

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Securities Act of Washington by:

7 PrimeFX Pro;

8 Respondent.

Order No.: S-21-3190-21-SC01

STATEMENT OF CHARGES AND NOTICE OF  
INTENT TO ENTER ORDER TO CEASE AND  
DESIST, TO IMPOSE A FINE, AND TO CHARGE  
COSTS

9 THE STATE OF WASHINGTON TO:

PrimeFX Pro

10 **STATEMENT OF CHARGES**

11 Please take notice that the Securities Administrator of the State of Washington has reason to believe  
12 that Respondent PrimeFX Pro has violated the Securities Act of Washington. The Securities Administrator  
13 believes those violations justify the entry of an order against the Respondent to cease and desist from such  
14 violations and to charge costs pursuant to RCW 21.20.390, and under RCW 21.20.395 to impose a fine. The  
15 Securities Administrator finds as follows:

16 **TENTATIVE FINDINGS OF FACT**

17 **Respondent**

18 1. PrimeFX Pro is an unincorporated entity that holds itself out as a cryptocurrency trading  
19 platform with its principal place of business purportedly in Cluj-Napoca, Romania, with branch offices in  
20 New York City, New York and London, England. PrimeFX Pro falsely lists a registered Australian Business  
21 Number (“ABN”) of 2018AD947 on its website.<sup>1</sup> This ABN is not valid as according to the Australian  
22 Government Business Register, ABN’s are unique 11-digit identifiers, which include numbers and no letters.

23 <sup>1</sup> This ABN is also listed as the registration number for ICO Crypto at <https://demo.themenio.com/ico/> and Netcoininvest Ltd. at <https://www.netcoininvest.com/gettingstarted.html>. While these websites are not currently being charged with violating the Securities Act, consumers should exercise caution when deciding whether to do business with them.

1 **Overview**

2 2. From approximately April 2021 to June 2021, PrimeFX Pro defrauded approximately \$7500  
3 from M.M., a Washington resident, by making false or misleading claims about its cryptocurrency trading  
4 platform and offerings. Specifically, PrimeFX Pro defrauded M.M. by having its representatives tell M.M.  
5 that they could expect projected double-digit investment returns.<sup>2</sup> When M.M. attempted to withdraw a  
6 portion of their purported profits, PrimeFX Pro would not release the funds until M.M. paid a previously  
7 undisclosed twenty percent commission fee prior to making any withdrawal. As of the effective date of this  
8 Statement of Charges, PrimeFX Pro has not made any payments to M.M.

9 **Nature of the Conduct**

10 3. In or around December 2019, a person claiming to be Sarah Vladimir Cruz (“Cruz”), a now-  
11 presumed PrimeFX Pro affiliate, contacted M.M. via Facebook Messenger. M.M. communicated with Cruz  
12 on various social media platforms, including through chat features on Facebook and Instagram, for  
13 approximately one year prior to Cruz promoting the investment services of PrimeFX Pro. In or around  
14 December 2020, Cruz began talking to M.M. about her investments with PrimeFX Pro. During these  
15 conversations, Cruz made several claims regarding her success with PrimeFX Pro’s trading platform,  
16 including how she invested \$5,000 USD through her PrimeFX Pro agent, Erin Penelope Bradlin (“Bradlin”),  
17 and made a profit of \$20,000 USD. Cruz then connected M.M. with Bradlin via WhatsApp.

18 4. Bradlin told M.M. that PrimeFX Pro account managers utilize investor funds to make trades  
19 and generate profit for investors through cryptocurrency trading. Bradlin told M.M. that PrimeFX Pro  
20 operated on a 45-day “trading cycle,” meaning that after an investor transfers money to PrimeFX Pro, an

21 \_\_\_\_\_  
22 <sup>2</sup> Securities regulators have consistently warned that advertisements of even double-digit annual returns should be treated with  
23 suspicion. For instance, the Securities and Exchange Commission warns that “[p]romises of consistent double-digit returns are  
consistently frauds.” Securities and Exchange Commission, “Investing Smart from the Start: Five Questions to Ask Before You  
Invest,” Dec. 14, 2009, available at <https://www.sec.gov/reportspubs/investor-publications/investorpubsfivequestionshtm.html>

1 investor could not withdraw their profits until 45 days had passed. To the Securities' Division knowledge,  
2 the term "trading cycle" is not used in the financial industry and appears to an arbitrary limitation on the  
3 withdrawal of an investor's funds that is not tied to market performance. Bradlin further stated that PrimeFX  
4 Pro agents collect a 20% commission fee based upon an investor's earned profits over a given trading cycle.  
5 Bradlin told M.M. that in order to have PrimeFX Pro invest on their behalf, M.M. would need to download a  
6 cryptocurrency wallet app, Coinbase, and transfer a certain amount of Bitcoin funds into a PrimeFX Pro  
7 wallet. Bradlin then directed M.M. to view an investment return calculator on the PrimeFX Pro website,  
8 which offers a projected investment return based upon an initial investment amount. M.M. utilized the  
9 projected returns found in the investment calculator as one of the bases for choosing to invest with PrimeFX  
10 Pro.

