

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

TO: Nova Tech Ltd. a/k/a NovaTech, Ltd.
Griffith Corporate Centre, Suite 305
Beachmont, Kingstown, St. Vincent and the Grenadines
www.novatechfx.com

NovaTech Advisors, LLC
1825 Northwest Corporate Boulevard, #110
Boca Raton, Florida 33431
www.novatechfx.com

NovaPay, LLC
1825 Northwest Corporate Boulevard, #110
Boca Raton, Florida 33431

NovaTrading OÜ
Vana-Veerenni 4, 10135 Tallinn, Estonia

Cynthia Petion
1825 Northwest Corporate Boulevard, #110
Boca Raton, Florida 33431

Eddy Petion
1825 Northwest Corporate Boulevard, #110
Boca Raton, Florida 33431

**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, Nova Tech Ltd. a/k/a NovaTech, Ltd. is and was a business registered in Saint Vincent and the Grenadines with a principal place of business at Griffith Corporate Centre, Suite 305, Beachmont, Kingstown, St. Vincent and the Grenadines.

3. At all relevant times, NovaTech Advisors, LLC is and was a Florida limited liability company with a principal place of business at 1825 Northwest Corporate Boulevard, #110, Boca

1 Raton, Florida 33431. At all relevant times, Cynthia Petion and Eddy Petion are and were managers
2 of NovaTech Advisors, LLC.

3 4. At all relevant times, NovaPay, LLC is and was a Florida limited liability company
4 with a principal place of business at 1825 Northwest Corporate Boulevard, #110, Boca Raton, Florida
5 33431. At all relevant times, Cynthia Petion and Eddy Petion are and were managers of NovaPay,
6 LLC.

7 5. At all relevant times, NovaTrading OÜ is and was an Estonian company with a
8 principal place of business at Vana-Veerenni 4, 10135 Tallinn, Estonia. At all relevant times, Cynthia
9 Petion was an officer of NovaTrading OÜ.

10 6. Nova Tech Ltd. a/k/a NovaTech, Ltd., NovaTech Advisors, LLC, NovaPay, LLC, and
11 NovaTrading OÜ (collectively, NovaTech) operated the website www.novatechfx.com.

12 7. At all relevant times, Cynthia Petion is and was NovaTech’s co-founder and chief
13 executive officer. According to NovaTech, Cynthia Petion “is responsible for creating, planning,
14 implementing and integrating the strategic direction of the organization, managing and implementing
15 the Company’s research and development of strategies, and overseeing the company's overall
16 operations.”

17 8. At all relevant times, Eddy Petion is and was NovaTech’s co-founder and chief
18 operating officer. According to NovaTech, Eddy Petion “oversees daily operations and trading for
19 client accounts.”

20 9. At all relevant times, Cynthia Petion and Eddy Petion controlled and induced or
21 provided substantial assistance to NovaTech within the meaning of Corporations Code section 25403,
22 subdivisions (a) and (b).

23 10. Beginning at least as early as 2022, NovaTech offered and sold securities in the form
24 of investment contracts in California through general solicitations on its website. NovaTech referred
25 to these investment contracts as “Packages.”

26 11. NovaTech held itself out as a crypto asset and forex trading platform. The purported
27 purpose of the securities offerings was for NovaTech to use investor funds to engage in crypto asset
28 and forex trading, which in turn would generate returns for investors who purchased Packages.

1 NovaTech claimed to execute this trading activity using its percentage allocation management
2 module (PAMM) accounts. According to NovaTech, investors could invest their funds in
3 NovaTech's master trading accounts, which NovaTech would then pool with other investors' funds to
4 be managed and traded by NovaTech's "experienced traders and bots."

5 12. NovaTech specifically targeted investors with little to no experience in trading crypto
6 assets and forex, telling investors and prospective investors that NovaTech's "fully automated"
7 investment products allow investors to "earn without having to trade" and that "no experience is
8 needed."

9 13. The Packages were publicly available to investors in California via NovaTech's
10 website: www.novatechfx.com.

11 14. In addition to its purported trading activities, NovaTech claimed to generate additional
12 revenue through the operation of Bitcoin ATMs by an affiliated entity, Smart Bit, Inc. NovaTech told
13 investors that the profits from its Bitcoin ATM business would be included in the distributions it
14 made to investors who had purchased Packages.

15 15. After investors created their accounts on the NovaTech website, investors could log
16 into their account using their username and password to monitor their purported balance and returns,
17 deposit funds, and request withdrawals.

18 16. NovaTech facilitated deposits and withdrawals using crypto assets, including Tether
19 (USDT), Bitcoin (BTC), Ether (ETH), and Litecoin (LTC).

