



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
 LERONA IMPEX SA d/b/a FINPARI and)
 FINPARI.COM,)
)
 Respondent.) Case No.: AP-16-29
)
 Serve:)
)
 Lerona Impex SA)
 306 Premier Building, Albert Street)
 Victoria Mahe, Seychelles and Norshke)
 Inter LP)
 39 Due Street, Suite 1)
 Aberdeen Scotland, AB11 6DY)
)
 and via e-mail: support@finpari.com)

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY
RESTITUTION, CIVIL PENALTIES, AND COSTS SHOULD NOT BE IMPOSED**

On July 19, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement John Phillips, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (the “Petition”). After reviewing the Petition, the Commissioner issues the following order:

I. ALLEGATIONS OF FACT

The Petition alleges the following facts:

A. Introduction

1. The Petition alleges that Finpari, an online binary options trading website, has been available to Missouri investors since at least 2015. Finpari’s website offers high returns and guaranteed withdrawals in the trade of binary options—options whereby the investor places all or nothing bets on the direction of the value of a particular security or

commodity. Neither Finpari nor its parent company Lerona Impex SA are registered to offer and/or sell securities or commodities.

B. Respondent and Related Parties

2. Finpari is a website that is purported to be owned by Lerona Impex SA, based in Aberdeen, Scotland.
3. As used herein, the term “Respondent” refers to Lerona Impex SA d/b/a Finpari and Finpari.com.
4. At all times relevant to this matter, Respondent has never been registered in Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent.
5. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered by Respondent.
6. According to information found in the National Futures Association’s BASIC database, at all times relevant to this matter, Respondent was not registered as any type of commodity merchant or intermediary in connection with futures trading.¹

C. Enforcement Section Investigation

7. On or around April 29, 2016, the Enforcement Section opened an investigation on Finpari and mailed a letter to Finpari’s parent company Lerona Impex SA. In addition, the letter was sent via email to support@finpari.com. The letter asked for, among other things, a list of all Missouri investors who invested with or had an account with Finpari.
8. With regard to the emailed letter, software connected to Microsoft Outlook indicated that “Delivery to these recipients is complete, but no delivery notification was sent by the destination server.”
9. Lerona Impex SA never responded to the letter in writing. The Enforcement Section never received a response regarding the emailed letter.
10. On June 30, 2016, the Enforcement Section successfully created an account with Finpari using a decoy identity (“Decoy”). After creating the account, an online assistant offered assistance in making trades.
11. A call to the telephone number purported to be in the U.S. on Finpari’s website on July 1, 2016, resulted in the Finpari representative telling the Enforcement Section that the

¹ BASIC is the database where futures commission merchants or intermediaries must register in order to be considered registered with the Commodities Futures Trading Commission.

phone number is actually diverted to Scotland. After searching Finpari's email records, the representative claimed that the Enforcement Section's letter could not be found.

12. On June 30, 2016, the Decoy received an email response from someone purporting to be David from Finpari. The email stated, in part, the following:
 - a. David would be the Decoy's "personal account manager";
 - b. the Decoy should feel free to contact David "at anytime regarding [Finpari's] trading platform";
 - c. David "will be more than glad to help [Decoy] solving any of your questions";
 - d. "... please tell me when would be a good time to call you"; and
 - e. "... check the features of accounts here: <https://www.finpari.com/trading#deposit> and fund [Decoy's] account there as well. Our clients usually go for Silver account."

13. On July 15, 2016, the Decoy received an email from support@finpari.com stating, among other things:
 - a. the Decoy was "entitled to get a 250\$ [sic] extra to your balance";
 - b. the promo code for the additional funds was CRTONL;
 - c. in order to receive the additional \$250, the Decoy should login to "Account funding/Enter promo code" and enter the code;
 - d. additional funds would become available for trading with the Decoy's next trading deposit of \$250 or more;
 - e. the promo code would be valid for the next 10 days; and
 - f. the Decoy should contact Finpari's "clients support team" with any questions.

D. Finpari.com

14. As of July 1, 2016, Finpari's website states and/or contains the following:
 - a. "Binary Options-it's easy! You predict currency or stock rates and earn up to 90% from deal's amount";
 - b. "Binary options contest. Make more trades and win, regardless your trading results. 20 winners every week. Prize fund-20,000\$ [sic]";

- c. “#1 By Payouts Speed. Guaranteed Withdrawals within 1 Hour”;
- d. “By funding a trading account, you can get the additional funds as a bonus. By investing more, your bonus can be even doubled”;
- e. “Independently or with the help of our specialists you will learn trading strategies”; and
- f. “Predict the market and earn!”

E. Additional Findings

- 15. In connection with the offer of securities and/or commodities, Respondent failed to disclose, among other things, the following:
 - a. that Respondent was not registered to offer or sell securities/commodities in the State of Missouri;
 - b. that the securities/commodities were not registered or exempt from registration in the State of Missouri; and
 - c. that Respondent was not registered with the Commodity Futures Trading Commission.

II. COMMISSIONER’S DETERMINATIONS AND FINDINGS

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

- 16. **THE COMMISSIONER DETERMINES** that Respondent offered unregistered, non-exempt securities in the State of Missouri when Respondent offered binary options to Missouri residents in exchange for money.
- 17. This activity constitutes the “offer to sell” as that term is defined in Section 409.1-102(26), RSMo (Cum. Supp. 2013).²
- 18. “[P]ut, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency” is enumerated in the list of items that are securities in Section 409.1-102(28).
- 19. The investments Respondent offered to Missouri residents are either binary options deriving whatever value may have existed from an underlying asset, or a commodity or foreign currency. The investments offered and sold were securities as that term is defined in Section 409.1-102(28).

