



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
TRADER’S WAY,)	
d/b/a TRADERSWAY,)	
d/b/a TRADER’SWAY, and)	
d/b/a TRADERS WAY,)	
)	
)	<i>Respondent.</i>
)	Case No. AP-16-46
Serve:)	
)	
via e-mail at: support@tradersway.com)	
)	
via web form: www.privacyprotect.org)	

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

On November 15, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Christina Peters, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (“Petition”). After reviewing the Petition, the Commissioner issues the following order:

I. ALLEGATIONS OF FACT

The Petition alleges the following facts:

A. Introduction

1. Trader’s Way, through tradersway.com, is conducting unlawful business by offering to facilitate unregistered purchases of binary options that derive their value from currencies, from commodities, from some underlying index, or from an underlying security.
2. Trader’s Way has maintained a website from 2010 to present day that is available to Missouri residents.

3. Through their website, Trader's Way made deceptive claims and/or omitted to disclose material facts about its registration to sell binary option contracts.
4. Trader's Way offers commodity contracts and securities, and acts as a broker-dealer and a commodity merchant or board of trade for these transactions.

B. Respondent and Related Parties

5. Trader's Way (hereinafter "Trader's Way" or "Respondent") is a website with an address of www.tradersway.com.
6. A check of records maintained by the Commissioner indicates that at all times relevant to this matter Trader's Way was not registered in Missouri as investment adviser, broker-dealer, investment adviser representative, or broker-dealer agent.
7. A check of records maintained by the Commissioner indicates that at all times relevant to this matter there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for securities offered and/or sold by Trader's Way.
8. According to 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
9. According to the U.S. Commodity Futures Trading Commission's industry filing search tool, at all times relevant to this matter Respondent was not registered as any type of trading or clearing organization such as designated contract markets, swap execution facilities, derivatives clearing organizations, swap data repositories, or non-U.S. organizations.
10. According to the U.S. Securities and Exchange Commission's EDGAR database, at all times relevant to this matter Respondent did not file registration statements, periodic reports, or any other forms electronically with EDGAR.
11. Privacy Protection Services, Inc. (hereinafter "PPS") is a WHOIS privacy service for domain name owners.
12. When buying a domain name, owners have to provide accurate contact information or else their domain registration could be terminated as it would be in violation of the registration agreement with WHOIS.
13. This information has to be made publicly available to everyone via the public WHOIS database as required by ICANN, the international governing body for domain names.

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.

14. PPS ensures that private information is not published by replacing all of an owner's publicly visible contact details with alternate contact information. The owner still retains full ownership of the domain name and has complete control of it.
15. After doing a WHOIS search, it appears Trader's Way utilized the privacy service offered by PPS to register the domain name tradersway.com. Since Privacy Protection replaced Trader's Way contact details, the registrant's name and contact details are not known.
16. PPS, through privacyservice.org, stated: "We do not accept ANY Postal mail on behalf of the domain owner. All mail sent to our postal address is rejected. The only way to contact the real owner is to use [the Contact Domain Owner] form." The Enforcement Section filled out and submitted this form electronically and attached a copy of the Petition concerning Trader's Way.

C. Enforcement Section Investigation

17. Trader's Way may also be doing business as Tradersway, Trader'sway, and/or Traders Way.
18. On August 15, 2016, the Enforcement Section sent a letter of inquiry to Trader's Way via e-mail. The letter requested a claim of exemption from registration or exception from definition upon which Trader's Way relied in offering unregistered securities in the State of Missouri. The letter also requested additional information about offers to any other Missouri residents.
19. The Enforcement Section sent the letter of inquiry to support@tradersway.com.
20. The Enforcement Section asked, among other things, that Respondent produce a list of all Missouri investors who invested with or had an account with Respondent.
21. The Enforcement Section also requested a claim of exemption from registration or exception from definition upon which Respondent relied in offering unregistered securities in the State of Missouri. The letter also requested additional information about offers to any other Missouri residents.
22. On August 15, 2016, the Enforcement Section received an e-mail from Trader's Way, support@tradersway.com, confirming receipt of the letter of inquiry.
23. The Enforcement Section, to date, has not received a response from Trader's Way.
24. In the absence of a reply from Respondent, the Enforcement Section examined the advertisements and offerings on the Respondent's website.

D. www.tradersway.com

25. On December 13, 2010, www.tradersway.com became an operational website.
26. The website lists the following contact information for Trader's Way:

- a. +1 (849) 937-0815;
 - b. sales@tradersway.com;
 - c. helpdesk@tradersway.com; and
 - d. support@tradersway.com.
27. Trader's Way through www.tradersway.com, advertises a binary options trading platform to enable investors to execute binary options trades that derive their value from currencies and/or commodities. As of November 4, 2016, Respondent's website states and/or contains the following:
- a. "Trader's Way provides services for trading on financial markets. It is part of a group of companies with a wide range of activities. We offer technological and analytical services as well as services which provide our clients with access to various international markets. Since commencing its brokerage business, the company has been dedicated to providing a wide range of top-quality services for online forex trading and for trading in CFDs for a wide range of financial instruments such as stock indices, commodities, energies, and precious metals;"
 - b. "Managed by highly qualified professionals with a great deal of experience, the company has gained its rightful place in the market by always looking forward and utilizing the latest technology, by developing and implementing new systems for trading and customer service, and by establishing strong, trust-based relationships with its many partners;"
 - c. "Our focus is on long-term and mutually beneficial relationships with our clients. We were one of the first companies to introduce STP/NDD processing for online forex trading. This enabled us to offer some of the most competitive and eye-catching spreads for currency pairs while charging one of the lowest commissions in the retail market;"
 - d. "Today Trader's Way is a fast-growing company that is trusted by thousands of customers worldwide. Nevertheless, we are not resting on our laurels; instead, we are continually developing and implementing new technologies for customer service and bringing maximum automation to all interactions between the client and the forex broker. We were one of the first on the market to implement cTrader, a trading system perfect for ECN trading which offers short response time ideal for algorithmic trading;"
 - e. "We regularly offer initiatives, such as bonus programs, to give our clients new opportunities to trade forex and CFDs online;"
 - f. "We provide great opportunities for cooperation not only to individual traders, but also to managers and to partners, i.e. agents and introducing brokers. Our affiliate