20 17. NovaTech did not provide financial statements to investors or potential investors.
21 Instead, NovaTech provided a simple line chart showing NovaTech's purported weekly profits and
22 losses over time and a bar graph showing NovaTech's purported monthly profits over time.
23 According to the charts, NovaTech averaged nearly 3% returns for investors per week and had never
24 incurred a weekly loss.

25 18. As part of its solicitation efforts, NovaTech used a multi-level marketing scheme that
26 would reward investors for inducing others to send money to NovaTech. According to this program,
27 investors would be paid a referral bonus based on the amount of funds deposited by the investors that
28

1 they recruited. Investors would also be paid additional referral bonuses when the investors that they
2 recruited, in turn, recruited new investors.

3 19. Investors seeking to take advantage of NovaTech’s referral program created and
4 posted videos to YouTube and posted content on other social media websites to recruit others to
5 invest in NovaTech.

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

13 21. The Packages offered by NovaTech, Cynthia Petion, and Eddy Petion were securities
14 that were neither qualified nor exempt from the qualification requirement under the CSL. The
15 Department has not issued a permit or other form of qualification authorizing NovaTech, Cynthia
16 Petion, or Eddy Petion to sell these securities in California.

17 22. In connection with the offer or sale of these securities, NovaTech, Cynthia Petion, and
18 Eddy Petion made, or caused to be made, untrue statements of material fact and material omissions to
19 investors and potential investors, including but not limited to the following:

- 20 a. falsely representing that NovaTech is a registered hedge fund in the United States;
- 21 b. falsely representing that NovaTech is a registered investment adviser;
- 22 c. falsely representing that NovaTech is a registered broker;
- 23 d. failing to disclose that the offer or sale of NovaTech’s securities was not qualified in
24 California;
- 25 e. failing to provide any qualifications to substantiate claims that investors’ funds are
26 managed and traded by experienced traders;
- 27
- 28

- 1 f. failing to disclose that in March 2011, Cynthia Petion and Eddy Petion filed for
2 Chapter 7 bankruptcy in the United States Bankruptcy Court for the Eastern District of
3 New York;
- 4 g. failing to disclose that in August 2019, a debt buyer sued Cynthia Petion in the Circuit
5 Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, Civil
6 Division, for breach of contract and unjust enrichment, alleging that Cynthia Petion
7 had failed and/or refused to repay a loan;
- 8 h. failing to disclose that in July 2018, a mortgage lender sued Eddy Petion and Cynthia
9 Petion in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach
10 County, Florida, Civil Division, in an action to foreclose a defaulted mortgage on
11 residential real property held by Eddy Petion and Cynthia Petion;
- 12 i. failing to disclose that in April 2018, a credit card issuer sued Cynthia Petion in the
13 Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida,
14 Civil Division, for account stated and unjust enrichment. A judgment was entered
15 against Cynthia Petion in the amount of \$11,776.55; and
- 16 j. failing to disclose that in October 2017, a credit card issuer sued Eddy Petion in the
17 County Court in and for Palm Beach County, Florida, for account stated. A judgment
18 was entered against Eddy Petion in the amount of \$4,740.56.

19 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
20 or sold by Nova Tech Ltd. a/k/a NovaTech, Ltd., NovaTech Advisors, LLC, NovaPay, LLC,
21 NovaTrading OÜ, Cynthia Petion, and Eddy Petion were subject to qualification under the CSL and
22 have been or are being offered or sold without first being qualified in violation of Corporations Code
23 section 25110.

24 Pursuant to Corporations Code section 25532, Nova Tech Ltd. a/k/a NovaTech, Ltd.,
25 NovaTech Advisors, LLC, NovaPay, LLC, NovaTrading OÜ, Cynthia Petion, and Eddy Petion are
26 hereby ordered to desist and refrain from the further offer or sale of securities in California, including
27 but not limited to investment contracts known as Packages, unless and until the qualification
28 requirements of the CSL have been met.

1 In addition, the Commissioner is of the opinion that Nova Tech Ltd. a/k/a NovaTech, Ltd.,
2 NovaTech Advisors, LLC, NovaPay, LLC, NovaTrading OÜ, Cynthia Petion, and Eddy Petion
3 offered or sold securities in California by means of oral or written communications which included
4 untrue statements of material facts or omitted to state material facts necessary in order to make the
5 statements made, in the light of the circumstances under which they were made, not misleading, in
6 violation of Corporations Code section 25401.

7 Pursuant to Corporations Code section 25532, Nova Tech Ltd. a/k/a NovaTech, Ltd.,
8 NovaTech Advisors, LLC, NovaPay, LLC, NovaTrading OÜ, Cynthia Petion, and Eddy Petion are
9 hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security
10 in California, including but not limited to investment contracts known as Packages, by means of any
11 written or oral communication which includes an untrue statement of a material fact or omits to state
12 a material fact necessary in order to make the statements made, in the light of the circumstances
13 under which they were made, not misleading.

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

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

20 Dated: November 22, 2022
21 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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