² Unless otherwise specified, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

20. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered by Respondent.
21. Respondent offered securities in Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.
22. Respondent offered unregistered securities in violation of Section 409.3-301.
23. Respondent’s actions in violation of Section 409.3-301 constitute an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

24. **THE COMMISSIONER FURTHER DETERMINES** that Respondent transacted business as an unregistered, non-exempt broker-dealer in the State of Missouri by engaging in the business of effecting transactions in securities for the account of others.
25. These activities constitute transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4).
26. At all times relevant to this matter, Respondent was not registered as a broker-dealer either with the Securities and Exchange Commission or with the State of Missouri.
27. Respondent transacted business in Missouri without being registered or exempt from registration as a broker-dealer in violation of Section 409.4-401(a).
28. Respondent’s actions in violation of Section 409.4-401(a) constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604.

Multiple Violations of Offering Prohibited Commodities Contracts

29. **THE COMMISSIONER FURTHER DETERMINES** that Respondent offered to enter into, entered into, or confirmed the execution of, foreign currency commodity contracts and foreign currency commodity options contracts with Missouri residents, without being exempt or excluded pursuant to Sections 409.803.2 and 409.806 RSMo (2000), when, among other things, Respondent solicited investments in accounts where currency and currency options trading was to occur.
30. This activity constitutes an “offer” or “offer to sell” as that term is defined in Section 409.800(11), RSMo (2000).

31. Respondent offered commodity contracts and commodity option contracts as those terms are defined in Sections 409.800(5) and (9), RSMo (2000).
32. Respondent offered to enter into, entered into, or confirmed the execution of, foreign currency commodity contracts and foreign currency commodity option contracts in violation of Section 409.803.1, RSMo (2000).
33. The actions of Respondent in offering prohibited commodities contracts constitute an illegal act or practice and thus such actions are subject to the commissioner's authority under Section 409.823, RSMo (2000).

**Multiple Violations of Engaging in Unregistered and/or
Unlicensed Commodity Merchant Business**

34. **THE COMMISSIONER FURTHER DETERMINES** that Respondent engaged in the commodity merchant business with, among others, Missouri residents when, among other things, Respondent failed to register with the Commodity Futures Trading Commission as required to qualify as a registered commodity merchant.
35. This activity constitutes engaging in a trade or business or otherwise acting as a commodity merchant as that term is defined in Section 409.800(8), RSMo (2000).
36. **THE COMMISSIONER FURTHER DETERMINES** that Respondent created and maintained a board of trade, or place for the trading of commodity contracts or commodity option contracts required to be traded on or subject to the rules of a contract market designated by the Commodity Futures Trading Commission and which had not been so designated, when, among other things, Respondent created a trading platform for the buying or selling of commodities contracts and commodity option contracts.
37. This activity constitutes acting as a board of trade as that term is defined in Section 409.800(2), RSMo (2000).
38. Respondent's conducted unregistered commodity merchant business in violation of Sections 409.808.1 and 409.808.2, RSMo (2000).
39. The actions of Respondent in conducting unregistered commodity merchant business constitute an illegal act or practice and thus such actions are subject to the commissioner's authority under Section 409.823, RSMo (2000).

III. ORDER

NOW THEREFORE, it is hereby ordered that Respondent, its agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301 by offering or selling any securities as defined by Section 409.1-102(28), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-401(a) by transacting business as an unregistered broker-dealer firm;
- C. Section 409.803, RSMo (2000) by selling or purchasing, or offering to sell or purchase any commodity contract or any commodity option while not being registered with the applicable regulatory bodies; and
- D. Sections 409.808.1 and 409.808.2, RSMo (2000) by engaging in the trade or business or otherwise acting as a commodity merchant while not being registered or temporarily licensed with the Commodities Futures Trading Commission.

IV. STATEMENT

Pursuant to Section 409.6-604, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$10,000 civil penalty against Respondent for more than one violation of Section 409.3-301;
- B. \$10,000 civil penalty against Respondent for more than one violation of Section 409.4-401(a);
- C. an order against Respondent to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct, and interest at the rate of eight percent (8%) per year from the date of the violation causing the loss or disgorge any profits arising from the violation of Sections 409.3-301 and 409.4-401;
- D. an order against Respondent to pay the costs of the investigation in this proceeding, awarding an amount to be determined after review of evidence submitted by the Enforcement Section.
- E. Pursuant to Section 409.823, RSMo (2000), the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for a \$100,000 civil penalty against Respondent for multiple violations of Sections 409.803 and 409.808, RSMo (2000).

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SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS TWENTY-SEVENTH DAY OF JULY, 2016.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



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 39 Due Street, Suite 1)
 Aberdeen Scotland, AB11 6DY)
)
 and via e-mail: support@finpari.com)

NOTICE

TO: Respondent and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Sections 409.6-604(b), RSMo. (Cum. Supp. 2013), 409.843 RSMo (2000), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

Andrew M. Hartnett, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of July, 2016, a copy of the foregoing Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed in the above styled case was **e-mailed and sent by U.S. Registered mail to:**

Lerona Impex SA
306 Premier Building, Albert Street
Victoria Mahe, Seychelles and Norshke
Inter LP
39 Due Street, Suite 1
Aberdeen Scotland, AB11 6DY

and via e-mail:

support@finpari.com

and hand delivered to:

John R. Phillips
Director of Enforcement, Securities Division
Missouri Secretary of State's Office
600 West Main Street, Room 229
Jefferson City, Missouri 65101


Marsha Presley
Securities Office Manager