

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

TO: GMO Global, d/b/a
Gmoglobal.com
Gmohlobal.com
Gmoglobal.net
Web.gmoglobal.app
Web.gmoglobal.vip
Tokenswap.net
Fxcoin.me
Btcbox.la
Btcbox.im
Bitbank.la
Bitbank.so

1-2-3 Dogenzaka Shibuya-Ku
Tokyo, Japan
gmohlobal@outlook.com
gmoglobalservice@gmail.com

+1-804-885-5228
+1-913-396-9597
+1-716-795-6453

DESIST AND REFRAIN ORDER

(For violations of section 90003 of the Financial Code)

The Commissioner of Financial Protection and Innovation finds that:

1. At all relevant times, GMO Global operated on the Internet through at least eleven websites including: web.gmoglobal.app; web.gmoblobal.vip; gmoglobal.net; gmohlobal.com; gmoglobal.com; tokenswap.net; fxcoin.me; btcbox.la; btcbox.im; bitbank.la; and bitbank.so; (collectively GMO Global) beginning on or about December 2, 2021.

2. GMO Global is a business entity of unknown formation but represents or has represented that it does business at the incomplete address of 1-2-3 Dogenzaka Shibuya-Ku, Tokyo, Japan. GMO Global uses or has used various telephone numbers including 1-804-885-5228, 1-913-396-9597, and 1-716-795-6453. It also uses or has used email addresses including gmohlobal@outlook.com and gmoglobalservice@gmail.com.

1 Our server is built in Equinix data Heart, can ensure the efficient and fast
2 execution of orders.[¶]

3 FINANCIAL SECURITY

4 Your funds are deposited in the world’s top bank segregated trust account,
5 and the world’s top insurance company provides deposit liability
6 insurance.

7 Through the Website, GMO Global represented that it provided a “completely fair and transparent
8 trading environment” for customers. In exchange for these services, GMO Global falsely claimed that
9 it would charge a commission of approximately one percent on self-directed trades made through the
10 Platforms.

11 4. GMO Global’s Platforms included mobile applications that provided access to GMO
12 Global’s services. The Website represented that these applications were available for download
13 through Google Play and the Apple App Store, displaying logos for both services alongside links to
14 download each version of the application. These links created an impression that the applications had
15 been reviewed by the Apple App Store and Google Play, deemed safe to use and in compliance with
16 both companies’ store policies, and approved to be listed in both stores – thereby adding to GMO
17 Global’s appearance of legitimacy. The links in fact directed users to third-party file hosting websites
18 unaffiliated with Google Play or the Apple App Store.

19 5. Beginning in at least March 2022, GMO Global marketed its services to California
20 consumers through general solicitations, including direct and unsolicited text messages. In at least
21 one case, the sales agent sending text messages posed as a GMO Global customer, never revealing
22 his or her actual connection to GMO Global. This, too, gave the scheme an air of legitimacy by
23 leading consumers to believe that GMO Global genuinely provided any service to its customers.

24 6. More than one California consumer deposited money with GMO Global believing that
25 they were engaging in self-directed cryptocurrency trading through the Platforms.

26 7. In one case, a California consumer (Consumer 1) opened an account and deposited
27 approximately \$10,000.00 at the instruction of a GMO Global sales agent. This agent posed as an
28 independent cryptocurrency trader who used the Platforms for his or her own self-directed trading

1 13. A “financial product or service” includes, among other things, “[e]ngaging in
2 deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of
3 funds or any financial instrument for use by or on behalf of a consumer.” Fin. Code § 90005(k)(4).

4 14. “Deposit-taking activity” includes (1) the acceptance of deposits, maintenance of
5 deposit accounts, or the provision of services related to the acceptance of deposits or the maintenance
6 of deposit accounts; and (2) the receipt of funds or the equivalent thereof, received or held by a
7 covered person for the purpose of facilitating a payment or transmitting funds between a consumer
8 and a third party. See Fin. Code § 90005(i).

9 15. Based on the facts described in Paragraphs 3 through 8 above, in the course of
10 advertising, marketing, promoting, offering, or conducting business, GMO Global represented,
11 directly or indirectly and expressly or by implication, the following:

- 12 a. GMO Global provided bona fide deposit-taking, funds transmission or
13 exchange, or other custodial account services through its Platforms;
- 14 b. Customer funds would be held in trust and made available to purchase a range
15 of cryptocurrencies through the Platforms;
- 16 c. The Platforms provided access to cryptocurrencies for purchase and sale;
- 17 d. The Platforms exclusively offered cryptocurrencies such as “HRT” for
18 purchase and sale alongside other cryptocurrencies;
- 19 e. Customers’ self-directed purchase and sale orders made through the Platforms
20 would be executed by GMO Global;
- 21 f. Customer account balance information and records of trading orders reflected
22 purchases and sales of cryptocurrencies and actual changes in cryptocurrency
23 prices;
- 24 g. Customer deposits were protected by deposit liability insurance; and
- 25 h. Customers could freely withdraw funds from their deposit accounts.

26 16. However, in truth and in fact:

- 27 a. GMO Global provided no bona fide consumer financial products or services;
- 28 b. Customer funds were not held in trust;

- c. The Platforms did not provide any access to cryptocurrency products;
- d. The “HRT” token was fictitious;
- e. Customers’ self-directed purchase and sale orders were not executed;
- f. Account balance information and trading order records were fictitious;
- g. Customer funds were not protected by deposit liability insurance; and
- h. GMO Global did not return customers’ funds when withdrawals were requested.

17. GMO Global’s representations set forth in Paragraph 15 above constitute deceptive acts or practices with respect to a consumer financial product or service, to wit, engaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds or any financial instrument on behalf of a consumer.

18. Under Financial Code section 90015, subdivision (d), if, in the opinion of the Commissioner, any person engages, has engaged, or proposes to engage in any activity prohibited by section 90003 or 90004, the Commissioner “may issue an order directing the person to desist and refrain from engaging in the activity, act, practice, or course of business.”

DESIST AND REFRAIN ORDER

Therefore, GMO Global is a “covered person” under the CCFPL that engages in offering or providing consumer financial products or services to California residents, including engaging in deposit taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds or any financial instrument for use by or on behalf of a consumer. (Fin. Code § 90005(k)(4)) Based on the above, the Commissioner is of the opinion that GMO Global, d/b/a Gmoglobal.com; Gmohlobal.com; Gmoglobal.net; Web.gmoglobal.app; Web.gmoglobal.vip; Tokenswap.net; Fxcoin.me; Btcbox.la; Btcbox.im; Bitbank.la; and Bitbank.so violated section 90003, subdivision (a)(1), by engaging, having engaged, or proposing to engage in unlawful, unfair, deceptive, or abusive acts and practices with respect to consumer financial products or services.

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1 Accordingly, pursuant to Financial Code section 90015, subdivision (d), GMO Global is hereby
2 ordered to desist and refrain from violating Financial Code section 90003, subdivision (a)(1) (Order).

3 This Order is necessary, in the public interest, for the protection of investors and consistent
4 with the purposes, policies, and provisions of the CCFPL.

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6 Dated: October 17, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



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