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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No. S-20-3000-20-TO01
Whether there has been a violation of the)
Securities Act of Washington by:) SUMMARY ORDER TO CEASE AND DESIST
) AND NOTICE OF INTENT TO IMPOSE A FINE
TradeMining, Inc., a/k/a Trademining.io,) AND CHARGE COSTS
Devon T. Shigaki,)
)
Respondents.)

THE STATE OF WASHINGTON TO: TradeMining, Inc., a/k/a Trademining.io
Devon T. Shigaki

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents TradeMining, Inc., a/k/a Trademining.io, and Devon T. Shigaki are each violating the Securities Act of Washington. The Securities Administrator believes that these violations justify the entry of an order against Respondents to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390, and to impose a fine under RCW 21.20.395. The Securities Administrator finds that delay in ordering Respondents to cease and desist from such violations would be hazardous to investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. TradeMining, Inc., a/k/a Trademining.io, (TradeMining) is a Washington State company that was incorporated on June 22, 2020. Its principal place of business is in Bellevue, Washington. TradeMining is in the business of offering and selling licenses to the Infinity Trade Engine, which trades in cryptocurrency.

1 2. Devon T. Shigaki (Shigaki) is a resident of Bellevue, Washington. He is Chairman and CEO
2 of TradeMining.

3 **Nature of the Conduct**

4 *The Offering*

5 3. Through a website at <https://trademining.io>, Shigaki and TradeMining are generally soliciting
6 investors to purchase unregistered securities in the form of licenses for the Infinity Trade Engine, which
7 purportedly uses mathematics to trade cryptocurrency. In addition, TradeMining and Shigaki are publicly
8 advertising the investment on social media platforms such as Facebook, LinkedIn, and Instagram. In July
9 2020, TradeMining and Shigaki also generally solicited investors by placing Craigslist ads in multiple regions
10 of Texas.

11 4. TradeMining and Shigaki represent to investors that the Trade Engine is “100% hands-free”
12 and results in a “passive flow of income” for investors. Shigaki has represented to at least one prospective
13 investor that the Trade Engine, and Shigaki’s business partner who is managing the Trade Engine, is based in
14 the Netherlands.

15 5. TradeMining and Shigaki are currently offering three license investment options with varying
16 setup costs and profit splits. The details of these options have changed since TradeMining and Shigaki started
17 offering the investments in or around June 2020, but the substance of the securities offer has remained the
18 same.
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20 6. To earn a profit from their license investment, an investor signs up for one or more trading
21 accounts on a cryptocurrency exchange. The investor then purchases Bitcoin and deposits the cryptocurrency
22 into their exchange accounts. Depending on the investment option they choose, investors are currently
23 required to deposit one or three Bitcoin to begin trading. In the exchange account, the investor connects API
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1 keys¹ that restrict withdrawals from the exchange accounts while allowing the Trade Engine to trade in the
2 investor's accounts. A connection to the Trade Engine is then established. When the Trade Engine earns a
3 certain profit for the investor, TradeMining will send an invoice to the investor for TradeMining's portion of
4 the profit. The profit split is currently 50/50, 60/40, or 70/30. TradeMining and Shigaki represent to investors
5 that, in the current bear market, the Trade Engine averages gains of 0.53% to 2.73% compounded daily and
6 that, in a previous bull market, the Trade Engine made total gains of 3,700%.

7 7. Once the Trade Engine is allowed access to the investor's exchange accounts, the investor
8 relies on the Trade Engine to trade for a profit. The investor does not have any additional role in earning a
9 profit on their investment.

10 8. On <https://trademining.io>, TradeMining and Shigaki are also soliciting people to sell the Trade
11 Engine licenses under a Software Reseller program. In the program, resellers apply to be resellers and are then
12 provided with a certain number of licenses to sell. Resellers receive a commission of 5% of the profit that
13 TradeMining receives from the licenses that the reseller sells.

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15 *Liens, Civil Judgments, and Criminal Convictions Entered Against Shigaki*

16 Federal Tax Liens

17 9. On March 23, 2015, a federal tax lien totaling \$38,027.93 was filed against Shigaki in Pierce
18 County, Washington.

19 10. On June 19, 2017, a federal tax lien totaling \$55,069.37 was filed against Shigaki in Pierce
20 County, Washington.

21 Child Support Liens

22 11. On September 8, 2014, a lien for unpaid child support totaling \$1,768.28 was filed against
23 Shigaki in Pierce County, Washington.

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¹ An application programming interface (API) key is code that can establish permissions or authenticate users of an application.

1 12. On January 24, 2017, a lien for unpaid child supporting totaling \$9,977.28 was filed against
2 Shigaki in Pierce County, Washington.

