STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of: Federal Security Trading Regulatory Board
Purportedly located at
201 North 8th Street, Unit 210
Lincoln, Nebraska;

and

Its Affiliates, Controlling Persons,
Officers, Directors, Agents,
and Employees;

Respondents.

FINDINGS OF FACT

CONCLUSIONS OF LAW

AND

ORDER TO CEASE AND DESIST

THIS MATTER comes before the Nebraska Department of Banking and Finance ("Department"), by and through its Deputy Director - Securities Bureau, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2012, Cum. Supp. 2016; Supp. 2017) ("the Act"). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2012), the Department has investigated the acts of the Federal Security Trading Regulatory Board ("FSTRB") purportedly located at 201 North 8th Street, Unit 210, Lincoln, Nebraska; and its affiliates, controlling persons, officers, directors, agents, and employees (collectively, "Respondents"). Based upon its investigation, the Department hereby finds as follows:

FINDINGS OF FACT

1. On June 5, 2018, the Department was contacted by RL, a resident of Finland. RL was inquiring as to the legitimacy of FSTRB claiming to be located in Lincoln, Nebraska.
2. Based upon further information provided to the Department by RL on June 6, 2018, the Department learned that RL and seven other potential investors had been in negotiations to purchase the stock of an entity calling itself “Smith Capital Ventures” (“SCV”), purportedly located in Philadelphia, Pennsylvania.

3. RL informed the Department that as part of the transaction, FSTRB represented that the seven other investors had each wired approximately $200,000 to an account in the Philippines to purchase the stock, as instructed by the FSTRB. RL wired approximately $50,000, but decided to take additional steps to verify the legitimacy of the transaction before wiring additional funds.

4. During its investigation, the Department discovered that FSTRB has a website with the address of www.fstrb.org. According to its website, FSTRB is responsible to “oversee, administer, and enforce the federal securities laws related to Corporate Mergers & Acquisitions.” FSTRB also claims to license entities and individuals engaged in the financial industry, including broker-dealers, investment advisers, “deposit taking” institutions, and money transmitters.

5. The Department has confirmed that no entity bearing the name FSTRB is located at the address indicated on the FSTRB website.

6. There is no agency known as the FSTRB responsible for regulating or enforcing federal or state securities laws, or any other financial entity, in the United States. FSTRB’s claims to be a regulatory authority in the United States are false and misleading.

7. RL reported to the Department that FSTRB’s status as a regulatory agency gave credence to the underlying securities transaction involving the SCV stock. The Respondents provided RL and the other investors with all of the documents necessary to complete the stock
transaction. The actions of the Respondents induced RL and the other investors to proceed with the securities transaction.

8. At all times relevant to this Order, Respondents were not registered as broker-dealers or agents under the Act.

9. The Director of the Department has delegated the decision in this matter to the Department’s Deputy Director - Securities Bureau.

**CONCLUSIONS OF LAW**


2. By facilitating the transaction between SCV and RL and the other seven investors, Respondents engaged in the business of effecting transactions and sales in securities and acted as a broker-dealer, as defined in Neb. Rev. Stat. § 8-1101(2) (Supp. 2017). By representing FSTRB in offering and offering the SCV stock, the other Respondents acted as agents, as defined in Neb. Rev. Stat. § 8-1101(1) (Supp. 2017).


4. Neb. Rev. Stat. § 8-1108.01(2) (Supp. 2017) provides that whenever it appears to the Director that any person is acting as a broker-dealer or as an agent without registration as such, the Director may order such person to cease and desist from such activity unless and until they have been registered as such under the Act.
5. Neb. Rev. Stat. § 8-1108.01(3) (Supp. 2017) provides that whenever it appears to 
the Director that any person is violating section 8-1102, the director may order such person to 
leave and desist from such activity.

6. The issuance of an Order to Cease and Desist is necessary in this matter and 
appropriate in the public interest and for the protection of investors, and is consistent with the 
purposes fairly intended by the policy and provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that the Financial Security Trading Regulatory Board; its 
affiliates, controlling persons, officers, directors, agents, employees; and any person or entity 
directly or indirectly controlled or organized by or on their behalf, are ordered to immediately 
leave and desist from the further offer or sale of securities, including, but not limited to, the SCV 
stock, until they have been registered as broker-dealers or agents with the Department, or unless 
an exemption from registration under existing law can be shown by proof satisfactory to the 
Department.

IS FURTHER ORDERED that the Financial Security Trading Regulatory Board; its 
affiliates, controlling persons, officers, directors, agents, employees; and any person or entity 
directly or indirectly controlled or organized by or on their behalf, are ordered to immediately 
leave and desist from:

1) making any untrue statement of a material fact;

2) from omitting to state a material fact necessary in order to make the statements made, 
in the light of the circumstances under which they are made, not misleading; and
3) from any other conduct which violates Neb. Rev. Stat. § 8-1102, including making representations that the FSTRB is a government agency and is located in Lincoln, Nebraska.

IT IS FURTHER ORDERED that the Financial Security Trading Regulatory Board is to remove the website www.fstrb.org from the Internet.

Respondents may file a written request for a hearing with the Department at any time prior to 5:00 p.m. CDT on June 29, 2018. If such a request is received, a hearing shall be held within thirty business days after receipt unless the parties agree to a later date or a hearing officer sets a later date for good cause. The party or parties requesting the hearing shall bear the cost of such hearing. If no hearing is requested and none is ordered by the Director, this Order shall become a final order on June 30, 2018, and remain in effect until modified or vacated by the Director.

DATED this 8th day of June, 2018.

STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE

By: Claire McHenry
Deputy Director - Securities Bureau

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