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## **Nebraska Department of Banking and Finance Orders Two Internet “Investment” Companies to Stop Soliciting Investors**

Lincoln, Neb., October 20, 2020 – The Nebraska Department of Banking and Finance (“NDBF”) has issued Cease and Desist Orders (“Order”) against two entities that claimed to offer investments via the internet.

On August 17, 2020, NDBF issued an Order to Canadian FX Traders. The entity maintained the website, <https://canfxtraders.com/>, which has been deactivated. The Order prohibits the entity from offering or selling securities in Nebraska until the securities have been registered with NDBF. The Order also prohibits the entity from offering or selling securities in Nebraska until they are registered as broker-dealers or agents of a broker-dealer with NDBF.

Canadian FX Traders offered “binary options in cryptocurrency trades” to at least one Nebraska investor. This investor invested \$1,500.00 with Canadian FX Traders. The company led the investor to believe that the trading had been successful as her purported balance had increased to \$38,000.00. When she attempted to withdraw funds, she was informed that she needed to pay various additional fees before the funds could be withdrawn. She paid over \$4,800.00 in additional fees in an attempt to withdraw her funds. Ultimately, the investor was unable to withdraw her funds and she lost her entire investment along with the additional fees she paid to Canadian FX Traders.

On September 2, 2020, NDBF issued an Order to Crypto-Initiation Company of Bournemouth, United Kingdom. The entity maintained the website, <https://cryptoinitiation.com/>, which has been deactivated. The Order prohibits the entity from offering or selling securities in Nebraska until the securities have been registered with NDBF. The Order also prohibits the entity named from offering or selling securities in Nebraska until they are registered as broker-dealers or agents of a broker-dealer with NDBF.

Crypto-Initiation Company offered “investment plans” which promised eight percent weekly returns to at least one Nebraska investor. The investor invested \$50,000.00 in

one of the investment plans. After investing, the investor was told that he needed to make an additional pledge in order to start receiving his payments. The investor increased his investment to \$75,000.00 but never received his promised payments. The investor lost the entire investment.

A copy of the Cease and Desist Orders are available on NDBF's website at [www.ndbf.nebraska.gov](http://www.ndbf.nebraska.gov).

NDBF strongly cautions investors on conducting business over the Internet with financial companies with whom they are unfamiliar. In many cases, the investor is told to wire money or send a prepaid card, often to a location outside the United States. In other cases, the investors are instructed to send bitcoin to fund their investment. Investors never receive the promised return and cannot recover their money. Furthermore, these investors may be asked to provide personal information such as social security numbers and bank account numbers to the Internet company, which makes them prime targets for identity theft.

More information about the laws governing the financial industries in Nebraska can be found on NDBF's website. If you have questions about any investment matters, call NDBF at (402) 471-3445.

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