a broker-dealer firm in the State of Missouri even though they are required to be registered or exempt;

b. Stating that the securities Respondents purported to sell to all four Missouri investors did not need to be registered or exempt from registration in the State of Missouri, even though the securities required registration or exemption;

c. Failing to inform all four Missouri investors as to the risks associated with the investment, including but not limited to:

i. The fact that currency, currency option, and binary option trading are highly volatile investments;

ii. The volatility of the securities offered through SPOT may greatly reduce the funds in investor's SPOT accounts;

iii. SPOT account balances are manipulated via trades by "brokers" and infusion of "bonus dollars";

iv. Investors who lose money in SPOT accounts by virtue of trades made either by the "robot trader" or the "brokers" have no way to reverse these trades; and

v. Investors who lose money in SPOT accounts by virtue of trades have difficulty obtaining refund of any money from those accounts, including any money purportedly remaining after losses were incurred;

d. Failing to provide any substantiation or documentation for promised returns, including the addition of bonus dollars to investors' accounts.

141. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person when they:

a. Twice transferred $4,000 from MR1's Regions Bank account without authorization; and

b. Charged MR2 an additional $5,000 in unauthorized charges after MR2 refused additional upgrades to MR2's account.

142. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person when they engaged in lulling MR1, MR2, MR3, and MR4 in order to obtain additional investment funds and/or avoid or delay detection by:

a. Soliciting upgrades in investor accounts, which would provide more tools to recoup investment losses, in exchange for additional investment;

b. Providing "bonus dollars," which purported to recoup investment losses but in fact required significantly more trading in the account before redemption of any money;

c. Soliciting and obtaining additional upfront "taxes and fees" so that Respondents' "insurance company" would repay investment losses and then not reimbursing losses; and

d. Soliciting even more "taxes and fees" to facilitate payment from Respondents' "insurance company" when there was a "mix-up" with the initial insurance payment.

143. Respondents made untrue statements of material facts, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person in violation of Section 409.5-501.

144. At the time Respondents SpotFN.com, SpotFN, LLC, and James Kingsley engaged in this conduct, MR1, MR3, and MR4 were over 60 years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).

145. Respondents' conduct in violation of Section 409.5-501, constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Offering and Entering into Prohibited Commodities Contracts

146. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.803, when they offered to enter into, entered into, or confirmed the execution of, foreign currency commodity contracts and foreign currency commodity options contracts with MR1, MR2, MR3, and MR4 when, among other things, they:

a. E-mailed marketing materials reflecting the benefits of currency and currency options trading;

b. Solicited investments in accounts where currency and currency options trading was to occur using either "executive brokers" or "robot traders";

c. Accepted payment for currency and currency options trades;

d. Confirmed investments in accounts meant for currency and currency options trading via phone;

e. E-mailed confirmation of investments in accounts meant for currency and currency options trading; and

f. Logged purchases of currency and currency options trades in customer accounts.

147. The actions of Respondents in offering and entering into prohibited commodities contracts constitute an illegal act or practice and thus such actions are subject to the Commissioner's authority under Section 409.823.

Multiple Violations of Engaging in Unregistered and/or Unlicensed Commodity Merchant Business

148. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.808, when they engaged in the commodity merchant business with, among others, MR1, MR2, MR3, and MR4 when, among other things, they failed to register with the Commodity Futures Trading Commission as required to qualify as a registered commodity merchant.

149. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.808, when they created and maintained a board of trade, or place for the trading of commodity contracts or commodity option contracts required to be traded on or subject to the rules of a contract market designated by the Commodity Futures Trading Commission and which had not been so designated.

150. The actions of Respondents in conducting unregistered commodity merchant business constitute an illegal act or practice and thus such actions are subject to the Commissioner's authority under Section 409.823.