program - which everyone is welcome to join - stands out because of its flexible system of promotion, ease of registration, and a realistic and thoughtful approach to each member. Honesty, competence, mutual benefit: these are our principles. Choose your Trader's Way and let us help you get there;"

- g. "Trader's Way widens your trading opportunities providing you with a 100% bonus on your deposit. You only need to make a deposit, choose the bonus amount and it will be credited to your trading account. The bonus is cashed to your account on a daily trading volume basis;"
 - h. "Please note that foreign exchange and other leveraged trading involves significant risk of loss. It is not suitable for all investors and you should make sure you understand the risks involved, seeking independent advice if necessary;" and
 - i. "All information on this website is not directed toward soliciting citizens or residents of the United States and the United Kingdom."
28. Trader's Way encourages clients to fund their accounts using credit/debit cards, bitcoins, or wire transfers of monies. All that Trader's Way requires to open an account is the transfer of investment monies.

E. Interview with Site Operator

29. On July 27, 2016, the Enforcement Section contacted a "site operator" for www.tradersway.com who identified herself as Catherine. Catherine stated, among other things, the following:
- a. Trader's Way is registered in the Commonwealth of Dominica; and
 - b. "We are not restricted from accepting US clients in our jurisdiction. We accept clients based on their own merit."
30. On October 25, 2016, the Enforcement Section confirmed that www.tradersway.com allows Missouri residents to access and open trading accounts with Trader's Way.
31. In reviewing Respondent's website, the Enforcement Section observed that Respondent failed to disclose, among other things, the following:
- a. Respondent was not registered to offer or sell securities in the State of Missouri;
 - b. The securities offered and/or sold by Respondent were not registered or exempt from registration in the State of Missouri;
 - c. Respondent was not registered with the U.S. Commodity Futures Trading Commission; and
 - d. Respondent was not registered with the U.S. Securities and Exchange

Commission.

II. COMMISSIONER'S DETERMINATIONS AND FINDINGS

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

32. **THE COMMISSIONER DETERMINES** Respondent offered unregistered, non-exempt securities in the State of Missouri when Respondent offered binary options to Missouri residents.
33. This activity constitutes the “offer to sell” as that term is defined in Section 409.1-102(26), RSMo (Cum. Supp. 2013).²
34. “[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).
35. The investments Respondent offered are either binary options deriving whatever value may have existed from an underlying asset, or a commodity or foreign currency. The investments offered were securities as that term is defined in Section 409.1-102(28).
36. 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.
37. 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.
38. Respondent offered unregistered securities in violation of Section 409.3-301.
39. 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.

Transacting Business as an Unregistered Broker-Dealer

40. **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 accounts of others.
41. These activities constitute transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4).

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

42. 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.
43. Respondent transacted business in Missouri without being registered or exempt from registration as a broker-dealer in violation of Section 409.4-401(a).
44. Respondent's actions in violation of Section 409.4-401(a) 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 Offering Prohibited Commodities Contracts

45. **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, 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.
46. This activity constitutes an "offer" or "offer to sell" as that term is defined in Section 409.800(11), RSMo (2000).
47. Respondent offered commodity contracts and commodity options contracts as those terms are defined in Sections 409.800(5) and (9), RSMo (2000).
48. 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).
49. 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

50. **THE COMMISSIONER FURTHER DETERMINES** that Respondent engaged in the commodity merchant business when, among other things, Respondent failed to register with the Commodity Futures Trading Commission as required to qualify as a registered commodity merchant.
51. 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).
52. **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.

53. This activity constitutes acting as a board of trade as that term is defined in Section 409.800(2), RSMo (2000).
54. Respondent conducted unregistered commodity merchant business in violation of Sections 409.808.1 and 409.808.2, RSMo (2000).
55. 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).
56. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003 and Sections 409.800 to 409.863, 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;
- 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 multiple violations of Section 409.3-301;

- B. \$1,000 civil penalty against Respondent for violating of Section 409.4-401(a); and
- C. 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.

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 Section 409.803 and 409.808, RSMo (2000).

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS FIFTH DAY OF DECEMBER, 2016.



JASON KANDER
SECRETARY OF STATE

A handwritten signature in blue ink that reads "Andrew M. Hartnett".

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

TRADER’S WAY,
d/b/a TRADERSWAY,
d/b/a TRADER’SWAY, and
d/b/a TRADERS WAY,

Respondent.

Case No. AP-16-46

Serve:

via e-mail at: support@tradersway.com

via web form: www.privacyprotect.org

NOTICE

TO: Respondents 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 5th day of December, 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 sent to Respondent:

via e-mail: support@tradersway.com

and via web form: <http://www.privacyprotect.org>

and hand delivered to:

Christina Peters, Enforcement Counsel
Missouri Secretary of State's Office
600 West Main Street, Room 229
Jefferson City, Missouri 65101



Marsha Presley
Securities Office Manager