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

TO: Livityswiss Ltd, d/b/a
Livityswiss.com

support@livityswiss.com

**DESIST AND REFRAIN ORDER
(For violations of section 90003 of the Financial Code)**

The Commissioner of Financial Protection and Innovation finds that:

1. The Commissioner has jurisdiction over the regulation of persons engaged in offering or providing a consumer financial product or service in California under the California Consumer Financial Protection Law (CCFPL) (Cal. Fin. Code §§ 90000-90019). 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 customer is conduct covered by the CCFPL. Cal. Fin. Code § 90005(k)(4).

2. At all relevant times, Livityswiss Ltd (Livityswiss) was a business entity of unknown form, operating a public website (livityswiss.com) as well as having the email address support@livityswiss.com, through which it conducted business, including offering consumer financial products and services in California.

STATEMENT OF FACTS

3. Beginning in or about March 18, 2024, Livityswiss purported to act as a custodian of funds and offered a self-directed investment platform through its website. Through its website and direct communications with consumers, Livityswiss deceptively claimed to offer:

- a. Deposit accounts and custody services for retail customers seeking to invest in investment funds including high yield mutual funds and cryptocurrency mining funds;

- b. Management services for investment funds including the use of automated investing and the active management of an investment portfolio;
- c. Returns on mutual funds as high as 45% in 4 days;
- d. Real-time market data;
- e. Funds transmission and exchange services enabling customers to deposit or withdraw money.

As part of its services, Livityswiss maintained what were purportedly records of trading orders and account balances through a platform accessible on its website. These records, the platform, and the company's communications made through the platform were all elaborate fabrications in furtherance of a scheme to defraud consumers.

4. Livityswiss' website provided the following description:

Livityswiss Limited is a lawfully Operating organization. We were one of the first to put resources into Crypto monetary forms being a main blockchain speculation organization.

Our main goal is to go about as an impetus for widespread reception and blockchain advancement. We center just around putting resources into blockchain advances. Our group has insight in both customary financing and arising blockchain innovation.

Livityswiss is ensured by Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC) which conceals client cases of to a limit of \$5,000,000 for cash claims.

5. Livityswiss is neither registered with the Financial Industry Regulatory Authority (FINRA) nor a member of the Securities Investor Protection Corporation (SIPC). Nor does Livityswiss have authority to operate as an investment adviser or a broker-dealer in California. The claim that Livityswiss is "a lawfully Operating organization" is false and creates an appearance of legitimacy, providing a false sense of security for consumers.

6. During the relevant time period, Livityswiss marketed its services to California consumers through general solicitations on social media. In at least one case, a Livityswiss sales agent posed as a Livityswiss customer on social media videos, hiding her actual connection to

1 Livityswiss. This led consumers to believe that Livityswiss was providing legitimate financial
2 services to consumers when it was not.

3 7. At least one California consumer opened an account with Livityswiss and deposited
4 approximately \$5,000. Livityswiss provided false transaction data and false account balance
5 information to the consumer. Such information was accessible to the consumer on the platform
6 operating on the Livityswiss website. Through these actions, Livityswiss engaged in deposit-taking
7 activities or transmitting funds, or otherwise acting as a custodian of funds or a financial instrument,
8 as covered by the CCFPL.

9 8. The consumer believed he had invested in a mutual fund account and that this
10 investment had increased his account balance to over \$20,000. However, both the purchase order and
11 the sale order for the mutual fund account were fictitious. When the consumer attempted to withdraw
12 funds, an agent from Livityswiss communicated that additional deposits were required as a
13 prerequisite for withdrawal. Livityswiss never returned any of the consumer's funds.

14 **APPLICABLE LAW**

15 9. Under the CCFPL, it is unlawful for a "covered person" to "[e]ngage, have engaged,
16 or propose to engage in any unlawful, unfair, deceptive, or abusive actor practice with respect to
17 consumer financial products or services." Cal. Fin. Code § 90003(a)(1).

18 10. A "covered person" includes "[a]ny person that engages in offering or providing a
19 consumer financial product or service to a resident of this state." Cal. Fin. Code § 90003(f)(1).

20 11. A "consumer financial product or service" is generally a "financial product or service
21 that is delivered, offered, or provided for use by consumers primarily for personal, family, or
22 household purposes." Cal. Fin. Code § 90005(e)(1).

23 12. A "financial product or service" includes, among other things, "[e]ngaging in
24 deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of
25 funds or any financial instrument for use by or on behalf of a consumer." Cal. Fin. Code §
26 90005(k)(4).

27 13. "Deposit-taking activity" includes (1) the acceptance of deposits, maintenance of
28 deposit accounts, or the provision of services related to the acceptance of deposits or the maintenance

1 of deposit accounts; and (2) the receipt of funds or the equivalent thereof, received or held by a
2 covered person for the purpose of facilitating a payment or transmitting funds between a consumer
3 and a third party. *See* Cal. Fin. Code § 90005(i).

4 14. Based on the facts described in Paragraphs 3 through 8 above, in the course of
5 advertising, marketing, promoting, offering, or conducting business, Livityswiss represented, directly
6 or indirectly and expressly or by implication, the following:

- 7 a. That Livityswiss provided bona fide deposit-taking, funds transmission or
8 exchange, or other custodial account services through its website;
- 9 b. That Livityswiss provided access to mutual funds for purchase and sale;
- 10 c. That Livityswiss was registered with FINRA and a member of the SIPC;
- 11 d. That Customers' self-directed purchase and sale orders made through the
12 website platform would be executed by Livityswiss;
- 13 e. That Customers' account balance information and records of trading orders
14 reflected actual purchases and sales of mutual funds and actual changes in fund
15 prices;
- 16 f. That Customers' deposits were protected by deposit liability insurance; and
- 17 g. That Customers could freely withdraw funds from their deposit accounts.

18 15. However, in truth and in fact:

- 19 a. Livityswiss provided no bona fide consumer financial products or services;
- 20 b. The website platform did not provide any access to investment funds;
- 21 c. Customers' self-directed purchase and sale orders were not executed;
- 22 d. Account balance information and trading order records were fictitious;
- 23 e. Livityswiss is neither registered with FINRA nor a member of the SIPC; and
- 24 f. Livityswiss did not return customers' funds when withdrawals were requested.

25 16. Livityswiss' representations set forth in Paragraph 14 above constitute unlawful,
26 unfair, abusive or deceptive acts or practices with respect to a consumer financial product or service,
27 to wit, engaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as
28 a custodian of funds or any financial instrument on behalf of a consumer.