Multiple Violations of Engaging in Prohibited Acts in Connection with the Sale of Commodity Contracts – Commodities Fraud

151. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.810, when, in connection with the sale or offer to sell a commodity or commodity options contract related to foreign currency as described above, Respondents cheated or defrauded, or attempted to cheat or defraud, employed a device, scheme or artifice to cheat or defraud Missouri investors, made one or more of the following untrue statements of material fact, or engaged in a transaction, act, practice or course of business which would operate as a fraud or deceit upon Missouri investors, or misappropriated or converted the funds, security or property of Missouri investors by, among other things:

a. Making one or more of the following untrue statements of material fact, or engaging in a transaction, act, practice or course of business which would operate as a fraud or deceit upon Missouri investors, or misappropriated or converted the funds, security or property of Missouri investors by, among other things:

i. Stating to MR1 that the SPOT investment involved a "robot trader" of currencies that was "78% successful";

ii. Stating to MR1 that if the robot trader was successful, MR1 would receive MR1's original amount invested in the trade plus 85%. If the robot trade

was unsuccessful, he would lose the entire trade amount. However, only a small amount of MR1's account balance, $25 for example, would be used per trade by SPOT, when in fact, SPOT purported to make trades that were in excess of $25;

iii. Stating to MR1 that SPOT was not required to be registered because they were located in London;

iv. Soliciting MR1 for multiple "upgrades" of MR1's SPOT account where each "upgrade" used different "traders" and promised a bigger return;

v. Stating that MR1 could reasonably expect a return of 18% per month on MR1's $20,000 investment;

vi. Stating to MR1 that MR1's account was doing great and had a balance of over $34,000, while then stating that there had been some losses in the account and that SPOT would provide MR1 with $15,000 in "Bonus Dollars";

vii. Stating to MR1 in August 2014 that MR1's account had only been traded three times by the executive Broker in charge of MR1's account and that MR1 should now trade in MR1's own account;

viii. Stating to MR1 in September 2014, after MR1 requested a refund, that an employee of SPOT had stolen MR1's money and traded it until it was gone;

ix. Stating to MR1 that another "broker" had been authorized to get all of MR1's money back by helping MR1 trade MR1's account;

x. Stating to MR1 that this "broker" would put MR1's money in a second account that would be guaranteed against loss of MR1's funds;

xi. Stating to MR1, through SPOT's "compliance department," that he could obtain a $60,000 refund from SPOT's "insurance" company if MR1 "advanced" 8% for a service fee plus taxes to SPOT's "insurance" company;

xii. On November 15, 2014, sending MR1 a letter, purporting to be from SPOT's "insurance" company stating that taxes and fees needed to be paid before the settlement money could be sent to MR1;

xiii. After not receiving MR1's refund even after tendering the 8% for taxes and fees, stating to MR1 that there was a "mix-up" in the transfer of the settlement money and the settlement payment would now be $66,100, but MR1 needed to transfer even more money to receive the settlement;

xiv. Providing MR2 a $5,000 "bonus" for MR2's $10,000 investment in SPOT;

xv. Stating to MR2, via the New Customer Verification Form, that:

1. Any bonus received by an investor from SPOT also increased the dollar amount of trades the investor has to make before the investor can withdraw his or her money in cash from the investor's account; and

2. There is a certain dollar amount of trades one has to make in the investor's SPOT account before they are allowed to withdraw any money in cash. The dollar amount of trades is directly related to the amount deposited and any bonuses received from SPOT;

xvi. Stating to MR2 that SPOT was making "robot" trades in MR2's account, despite previously stating to MR2 that a human "broker" would make the trades;

xvii. Referring MR2 to an associated company called BIN, which purportedly offered binary options trading and education;

xviii. Soliciting MR2 for another $10,000 investment to be upgraded to an "Elite account" wherein all trades would be made by an actual person and not "robot" trades;

xix. Stating to MR2 that the account upgrade included free "peak time" trading, which guaranteed money would be returned to MR2's account if any was lost from the trades. MR2 later discovered that the returned money was "bonus" money, which therefore increased the dollar amount of trades MR2 had to make before MR2 could receive any actual money out of MR2's account;

