



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

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California Secures \$1.5 Million Multistate Securities Settlement Against Crypto Platform TradeStation

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) announced today it has entered into a [consent order](#) with TradeStation Crypto, Inc. (TradeStation) to resolve the DFPI’s securities investigation into TradeStation’s crypto interest-earning program.

This is part of a multistate settlement that is the result of a North American Securities Administrators Association (NASAA) task force of eight state securities regulators co-led by California and Washington that also includes Alabama, Mississippi, North Carolina, Ohio, South Carolina, and Wisconsin. The task force determined that from August 2020 to June 2022, TradeStation engaged in the unqualified offer and sale of securities via its crypto interest-earning program.

“The DFPI will always enforce our financial laws and will continue to aggressively challenge unlawful investment activities involving crypto assets, using all tools at our disposal to do so,” said DFPI Commissioner Clothilde V. Hewlett. “This effort includes collaborative investigation and enforcement with state and federal partners and is reinforced by proactive investor education.”

TradeStation, a Florida corporation formed in 2018, provides crypto-asset-related financial services to retail and institutional customers in the United States, including investing and trading services. From August 2020 to June 2022, TradeStation offered a crypto interest-earning program to California investors. Under this program, investors passively earned interest on crypto assets by loaning them to TradeStation. TradeStation maintained total discretion over the revenue-generating activities utilized to earn returns for investors. The company offered and promoted their crypto interest-earning program in California and the United States at-large via its website and various platforms.

As a co-lead of the NASAA multistate task force, the DFPI negotiated a \$1.5 million settlement with TradeStation on behalf of 51 United States jurisdictions. The U.S. Securities and Exchange Commission (SEC) entered into a separate settlement with TradeStation for the same penalty amount. The DFPI acknowledges the SEC’s concurrent efforts to enforce securities laws and appreciates the interagency communications throughout the investigation.

The Commissioner and the DFPI are represented by Counsel Quincy Vien of the DFPI Enforcement Division. Vien co-led the NASAA multistate task force investigating TradeStation.

The DFPI expects any lender, financial services provider, or person offering securities that operates in California, to comply with applicable financial laws. Consumers may submit a complaint with the DFPI online (dfpi.ca.gov/submit-a-complaint) or call toll-free at (866) 275-2677.

About the DFPI

The California Department of Financial Protection and Innovation protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at dfpi.ca.gov.

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