

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 Excellence & Innovation Inc.,
8
9 Respondent.

Order No. S-24-3802-24-SC01

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

7 **THE STATE OF WASHINGTON TO:**

Excellence & Innovation Inc.

8 **STATEMENT OF CHARGES**

9 Please take notice that the Securities Administrator of the State of Washington has reason to believe
10 that Respondent Excellence & Innovation Inc. has violated the Securities Act of Washington. The Securities
11 Administrator believes these violations justify the entry of an order against Respondent Excellence &
12 Innovation Inc. to cease and desist from such violations, to impose a fine, and to charge costs pursuant to
13 RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

14 **TENTATIVE FINDINGS OF FACT**

15 **Respondent**

16 1. Excellence & Innovation Inc. (“Excellence & Innovation”) is a Washington corporation
17 formed on December 22, 2023. Excellence & Innovation operated the Excellence and Innovation Fortune
18 Business School (“EIF Business School”), which purportedly trained its students on how to invest in
19 cryptocurrency.
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1 **Nature of the Conduct**

2 *Overview*

3 2. From approximately January 2024 to April 2024, Excellence & Innovation defrauded at least
4 3 investors out of more than \$398,000 by making claims about its trading service. Specifically, Excellence
5 & Innovation informed EIF Business School “students” they could earn a profit by investing in various
6 cryptocurrencies on a platform called ICHCoin. The investors were later informed that they could not
7 withdraw their funds from the ICHCoin platform until they paid an additional fee, which ranged from
8 \$25,000 to \$275,000. Excellence & Innovation never made any payments to the 3 investors.

9 *The Offering*

10 3. On a public website (excellencenet.com), Excellence & Innovation advertised the EIF
11 Business School as a private “higher education institution” started by Linton Quadros (“Quadros”) and his
12 partners. The EIF Business School supposedly had “experienced tutors” that would provide students with
13 “financial and investment training.”

14 4. On its site, Excellence & Innovation displayed its business registration with the state of
15 Washington Secretary of State. Excellence & Innovation also posted its Internal Revenue Service EIN
16 number. This information helped convince investors of the legitimacy of its operation.

17 5. Excellence & Innovation promoted the EIF Business School on social media. At least one
18 investor responded to an advertisement for the EIF Business School posted to Facebook.

19 6. After “enrolling” in the EIF Business School, individuals were directed to a WhatsApp group
20 where “investment courses” took place. In these WhatsApp groups, students interacted with a person who
21 identified himself as Quadros. He was referred to as a professor. Students also messaged with a person who
22 identified herself as Evelyn Smith (“Smith”), purportedly Quadros’ assistant, as well as a person identifying
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1 himself as Noah Johnson, purportedly Quadros’s senior advisor. Quadros, Smith, and Johnson also
2 communicated with EIF Business School enrollees through Telegram Messenger.

3 7. Although the EIF Business School did not specifically promote itself as a cryptocurrency
4 investing operation, it eventually pushed the students in that direction. In the WhatsApp group, EIF
5 Business School representatives discussed publicly traded stocks such as Nvidia. They soon suggested that
6 members of the group try trading on the ICHCoin cryptocurrency platform. An EIF Business School
7 representative provided group members with a link to the platform (h5.ichcoin.net), which was
8 downloadable on either an Apple or Android device.

9 8. To trade on the ICHCoin platform, students either wired money to a bank account provided
10 by the EIF Business School or transferred money to a cryptocurrency wallet. One investor made three wire
11 transfers totaling \$12,000. Another investor wired \$100,000. A third investor transferred approximately
12 \$42,000 to a bank account and \$244,000 to a cryptocurrency wallet via Crypto.com. Once students
13 transferred the money, they could see the amounts they transferred reflected in their ICHCoin accounts.

14 9. Excellence & Innovation wired some investor funds to the bank accounts of undisclosed
15 Chinese and domestic companies, not the ICHCoin platform.

16 10. In exchange for their investments, students were provided with trade signals on various
17 cryptocurrencies. The students used the information provided by the EIF Business School to perform what
18 they believed were cryptocurrency trades on the ICHCoin platform. The students appeared to earn a profit
19 on the trades, which was reflected on the platform. The students could supposedly see their money growing.

