

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

TO: Maxpread Technologies Limited
33 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong
www.maxpread.com
legal@maxpread.com

Jan Gregory Cerato
marketing@maxpread.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, Maxpread Technologies Limited (Maxpread) is and was a Hong Kong company with a purported principal place of business at 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. Maxpread operated the website www.maxpread.com, as well as social media accounts on Twitter (@maxpread), Telegram (<https://t.me/maxpread>), and YouTube (<https://www.youtube.com/@maxpread>).

3. At all relevant times, Jan Gregory Cerato (Cerato) held himself out as the Chief Marketing Officer as well as the Global Leader and Corporate Brand Manager of Maxpread.

4. At all relevant times, Cerato controlled and induced or provided substantial assistance to Maxpread within the meaning of Corporations Code section 25403, subdivisions (a) and (b).

5. Beginning at least as early as 2022, Maxpread offered and sold securities in the form of investment contracts in California through general solicitations on its website. Maxpread referred to these investment contracts as “Arbitrage Plans” (Plans).

6. Maxpread held itself out as a cryptocurrency trading platform. The purported purpose of the securities offerings was for Maxpread to use investor funds to engage in cryptocurrency

1 trading, which in turn would generate returns for investors who purchased Plans. Maxpread claimed
2 that the cryptocurrency trading would be conducted by artificial intelligence (AI) software.

3 7. Maxpread heavily promoted the benefits of its purported AI software and suggested
4 that investors could expect high returns and stable passive income due to this technological
5 advantage. Maxpread held itself out as the “number one arbitrage company in the world” and
6 represented that its AI software was connected to crypto exchanges and could perform 20,000
7 arbitrage transactions per minute. Maxpread emphasized that this purported AI technology is what
8 made its business “so successful” and how the platform was supposedly able to grow all of its
9 investors’ funds.

10 8. Maxpread represented that its Plans produced daily profits of 0.6% - 1.2%, which
11 would be available for investors to withdraw at any time. The Plans were publicly available to
12 investors in California via Maxpread’s website: www.maxpread.com.

13 9. According to its website, Maxpread would automatically manage investors’ assets and
14 provide stable returns regardless of any volatility in the crypto asset market. Maxpread also claimed
15 that it was developing an entire ecosystem of products and services, including a cryptocurrency
16 wallet that would allow users to hold cryptocurrency and NFTs on the Maxpread platform, a
17 cryptocurrency token for use in the “Maxpread ecosystem,” a collection of non-fungible tokens
18 (NFTs), a decentralized cryptocurrency exchange (DEX), a marketplace for users to exchange goods
19 and services with each other, its own metaverse, its own blockchain, and a bank licensed in Belize.
20 Maxpread represented that it planned to launch all of these products and services by the end of 2026.

21 10. After investors created their accounts on the Maxpread website, investors could log
22 into their account using their username and password to monitor their purported balance and returns,
23 deposit funds, and request withdrawals.

24 11. Maxpread facilitated deposits and withdrawals using crypto assets, including Tether
25 (USDT).

26 12. Maxpread charged investors a 3% fee to withdraw their funds from the platform.

27 13. In his roles as Chief Marketing Officer and Global Leader/Corporate Brand Manager
28 of Maxpread, Cerato appeared in videos on social media to recruit prospective investors in which he

1 explained the business, touted Maxpread’s purported AI technology, and illustrated how investors
2 would make money by investing in Maxpread. Cerato stated that investors can expect returns of 25%
3 monthly and 330% annually. He described these returns as being “really sustainable” due to
4 Maxpread’s purported AI technology. Cerato recommended that all prospective investors should
5 invest at least \$1,000.

6 14. Maxpread claimed that its CEO was an individual named Michael Vanes. Maxpread
7 published a video on YouTube in which “Michael Vanes” introduced himself to prospective
8 investors, explained Maxpread’s business, and touted the profitability of Maxpread’s “AI-powered
9 arbitrage platform.” In reality, this was a hoax: the individual in the video was not the company’s
10 CEO, but rather a fictitious, computer-generated avatar programmed to recite a script.

11 15. As part of its solicitation efforts, Maxpread used a multi-level marketing scheme that
12 would reward investors for inducing others to send money to Maxpread. According to this program,
13 investors would be paid a referral bonus based on the amount of funds deposited by the investors that
14 they recruited. Investors would also be paid additional referral bonuses when the investors that they
15 recruited, in turn, recruited new investors.

16 16. Investors seeking to take advantage of Maxpread’s referral program created and
17 posted videos to YouTube and posted content on other social media websites to recruit others to
18 invest in Maxpread.

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

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1 18. The Arbitrage Plans offered by Maxpread were securities that were neither qualified
2 nor exempt from the qualification requirement under the CSL. The Department has not issued a
3 permit or other form of qualification authorizing Maxpread to sell these securities in California.

4 19. In connection with the offer or sale of these securities, Maxpread and Cerato made, or
5 caused to be made, untrue statements of material fact and material omissions to investors and
6 potential investors, including but not limited to the following:

- 7 a. falsely representing the identities of the actual individuals operating and/or managing
8 Maxpread;
- 9 b. failing to disclose that it used investor funds to pay purported profits to other
10 investors, in the manner of a Ponzi scheme;
- 11 c. misrepresenting the expected profits and risk of loss; and
- 12 d. failing to disclose that the offer or sale of Maxpread's securities was not qualified in
13 California;

14 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
15 or sold by Maxpread Technologies Limited and Jan Gregory Cerato were subject to qualification
16 under the CSL and have been or are being offered or sold without first being qualified in violation of
17 Corporations Code section 25110.

18 Pursuant to Corporations Code section 25532, Maxpread Technologies Limited and Jan
19 Gregory Cerato are hereby ordered to desist and refrain from the further offer or sale of securities in
20 California, including but not limited to investment contracts known as Arbitrage Plans, unless and
21 until the qualification requirements of the CSL have been met.

22 In addition, the Commissioner is of the opinion that Maxpread Technologies Limited and Jan
23 Gregory Cerato offered or sold securities in California by means of oral or written communications
24 which included untrue statements of material facts or omitted to state material facts necessary in
25 order to make the statements made, in the light of the circumstances under which they were made, not
26 misleading, in violation of Corporations Code section 25401.

27 Pursuant to Corporations Code section 25532, Maxpread Technologies Limited and Jan
28 Gregory Cerato are hereby ordered to desist and refrain from offering or selling or buying or offering

1 to buy any security in California, including but not limited to investment contracts known as
2 Arbitrage Plans, by means of any written or oral communication which includes an untrue statement
3 of a material fact or omits to state a material fact necessary in order to make the statements made, in
4 the light of the circumstances under which they were made, not misleading.

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

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

11 Dated: April 19, 2023
12 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



13 By _____
14 MARY ANN SMITH
15 Deputy Commissioner
16 Enforcement Division
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