xx. On or around July 15, 2014, stating to MR2 that MR2's SPOT account balance had decreased from approximately $63,000 to $8,000. SPOT thereafter purported to raise the balance of MR2's account back up $60,000, but SPOT used "bonus" money to do so, meaning MR2 needed to trade even more in order to get actual money out of MR2's account;

xxi. Despite assurances that MR2's account would be traded by an actual person, a few weeks after July 15, 2014, SPOT traded MR2's account using "robot" trades involving foreign currency and commodities;

xxii. Soliciting MR2 to upgrade to a "premium account" for another $50,000;

xxiii. Soliciting MR2 to invest another $10,000 so that every trade would go through a human "broker" before the trade was made. No record of this investment was ever made on MR2's account;

xxiv. Stating to MR2 that the prior "brokers" MR2 had interacted with were no longer working at SPOT due to mismanagement of investors' accounts and thereafter receiving another call from those "brokers" who were still employed with SPOT;

xxv. Stating to MR2 that MR2 only had a "demo" account and did not actually have a "real" account;

xxvi. Stating to MR2 that MR2's account was an "e-mail account," which is a type of account a SPOT broker had never seen;

xxvii. Offering MR2 recovery services whereby SPOT would recover all of MR2's money invested with SPOT for a fee of $12,000;

xxviii. Soliciting MR2 to invest another $10,000 in SPOT in exchange for being enrolled in, among other things, a new "algorithm investment program";

xxix. Soliciting MR3 via e-mail by offering a "guaranteed profitable" investment opportunity;

xxx. Soliciting MR3 via e-mail that stated MR3 could earn a return of up to 88%;

xxxi. Soliciting MR3 to purchase the SPOT "Auto Trading Program" and to "deposit an investment" for the trades;

xxxii. Stating to MR3 that "SPOT is not required to be registered" in response to MR3's question as to whether SPOT was "registered to trade" securities;

xxxiii. Soliciting MR4 to make money trading "digital currency"; and

xxxiv. Cancelling MR4's request for a refund;

b. Any and all of the above statements are either untrue or misleading because of omissions of material fact, including, but not limited to:

i. Failing to inform all four Missouri investors as to the risks associated with the investment, including but not limited to:

1. The fact that currency, currency option, and binary option trading are highly volatile investments;

2. The volatility of the securities offered through SPOT may greatly reduce the funds in investor's SPOT accounts;

3. SPOT account balances are manipulated via trades by "brokers" and infusion of "bonus dollars";

4. Investors who lose money in SPOT accounts by virtue of trades made either by the "robot trader" or the "brokers" have no way to reverse these trades; and

5. Investors who lose money in SPOT accounts by virtue of trades have difficulty obtaining refund of any money from those accounts, including any money purportedly remaining after losses were incurred;

ii. Failing to provide any substantiation or documentation for promised returns, including the addition of bonus dollars to investors' accounts;

c. Further, Respondents cheated or defrauded, employed a device, scheme, or artifice to defraud and/or engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon another person, and misappropriated or converted funds when they:

i. Twice transferred $4,000 from MR1's Regions Bank account without authorization; and

ii. Charged MR2 an additional $5,000 in unauthorized charges after MR2 refused additional upgrades to MR2's account.

d. Further, Respondents cheated or defrauded, employed a device, scheme, or artifice to defraud and/or engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon another person, and misappropriated or converted funds when they engaged in lulling MR1, MR2, MR3, and MR4 in order to obtain additional investment funds and/or avoid or delay detection by:

i. Soliciting upgrades in investor accounts, which would provide more tools to recoup investment losses, in exchange for additional investment;

ii. Providing "bonus dollars," which purported to recoup investment losses but in fact required significantly more trading in the account before redemption of any money;

iii. Soliciting and obtaining additional upfront "taxes and fees" so that Respondents' "insurance company" would repay investment losses and then not reimbursing losses; and

iv. Soliciting even more "taxes and fees" to facilitate payment from Respondents' "insurance company" when there was a "mix-up" with the initial insurance payment.

