BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,

CUMBERLAND CAPITAL LIMITED d/b/a
TROPICAL TRADE,
MANFORD MARTIN MPONDA,
HANNA BONDARCHUK,
GREYMOUNTAIN MANAGEMENT, LTD,
a/k/a GREY MOUNTAIN MANAGEMENT, and
DAVID CARTU

Respondents.

SUMMARY ORDER TO
CEASE AND DESIST

DFI Case No. S-236793 (EX),

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

<u>Respondents</u>

1. Cumberland Capital Limited is a private limited company incorporated under the Companies Act of 2006 as certified by the Registrar of Companies for England and Wales, effective July 17, 2015 and dissolved on August 29, 2017. The last known address of Cumberland Capital is Horton House, Exchange Flags, Liverpool, UK L2 3PF.

2. According to records of the Registrar of Companies for England and Wales, Manford Martin Mponda ("Mponda"), of Australian nationality, is the sole director of Cumberland Capital. Hanna Bondarchuk ("Bondarchuk"), of Ukrainian nationality, owns 75% or more of the shares and voting rights of Cumberland Capital and, therefore, is a controlling person of the business. The last known business address of Mponda and Bondarchuk is Horton House, Exchange Flags, Liverpool, UK L2 3PF.

3. Cumberland Capital Limited does business under the name Tropical Trade. Hereinafter, unless otherwise indicated, Mponda, Bondarchuk, and Cumberland Capital Limited shall be referred to as "Tropical Trade."

4. Greymountain Management, Ltd., a/k/a Grey Mountain Management ("Greymountain") was a company organized under the laws of the Republic of Ireland, with a last known registered office located at 3d floor, Ulysses House, Foley Street, Dublin 1, Ireland. Greymountain commenced liquidation in 2017.

5. David Cartu ("Cartu") is an adult male citizen of the State of Israel with a last known address of Hatihila 12C, Netanya, Israel. At all times material, Cartu was the sole beneficial shareholder of Greymountain and directed all of the business affairs of the company.

Conduct

6. Tropical Trade, through the website https://tropicaltrade.com, purported to provide a binary options trading platform to the public. The website provided information on how to trade binary options and facilitated trades in binary options by users of the website.

7. Greymountain provided electronic support services for Tropical Trade's website including but not limited to credit card processing services for binary options trading.

8. In October of 2016, an adult female residing in Janesville, Wisconsin (referred to herein as "MJ") received an email from Tropical Trade which introduced her to the concept of binary options. She watched Tropical Trade's video about investing in binary options and decided to make a small initial investment. She thought it would be like investing in the stock market, where sometimes you make money and sometimes you lose money.

9. On October 18, 2016, MJ paid $300 by credit card to Tropical Trade to start her investment in binary options.

10. At the time, MJ was approximately 63 years old, a retired postal worker, and did not have any prior investment experience. She is not an accredited investor.

11. On or about November 17, 2016, MJ received a telephone call from a person who identified himself as "Andre Resnik" of Tropical Trade who worked out of Belgium. "Resnik" made regular, almost daily, phone calls to MJ. MJ believed "Resnik" was kind and trustworthy because he talked about his wife and family.

12. "Resnik" told MJ the investment opportunity was a once in a lifetime chance to make a lot of money. He told her the money she invested was insured and if the investment did not happen, she would get her money back. He also told her that returns were usually 81%.

13. "Resnik" persuaded MJ to invest additional funds for trading in binary options. During two weeks in November of 2016, she allowed Tropical Trade to charge $34,500 on her MasterCard and Visa credit cards. Greymountain processed these credit card transactions for Tropical Trade. MJ invested a total of $34,800 in Tropical Trade.

14. Subsequently, MJ emailed Tropical Trade to request a withdrawal from her trading account in the amount of $1,400. She needed the funds to reduce her credit card debt. Tropical Trade did not respond to her request.

15. On or about January 17, 2017, MJ was alarmed to see that her Tropical Trade account showed a withdrawal in the amount of $5,000. She had not requested a withdrawal in that amount, and had never received the $1,400 she had requested previously. MJ emailed Tropical Trade demanding an explanation about the status of her account.

16. Tropical Trade did not respond to MJ's email, did not refund her investment, and has not allowed her access to her Tropical Trade account.