20 11. The EIF Business School also offered loans to students so they could invest more money in
21 cryptocurrencies. It purportedly loaned one investor \$270,000 so he could invest in a cryptocurrency’s
22 initial DEX offering (“IDO”). After selling the cryptocurrency as instructed by the EIF Business School,
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1 the investor nearly doubled his money. The company convinced him to take out a second, larger loan for
2 another purported IDO.

3 12. When investors attempted to withdraw their money from the ICHCoin platform, the EIF
4 Business School provided a shifting set of reasons as to why this was not possible. The one commonality
5 across all cases is that the company used each request as an opportunity to attempt to extract an additional
6 fee. At least one investor was told that he could not withdraw his money until he paid off half of his loan.
7 Additionally, the EIF Business School informed him that the \$275,000 required to pay off the loan needed
8 to come from a source other than the ICHCoin platform. Another investor was told he could not withdraw
9 his money until he made at least 60 trades. He was also informed he could access his money if he paid an
10 additional \$25,000 to join a VIP investor group.

11 13. The EIF Business school did not stop with requests for fees. In some cases, they threatened to
12 send investors' accounts to a collection agency if the investors did not pay off their loans.

13 14. No investor that contacted DFI received payment from EIF Business School or ICHCoin.
14 They each lost their entire investment.

15 **Misrepresentations and Omissions of Material Fact**

16 15. Excellence & Innovation misrepresented how investor funds would be used. The company
17 represented that funds would be transferred to an ICHCoin account, but they were instead transferred to
18 bank accounts for a set of Chinese and domestic companies.

19 16. Excellence & Innovation failed to disclose material information regarding the company,
20 including, but not limited to, financial statements, operational history, and financial condition.

21 17. Excellence & Innovation failed to provide any information about its owner.

22 18. Excellence & Innovation failed to provide any information about the risks of investing with
23 the company.

1 **Registration Status**

2 19. Excellence & Innovation is not, and never has been, registered to sell its securities in the state
3 of Washington.

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

6 **CONCLUSIONS OF LAW**

7 1. The offer and/or sale of the trading services described above constitutes the offer and/or sale
8 of a security as defined in RCW 21.20.005(14) and (17).

9 2. Excellence & Innovation Inc. violated RCW 21.20.140, the securities registration section of
10 the Securities Act of Washington, by offering and/or selling securities for which no registration is on file
11 with the Securities Administrator.

12 3. Excellence & Innovation Inc. violated RCW 21.20.010, the anti-fraud section of the Securities
13 Act of Washington, by employing a device, scheme, or artifice to defraud; making untrue statements of
14 material fact or omitting to state material facts necessary to make the statements made, in light of the
15 circumstances in which they were made, not misleading; or engaging in an act, practice, or course of
16 business which operates or would operate as a fraud or deceit upon any person.

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

19 Pursuant to RCW 21.20.390(1) and based upon the Tentative Findings of Fact and
20 Conclusions of Law, the Securities Administrator intends to order Respondent Excellence & Innovation
21 Inc., and its agents and employees, to each permanently cease and desist from violating RCW 21.20.010,
22 RCW 21.20.140, and RCW 21.20.040.

1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.395 and based upon the Tentative Findings of Fact and Conclusions
3 of Law, the Securities Administrator intends to order that Excellence & Innovation Inc. shall be liable for
4 and shall pay a fine of \$60,000.

5 **NOTICE OF INTENT TO CHARGE COSTS**

6 Pursuant to RCW 21.20.390 and based upon the Tentative Findings of Fact and Conclusions of Law,
7 the Securities Administrator intends to order that Excellence & Innovation Inc. shall be liable for and shall
8 pay the costs, fees, and other expenses incurred in the administrative investigation and hearing of this
9 matter, in an amount not less than \$5,000.

10 **AUTHORITY AND PROCEDURE**

11 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
12 to the provisions of Chapter 34.05 RCW. Respondent Excellence & Innovation Inc. may make a written
13 request for a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a
14 respondent does not make a hearing request in the time allowed, the Securities Administrator intends to
15 adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order
16 to cease and desist as to that respondent, to impose any fines sought against that respondent, and to charge
17 any costs sought against that respondent.

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19 SIGNED and ENTERED this 17th day of December, 2024.

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21 _____ /s/
22 William M. Beatty
23 Securities Administrator

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Approved by:

Presented by:

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Brian Guerard
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Reviewed by:

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Financial Legal Examiner Supervisor