152. Respondents' actions in cheating or defrauding, attempting to cheat or defraud, making untrue statements of material fact, employing any device, scheme artifice to cheat or defraud, any other person, engaging in any transaction, act, practice or course of business, including, without limitation, any form of advertising or solicitation, which operates or would operate as a fraud or deceit upon any Missouri investor, or misappropriating or converting the funds, security or property of any Missouri investor are all actions that constitute illegal acts or practices, and thus such actions are subject to the Commissioner's authority under Section 409.823.

IV. ORDER

NOW THEREFORE, it is hereby ordered, that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from violating or materially aiding in any violation of:

A. Section 409.3-301, by offering or selling unregistered, non-exempt securities;

B. Section 409.4-401(a), by transacting business as an unregistered broker-dealer;

C. Section 409.4-402(d), by employing or associating with an unregistered agent;

D. 409.5-501, by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person;

E. Section 409.803, by selling or purchasing, or offering to sell or purchase any commodity contract or any commodity option while not being registered with the applicable regulatory bodies;

F. Section 409.808, by engaging in the trade or business or otherwise acting as a commodity merchant while not being registered or temporarily licensed with the Commodities Futures Trading Commission; and

G. Section 409.810, by, directly or indirectly, cheating or defrauding, attempting to cheat or defraud, or employing any device scheme or artifice to cheat or defraud any other person, making untrue statements of material fact, engaging in any transaction, act, practice or course of business including advertising or solicitation, which operates or would operate as a fraud or deceit upon any person, or misappropriating or converting the funds of any other person, all in the connection with the purchase or sale of, the offer to sell, the offer to enter into, or the entry into of any commodity contract or commodity option contract.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $10,000 for multiple violations of Section 409.3-301. This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $10,000 for multiple violations of Section 409.4-401(a). This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $10,000 for multiple violations of Section 409.4-402(d). This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $10,000 for multiple violations of Section 409.5-501. This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d)(3)(B), Respondents SpotFN.com, Spot FN, LLC, and James Kingsley each shall pay an additional civil penalty in the amount of $15,000 for violations of Section 409.5-501 committed against MR1, MR3, and MR4 who were over 60 years old and were elderly persons. This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.823, each Respondent shall pay a civil penalty in the amount of $100,000 for multiple violations of Sections 409.803, 409.808, and 409.810. This amount shall be made payable to the State of Missouri, and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury

for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondents shall pay, jointly and severally, restitution in the amount of $87,248.88. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to those persons referenced in Exhibit 2 attached to Petitioner's Motion for Final Order and incorporated herein by reference. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, Jefferson City, Missouri 65101 within 30 days from the date of this Final Order;

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(e), Respondents shall, jointly and severally, pay $5,573.61 in actual costs for investigation into and the proceedings associated with, this matter. These funds shall be made payable to the Investor Education and Protection Fund and be sent to the Missouri Securities Division at 600 West Main Street, Jefferson City, Missouri 65101 within 30 days from the date of this Final Order;

SO ORDERED:
WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS ELEVENTH DAY OF FEBRUARY 2016.

JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 11TH day of February, 2016, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Costs, Restitution, and Civil Penalties in the above styled case was **mailed by U.S. mail; certified U.S. mail, return receipt requested; and via e-mail to:**

SpotFN.com/Spot FN LLC
25 Old Broad Street, 6th Floor
London, EC2N 1HN
United Kingdom

and

accounts@spotfn.com
accounting@spotfn.com
support@spotfn.com

and

James Kingsley CEO
25 Old Broad Street, 6th Floor
London, EC2N 1HN
United Kingdom

and

Binary Holdings/ Binary Academics
405 Lexington Ave, 26th Floor
New York, NY 10174

and

info@binaryacademics.com

and by hand-delivery to:

John Phillips
Director of Enforcement
600 West Main St.
Jefferson City, Missouri 65101

Marsha Presley
Securities Office Manager