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**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

TO: Sytrex Trade
23 Sandringham Road, Leyton
London, E10 6HJ, United Kingdom
www.sytrextrade.com

**DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)**

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

1. The Department of Financial Protection and Innovation (Department) regulates the offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL).
2. At all relevant times, Sytrex Trade is and was a business entity of unknown type with a purported principal place of business at 23 Sandringham Road, Leyton, London, E10 6HJ, United Kingdom. Sytrex Trade operated the website www.sytrextrade.com.
3. Beginning at least as early as 2022, Sytrex Trade offered and sold securities in the form of investment contracts in California through general solicitations on its website. Sytrex Trade referred to these investment contracts as “Investment Plans.”
4. Sytrex Trade held itself out as an investment services company. The purported purpose of the securities offerings was for Sytrex Trade to use investor funds to engage in trading cryptocurrency and foreign currency exchange (“forex”), which in turn would generate returns for investors who purchased Investment Plans.
5. Sytrex Trade’s Investment Plans promised to pay fixed weekly rates of return to investors, ranging from 50% to 100%, depending on the amount of money that the investor deposited into Sytrex Trade. The Investment Plans were publicly available to investors in California via Sytrex Trade’s website: www.sytrextrade.com.
6. After investors created their accounts on the Sytrex Trade website, investors could log into their account using their username and password to monitor their purported balance and returns, deposit funds, and request withdrawals.

1 7. Sytrex Trade also had a referral program that operated in the manner of a pyramid
2 scheme. The referral program promised to pay investors to recruit new investors. According to this
3 referral program, investors would be paid a commission based on the amount of funds deposited by
4 the investors that they recruited. Investors would also be paid additional commissions when the
5 investors that they recruited, in turn, recruited new investors.

6 8. In fact, Sytrex Trade was luring investors into what is known as a High Yield
7 Investment Program (HYIP). HYIPs are unregistered investments typically run by unlicensed
8 individuals – and are often frauds. The hallmark of an HYIP scam is the promise of high returns on
9 an annual (or even monthly, weekly, or daily) basis at little or no risk to the investor. Another key
10 element of most HYIPs is a referral program, in which the HYIP offers referral commissions or
11 bonuses to investors to recruit new investors. This usually leads to investors sharing information
12 about the HYIP with their friends and family and promoting HYIPs on social media. HYIPs rarely
13 disclose the identities of the individuals operating the HYIP.

14 9. The Investment Plans offered by Sytrex Trade were securities that were neither
15 qualified nor exempt from the qualification requirement under the CSL. The Department has not
16 issued a permit or other form of qualification authorizing Sytrex Trade to sell these securities in
17 California.

18 10. In connection with the offer or sale of these securities, Sytrex Trade made untrue
19 statements of material fact and material omissions to potential investors, including but not limited to
20 the following:

- 21 a. failing to disclose that the offer or sale of its Investment Plans was not qualified in
- 22 California;
- 23 b. failing to disclose the identities of the individuals operating and/or managing Sytrex
- 24 Trade;
- 25 c. failing to provide any qualifications to substantiate Sytrex Trade’s claims that it
- 26 employed “professional FOREX and crypto traders”;

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- 1 d. falsely stating that Sytrex Trade’s “specialists are guaranteed to bring profit” such that
- 2 investors did not need to “worry about the safety of their funds, despite the potential
- 3 level of risk of this type of investment”; and
- 4 e. failing to disclose that it used investor funds to pay purported profits to other
- 5 investors, in the manner of a Ponzi scheme.

6 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
7 or sold by Sytrex Trade were subject to qualification under the CSL and have been or are being
8 offered or sold without first being qualified in violation of Corporations Code section 25110.

9 Pursuant to Corporations Code section 25532, Sytrex Trade is hereby ordered to desist and
10 refrain from the further offer or sale of securities in California, including but not limited to
11 investment contracts known as Investment Plans, unless and until the qualification requirements of
12 the CSL have been met.

13 In addition, the Commissioner is of the opinion that Sytrex Trade offered or sold securities in
14 California by means of oral or written communications which included untrue statements of material
15 facts or omitted to state material facts necessary in order to make the statements made, in the light of
16 the circumstances under which they were made, not misleading, in violation of Corporations Code
17 section 25401.

18 Pursuant to Corporations Code section 25532, Sytrex Trade is hereby ordered to desist and
19 refrain from offering or selling or buying or offering to buy any security in California, including but
20 not limited to investment contracts known as Investment Plans, by means of any written or oral
21 communication which includes an untrue statement of a material fact or omits to state a material fact
22 necessary in order to make the statements made, in the light of the circumstances under which they
23 were made, not misleading.

24 Pursuant to Corporations Code section 25403, any person who controls or induces another
25 person to violate a provision of the Corporate Securities Law of 1968, or any person who provides
26 substantial assistance to another person in violation of the Corporate Securities Law of 1968, shall be
27 liable for the violations.

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1 This Order is necessary, in the public interest, for the protection of investors, and is consistent
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

3 Dated: September 27, 2022
4 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



5 By _____
6 MARY ANN SMITH
7 Deputy Commissioner
8 Enforcement Division
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