3 13. On December 25, 2018, a lien for unpaid child support totaling \$2,064.28 was filed against
4 Shigaki in Pierce County, Washington.

5 Civil Actions

6 14. On January 2, 2015, a lawsuit was filed against Shigaki and additional defendants in King
7 County Superior Court by Scott McKinley and Gold Services Seattle LLC. In the complaint, McKinley
8 alleged that he owned an established medical cannabis business that used certain trademarks. McKinley
9 alleged that Shigaki and the additional defendants attempted to steal the plaintiff's business and established
10 brand by making false and misleading statements to trademark authorities, to administrators of certain
11 websites and social media sites, and in postings on public websites.

12 15. On July 13, 2015, a lawsuit was filed against Shigaki in Pierce County Superior Court. In the
13 complaint, the plaintiff alleged that Shigaki and the plaintiff were partners in Cardvo LLC, a gift card selling
14 business, and that they had agreed to split the profits from the business evenly. The plaintiff alleged that
15 Shigaki refused to split the revenue that Shigaki collected, that Shigaki refused to equally share in the costs
16 of the business, and that Shigaki blocked the plaintiff's access to Cardvo LLC's bank account.

17 16. On March 25, 2016, a default judgement was entered against Shigaki in the Cardvo LLC case.
18 The judgment judicially dissolved Cardvo LLC, required that Shigaki provide the plaintiff with an accounting
19 of all financial transactions that Shigaki undertook on behalf of Cardvo LLC, restrained Shigaki from
20 representing himself as a member or manager of Cardvo LLC, and awarded \$7,691 in costs to the plaintiff.

21 17. On November 18, 2016, a default judgement was entered against Shigaki and the additional
22 defendants in the McKinley case. The judgment enjoined Shigaki and the additional defendants from using
23 certain trademarks related to a cannabis business owned by McKinley, from making false or misleading
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1 statements about cannabis products owned by McKinley, and from using or following certain social media
2 sites belonging to McKinley. In addition, a judgment was entered against Shigaki and the additional
3 defendants totaling \$3,069,901.

4 Criminal Actions

5 18. On August 7, 2008, an Information was filed against Shigaki in King County Superior Court.
6 The Information alleged that Shigaki had committed burglary in the second degree and theft in the first degree
7 by unlawfully entering Northgate Mall in Seattle, Washington and stealing 11 Rosetta Stone software
8 packages from a kiosk. It was alleged that Shigaki attempted to sell the Rosetta Stone software by, among
9 other things, posting an ad on Craigslist. On December 3, 2008, Shigaki pleaded guilty to burglary in the
10 second degree and was subsequently sentenced to 30 days of confinement and 240 hours of community service
11 and ordered to pay \$533.37 in restitution.

12 19. On April 14, 2009, an Information was filed against Shigaki in Snohomish County Superior
13 Court. The Information alleged that Shigaki had committed second degree burglary by unlawfully entering
14 Alderwood Mall in Lynnwood, Washington and stealing 13 Rosetta Stone software packages from a kiosk.
15 On September 9, 2009, Shigaki pleaded guilty to second degree burglary and was subsequently sentenced to
16 four months confinement and ordered to pay \$3,294 in restitution.

17 20. On May 4, 2017, an Information was filed against Shigaki in King County Superior Court. The
18 Information alleged that Shigaki had violated the Uniform Controlled Substances Act by unlawfully
19 manufacturing THC, conspiring to unlawfully manufacture DMT, and using a building for drug purposes in
20 Renton, Washington. On December 1, 2017, Shigaki pleaded guilty to the solicitation to commit a violation
21 of the Uniform Controlled Substances Act by manufacturing THC. Shigaki was sentenced to a suspended
22 sentence of 364 days, 40 hours of community service, and 24 months of probation. He was also ordered to
23 not manufacture, refine, or grow marijuana in the state.
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Misrepresentations and Omissions

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2 21. TradeMining and Shigaki are failing to disclose material information related to the offer and
3 sale of the Trade Engine licenses, including Shigaki's financial background, the background of the person
4 managing the Trade Engine, and specifics regarding the Trade Engine. TradeMining and Shigaki are also
5 failing to disclose material information related to the Software Reseller program.

6 22. TradeMining and Shigaki are failing to disclose material information related to Shigaki's
7 financial background, including but not limited to the federal tax liens totaling more than \$93,000 entered
8 against Shigaki, the child support liens totaling more than \$13,600 entered against Shigaki, the outstanding
9 civil judgements totaling more than \$3,000,000 entered against Shigaki for defrauding a former business
10 partner and sabotaging a third party's business, and the criminal convictions of Shigaki for burglary and
11 soliciting the manufacture of a controlled substance.

