

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:

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) **File No. 1800273**
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Qmarketoption (<https://qmarketoption.com>)

TEMPORARY ORDER OF PROHIBITION

THE RESPONDENT:

Qmarketoption
<https://qmarketoption.com>
support@qmarketoption.com

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND:
RESPONDENT OMARKETOPTION'S
FRAUDULENT SCHEMES

1. Upon information and belief, Respondent Qmarketoption ("Respondent") is an entity that maintained the website <https://qmarketoption.com> ("website") at all times relevant herein, around February and March of 2018.
2. At all times relevant herein, Respondent's website stated that Respondent is owned by Westrade Holdings, Inc., a financial services company. Upon further investigation, Westrade Holdings, Inc. is not registered as a business entity in Illinois, nor registered to sell securities in Illinois.
3. At all times relevant herein, Respondent's website stated that it is a currency trading broker for binary options and deals in "currency pairs (forex), stocks, indices, and commodities."
4. Respondent falsely held itself out to be regulated or registered with a multitude of organizations. Specifically, Respondent's website stated in the "About Us" section:

“Qmarketoption.com is regulated by the Cyprus Securities and Exchange Commission (CySEC) and is regulated in nine other jurisdictions around the world: “Commodity Futures Trading Commission (CTFC) and the National Futures Association (NFA) in the U.S., Financial Services Agency (FSA) in Japan, Securities and Futures Commission (SFC)in HK, Monetary Authority in Singapore (MAS), Autorite des Marches Financiers (AMF) in France, Cayman Islands Monetary Authority (CIMA), Australian Securities and Investments Commission (ASIC) and Investment Industry Regulatory Organization of Canada (IIROC.)”

5. Respondent further stated that, “Qmarketoption is one of the leading binary options brokers in the industry. With a high payout of 81% on binary option contracts, we offer the most generous payouts in the industry.”
6. Upon information and belief, Respondent was exclusively conducting business and communicating with people through email and other messaging methods.
7. Despite Respondent’s statements that they were regulated by the CFTC and the NFA, at no time was Respondent registered with the CFTC, nor was it a member of NFA.

COUNT I:
Fraudulent Activity in the
Offer and Sale of Securities
Against Respondent Qmarketoption

8. In February of 2018, an Illinois resident (“Investor”) was solicited by Respondent on a messaging system to invest money with Respondent for trading binary options.
9. Respondent then instructed Investor to send \$200.00 using Western Union or Paypal, which Investor subsequently did using Western Union.
10. After the payment Investor accessed his account through Respondent’s website, which allowed him to see what his account was earning; or what Respondent claimed his account was earning.
11. Investor saw that his account funds were being traded and earning a sum of money, which valued his account at around \$4,750, and up to \$6,150.
12. Respondent told Investor that Investor’s account manager made trades from the initial \$200.00 investment, which resulted in the larger sum of money.
13. Investor asked Respondent to withdraw funds from his account. Respondent told Investor that he must pay \$400.00 before receiving his money. At no time prior to this did Respondent inform Investor that he would have to pay a fee to gain access to his money.

14. After these communications, Respondent blocked Investor's profile so Investor could no longer contact Respondent.
15. To date, Respondent has not received his \$200 investment, any of the funds that his account allegedly produced, or an accounting of his investment.
16. At all times relevant herein, Respondent employed deceptive tactics on its website stating that it had a high payout of 81% on binary option contracts.
17. The investment at issue was a security in the form of an investment contract as defined under Section 2.1 of the Illinois Securities Law of 1953 (815 ILCS 5) ("the Act").
18. The activities explained herein constitute an offer and sale of a security as defined in Section 2.1, 2.5, and 2.5a of the Act.
19. Section 12.A of the Act states that it is a violation of the Act for anyone "To offer or sell any security except in accordance with the provision of this Act."
20. Section 12.F of the Act states that it is a violation of the Act for any person "To engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
21. Section 12.G of the Act states that it is a violation of the provisions of the Act for any person "To obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
22. Section 12.H of the Act states that it is a violation of the Act for any person to "sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue."
23. Lastly, Section 12.I of the Act states that is it a violation of the Act for any person to "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
24. By virtue of the foregoing, Respondent Qmarketoption violated Section 12.A, 12.F, 12G, 12H, and 12.I of the Act.

COUNT II:
**Unregistered Investment
Adviser Activity**
Against Respondent Qmarketoption

25. During the time relevant herein, Respondent was not registered to recommend or sell securities with the State of Illinois.
26. Pursuant to Section 8.A of the Act, every dealer, salesperson, investment adviser, and investment adviser representative must be registered through the Secretary of State as such.
27. Section 12.A of the Act states that it is a violation for any person to "offer or sell any security except in accordance with the provisions of this Act".
28. Lastly, Section 12.D provides that it will be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act".
29. At all times relevant herein, Respondent was functioning as an investment adviser during the relevant transactions described within, but was not registered as such, nor had any pending application to be registered as such.
30. By virtue of the foregoing, Respondent failed to comply with Section 8.A of the Act, consequently violating Sections 12.A and 12.D.

COUNT III:
**Unlawful Offer and Sale
of Unregistered Securities**
Against Respondent Qmarketoption

31. At all relevant times herein, Respondent failed to file an application with the Secretary of State for registration of the security described within, as required by the Act.
32. At all relevant times herein, Respondent failed to file a notice of filings with the Secretary of State, claiming that the relevant security was exempt from registration requirements.
33. Per Section 5 of the Act, *inter alia*, all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "Shall be registered either by coordination or qualification prior . . . to their offer or sale" in the State of Illinois.
34. Section 12.A of the Act provides that it shall be a violation for any person "To offer or sell any security except in accordance with the provisions of this Act."

35. Section 12.D, *inter alia*, states that it is a violation for any person "To fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act..."
36. Respondent did not register the securities at issue with the State of Illinois nor did it have a pending application to do so.
37. By virtue of the foregoing, Respondent Qmarketoption violated Sections 12.A and 12.D of the Act.
38. That the aforementioned findings are based upon credible evidence.
39. That Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum of ninety (90) days, by an order effective immediately, without prior notice or hearing, the offer or sale of securities by any person, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the act.
40. That the entry of this Temporary Order of Prohibition prohibiting Respondent Qmarketoption from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: Pursuant to the authority granted by Section 11.F of the Act:

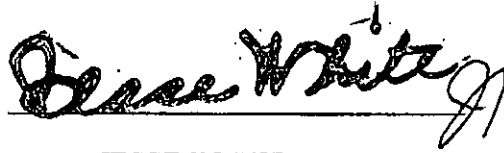
Respondent Qmarketoption

is temporarily **PROHIBITED** from offering to sell or selling securities in or from the State of Illinois until further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Illinois Securities Department, ATTN: Rachel M. Levitt, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 16th day of September 2019.

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line. The signature is cursive and includes a large flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department
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