

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 TO: Vexam Limited
5 17 Fermoy Road
6 London, W9 3NH, United Kingdom
7 www.vexam.com

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

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

11 1. The Department of Financial Protection and Innovation (Department) regulates the
12 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code
13 §§ 25000-25707) (CSL).

14 2. At all relevant times, Vexam Limited (Vexam) is and was a United Kingdom company
15 with a purported principal place of business at 17 Fermoy Road, London, W9 3NH, United Kingdom.
16 Vexam operated the website www.vexam.com, as well as social media channels on Facebook
17 (facebook.com/vexamcom), Twitter (www. twitter.com/vexamcom), Instagram
18 (www.instagram.com/vexam_com), and Telegram (t.me/vexamcom).

19 3. Beginning at least as early as 2022, Vexam offered and sold securities in the form of
20 investment contracts in California through general solicitations on its website. Vexam referred to
21 these investment contracts as “Investment Plans.”

22 4. Vexam held itself out as a cryptocurrency trading platform. The purported purpose of
23 the securities offerings was for Vexam to use investor funds to engage in cryptocurrency trading,
24 which in turn would generate returns for investors who purchased Investment Plans.

25 5. Vexam’s Investment Plans promised to pay fixed daily rates of return to investors,
26 ranging from 4% to 5%, depending on the amount of money that the investor deposited into Vexam.
27 The Investment Plans were publicly available to investors in California via Vexam’s website:
28 www.vexam.com.

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1 6. After investors created their accounts on the Vexam website, investors could log into
2 their account using their username and password to monitor their purported balance and returns,
3 deposit funds, and request withdrawals.

4 7. Vexam facilitated deposits and withdrawals using crypto assets, including Bitcoin
5 (BTC), Tether (USDT), Ether (ETH), Litecoin (LTC), Tron (TRX), Dogecoin (DOGE), and Ripple
6 (XRP).

7 8. Vexam also had a referral program that operated in the manner of a pyramid scheme.
8 The referral program promised to pay investors to recruit new investors. According to this referral
9 program, investors would be paid a commission based on the amount of funds deposited by the
10 investors that they recruited. Investors would also be paid additional commissions when the investors
11 that they recruited, in turn, recruited new investors.

12 9. Investors seeking to take advantage of Vexam’s referral program created and posted
13 videos to YouTube and posted content on other social media websites to recruit others to invest in
14 Vexam.

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

23 11. The Investment Plans offered by Vexam were securities that were neither qualified nor
24 exempt from the qualification requirement under the CSL. The Department has not issued a permit or
25 other form of qualification authorizing Vexam to sell these securities in California.

26 12. In connection with the offer or sale of these securities, Vexam made untrue statements
27 of material fact and material omissions to potential investors, including but not limited to the
28 following:

- 1 a. failing to disclose that the offer or sale of Vexam’s Investment Plans was not qualified
- 2 in California;
- 3 b. failing to disclose the identities of the individuals operating and/or managing Vexam;
- 4 c. failing to provide any qualifications to substantiate Vexam’s claims that it had a team
- 5 of “trading experts” and “experienced traders”;
- 6 d. falsely representing that the Investment Plans guaranteed investors a steady income;
- 7 and
- 8 e. failing to disclose that Vexam used investor funds to pay purported profits to other
- 9 investors, in the manner of a Ponzi scheme.

10 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
11 or sold by Vexam Limited were subject to qualification under the CSL and have been or are being
12 offered or sold without first being qualified in violation of Corporations Code section 25110.

13 Pursuant to Corporations Code section 25532, Vexam Limited is hereby ordered to desist and
14 refrain from the further offer or sale of securities in California, including but not limited to
15 investment contracts known as Investment Plans, unless and until the qualification requirements of
16 the CSL have been met.

17 In addition, the Commissioner is of the opinion that Vexam Limited offered or sold securities
18 in California by means of oral or written communications which included untrue statements of
19 material facts or omitted to state material facts necessary in order to make the statements made, in the
20 light of the circumstances under which they were made, not misleading, in violation of Corporations
21 Code section 25401.

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

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

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

7 Dated: September 27, 2022
8 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



9 By _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division
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