12 23. TradeMining and Shigaki are failing to disclose material information related to Shigaki's
13 business partner, including but not limited to the partner's identity and experience with cryptocurrency,
14 trading in cryptocurrency, and developing or managing a cryptocurrency trade engine.

15 24. TradeMining and Shigaki are failing to disclose material information related to the ownership
16 of the Trade Engine. TradeMining and Shigaki are failing to disclose who owns the Trade Engine, whether
17 TradeMining has an ownership interest in the Trade Engine, and whether there are remedies available to
18 investors if Shigaki's partner restricts access to the Trade Engine.

19 25. TradeMining and Shigaki are failing to disclose material information related to the function of
20 the Trade Engine, including but not limited to what cryptocurrencies it trades in, the assumptions and
21 parameters used to program the Trade Engine, whether these assumptions and parameters could change,
22 whether a person can ever override the Trade Engine, the mistakes or malfunctions that could impact the
23 function of the Trade Engine, and whether an investor has a remedy if the Trade Engine does not function as
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1 expected. TradeMining and Shigaki are also failing to disclose material information related to the security of
2 the Trade Engine, including but not limited who has access to the Trade Engine and the systems used to protect
3 the Trade Engine.

4 26. TradeMining and Shigaki are failing to disclose material information related to the Software
5 Reseller program offered on the website. TradeMining and Shigaki are failing to disclose to investors that the
6 Trade Engine licenses are securities, and that anyone who offers or sell securities must be registered or exempt
7 from registration.

8 **Registration Status**

9 27. TradeMining, Inc., a/k/a Trademining.io, is not currently registered to sell its securities in the
10 state of Washington and has not previously been so registered. Nor has it filed a claim of exemption from
11 registration.

12 28. Devon T. Shigaki is not currently registered as a securities salesperson or broker-dealer in the
13 state of Washington and has not previously been so registered.

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16 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

17 **CONCLUSIONS OF LAW**

18 1. The offer and/or sale of the Trade Engine licenses as described above constitutes the offer
19 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

20 2. TradeMining, Inc., a/k/a Trademining.io, and Devon T. Shigaki are each violating RCW
21 21.20.140 because, as set forth in the Tentative Findings of Fact, Respondents are offering and/or selling
22 securities for which no registration is on file with the Securities Administrator.

1 3. Devon T. Shigaki is violating RCW 21.20.040 because, as set for the in the Tentative Findings
2 of Fact, Shigaki is offering and/or selling securities while not being registered as a securities salesperson or
3 broker-dealer in the state of Washington.

4 4. TradeMining, Inc., a/k/a Trademining.io, and Devon T. Shigaki are each violating RCW
5 21.20.010 because, as set forth in the Tentative Findings of Fact, Respondents are making untrue statements
6 of material fact or omitting to state material facts necessary to make the statements made, in light of the
7 circumstances in which they were made, not misleading.

8 5. The Securities Administrator finds and concludes that an emergency exists, that the continued
9 violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitutes a threat to the investing
10 public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and
11 necessary for the protection of the investing public.

12 **SUMMARY ORDER**

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14 Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that
15 Respondents TradeMining, Inc., a/k/a Trademining.io, and Devon T. Shigaki, and their agents and employees,
16 shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

17 It is further SUMMARILY ORDERED that Respondents TradeMining, Inc., a/k/a Trademining.io,
18 and Devon T. Shigaki, and their agents and employees, shall each cease and desist from violating RCW
19 21.20.140, the securities registration section of the Securities Act.

20 It is further SUMMARILY ORDERED that Respondent Devon T. Shigaki, and his agents and
21 employees, shall each cease and desist from violating RCW 21.20.040, the securities broker-dealer and
22 salesperson registration section of the Securities Act.

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NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki shall be jointly and severally liable for and shall pay a fine of \$10,000.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki shall be jointly liable for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an amount not less than \$750.

AUTHORITY AND PROCEDURE

This Summary Order is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. The respondents, Trademining, Inc., a/k/a Trademining.io, and Devon T. Shigaki, may each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a Respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

Signed and Entered this 30th day of September 2020.

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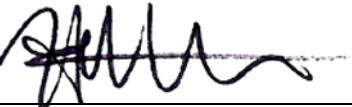


William M. Beatty
Securities Administrator

Approved by:


Presented by:

Suzanne Sarason
Chief of Enforcement



Holly Mack-Kretzler
Financial Legal Examiner

Review by:



Brian Guerard
Financial Legal Examiner Supervisor