11 5. M.M. then established an account on PrimeFX Pro's website in mid-April 2021, purchased  
12 \$7500 of Bitcoin, and transferred it to a cryptocurrency wallet purportedly maintained by PrimeFX Pro. M.M.  
13 did not direct or manage any cryptocurrency trades with these funds, but relied on PrimeFX Pro to do so.  
14 After forty-five days, M.M.'s account showed that they had gained \$98,500 in profit from their initial \$7500  
15 investment. However, when M.M. attempted to withdraw their earnings from the account, Bradlin told them  
16 that they would need to pay her 20% trading commission (\$19,700) and a value added tax (\$950) in bitcoin  
17 to a PrimeFX Pro wallet prior to making a withdrawal. Neither PrimeFX Pro nor Bradlin had previously  
18 disclosed to M.M. that the commission fee must be paid upfront and could not be paid utilizing M.M.'s  
19 investment profits. Ultimately, M.M. did not pay the additional monies. Soon after these initial  
20 communications, Bradlin and Cruz became unresponsive on social media accounts and would not respond to  
21 requests for information from M.M.

22 6. In soliciting M.M. to invest in its cryptocurrency trading program, PrimeFX Pro  
23 misrepresented or failed to disclose material information. In addition to failing to disclose the 20% withdrawal

1 fee, PrimeFX Pro failed to disclose any information about its cryptocurrency trading strategy, including how  
2 the strategy worked generally, how it could earn a double-digit investment returns in forty-five days, and any  
3 risks associated with earning such a return.

4 7. PrimeFX Pro failed to respond to a subpoena from the Securities Division for information  
5 concerning its transactions with Washington residents. Although PrimeFX Pro's purported office location is  
6 at a commercial address in Cluj-Napoca, Romania, the website's IP address indicates that a Virtual Private  
7 Network is being utilized to mask the true server location for PrimeFX Pro. Further, information provided by  
8 PrimeFX Pro's domain registrar indicates that the site is operated from an African IP address, most likely  
9 Lagos, Nigeria. The Securities Division was also unable to find any record showing that PrimeFX Pro is  
10 registered with any Australian, U.S., or U.K. financial authority.

#### 11 **Registration Status**

12 8. PrimeFX Pro is not, and has never been, registered in any capacity in the State of Washington,  
13 including as a broker-dealer or investment adviser.

14 9. PrimeFX Pro's cryptocurrency trading program is not registered as a security in the State of  
15 Washington.

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

#### 17 **CONCLUSIONS OF LAW**

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

20 2. PrimeFX Pro has violated RCW 21.20.140, because, as set forth in the Tentative Findings of  
21 Fact, it offered and/or sold securities for which no registration is on file with the Securities Administrator.

1           3.       PrimeFX Pro violated RCW 21.20.010, because, as set forth in the Tentative Findings of Fact,  
2 it made untrue statements of material fact or omitted to state material facts necessary to make the statements  
3 made, in light of the circumstances in which they were made, not misleading.

4                   **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

5           Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
6 Administrator intends to order, pursuant to RCW 21.20.390(1), that Respondent PrimeFX Pro, and its agents  
7 and employees, each shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.140.

8                   **NOTICE OF INTENT TO IMPOSE FINES**

9           Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,  
10 the Securities Administrator intends to order that Respondent PrimeFX Pro shall be liable for and shall pay a  
11 fine of \$20,000.

12                   **NOTICE OF INTENT TO CHARGE COSTS**

13           Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,  
14 the Securities Administrator intends to order that Respondent PrimeFX Pro shall be liable for and shall pay  
15 the costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in  
16 an amount not less than \$2,500.

17                   **AUTHORITY AND PROCEDURE**

18           This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
19 to the provisions of Chapter 34.05 RCW. The Respondent, PrimeFX Pro, may make a written request for a  
20 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
21 HEARING accompanying this Order. If a Respondent does not make a hearing request in the time allowed,  
22 the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law  
23

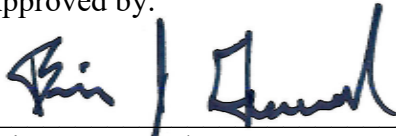
1 as final and to enter a permanent order to cease and desist as to that Respondent, to impose any fines sought  
2 against that respondent, and to charge any costs sought against that Respondent.

3 Signed and Entered this 1st day of January, 2022.

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6  
7 William M. Beatty  
8 Securities Administrator

9 Approved by:

10 

11 Brian J. Guerard  
12 Acting Chief of Enforcement

Presented by:

13 

14 James M. Kane  
15 Financial Legal Examiner

16 Reviewed by:

17 

18 Adam N. Yeaton  
19 Acting FLE Supervisor