17. Upon information and belief, no trading activity was ever conducted on MJ's account by Tropical Trade on MJ's behalf.

18. Upon receiving MJ's complaint, an investigator of the Division wrote to Tropical Trade and "Andre Resnik" requesting information about their transactions with MJ. Tropical Trade and "Resnik" failed to provide the requested information.

19. The Tropical Trade binary option contracts are investment contract securities as defined by Wis. Stat. § 551.102(28)(d)1., because they constitute an investment in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than the investor.

20. The Tropical Trade binary option investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

21. At no time was Tropical Trade registered with the Division in any capacity, nor was it registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.

22. At no time was Greymountain registered with the Division in any capacity, nor was it registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.

23. At no time was David Cartu registered with the Division in any capacity, nor was he registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.

24. At no time were Manford Martin Mponda or Hanna Bondarchuk registered with the Division in any capacity, nor were they registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.

B. Conclusions of Law

Legal Authority and Jurisdiction

25. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.

26. Tropical Trade, Mponda and Bondarchuk transacted business as a broker-dealer as defined under Wis. Stat. § 555.102(4) and DFI Sec. 1.02(5), Wis. Admin. Code.

27. Pursuant to Wis. Stat. § 551.401(1), it is unlawful for a person to transact business in Wisconsin as a broker-dealer unless the person is registered under Ch. 551 as a broker-dealer or is exempt from registration as a broker-dealer under Wis. Stat. § 551.401(2).

28. Pursuant to Wis. Stat. § 551.301, it is unlawful for a person to offer or sell a security in this state unless the security is registered in this state or is an exempt or covered security.

29. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to engage in an act, practice, or course of business that operates as a fraud or deceit upon another person.

Violations

30. Through the conduct described above, Tropical Trade, Mponda and Bondarchuk violated Wis. Stat. § 551.401(1) by transacting business as a broker-dealer in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.401(2).

31. Through the conduct described above, Tropical Trade, Mponda and Bondarchuk violated Wis. Stat. § 551.301 by offering and selling unregistered securities in this state to a Wisconsin investor.

32. Through the conduct described above, all Respondents violated Wis. Stat. § 551.501(3) by conducting their businesses, in connection with the offer and sale of securities, so as to operate a fraud and deceit upon MJ.

33. Through the conduct described above, Greymountain and David Cartu materially aided and abetted the violations of Wis. Stat. §§ 551.301, 551.401, and 551.501(3) by Tropical Trade, Mponda and Bondarchuk.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

(a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(d) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

(e) IT IS FURTHER ORDERED that this order shall be sent promptly by registered mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.

(f) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

C. Notice of Hearing Rights

(g) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a petition with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01. A petition for a hearing to review the order shall:

(1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and

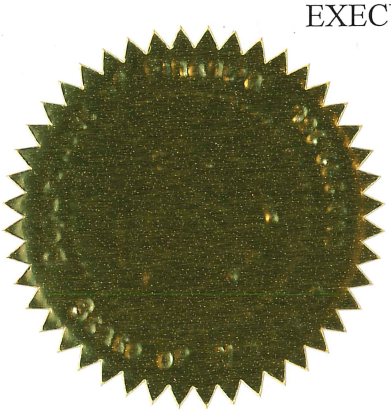
(2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.

(h) PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).

(i) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the

findings of fact, conclusions of law, and summary orders, become final as by operation of law, pursuant to Wis. Stat. §551.604(2).

EXECUTED at Madison, Wisconsin, this 3rd Day of January, 2019.



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** | Jay Risch, **Secretary**

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Respondent Cumberland Capital Limited d/b/a Tropical Trade at its last known address of Horton House, Exchange Flags, Liverpool, UK L2 3PF:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-236793 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 4th day of January, 2019.

Robin Jacobs (Notary Seal)

ROBIN S. JACOBS NOTARY PUBLIC STATE OF WISCONSIN

Notary Public, State of Wisconsin
My commission is permanent.

State of Wisconsin

Department of Financial Institutions

Scott Walker, **Governor** | Jay Risch, **Secretary**

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1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Respondent Manford Martin Mponda at his last known address of Horton House, Exchange Flags, Liverpool, UK L2 3PF:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-236793 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

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Robin Jacobs
(Notary Seal)

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Notary Public, State of Wisconsin
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Division of Securities
Mail: PO Box 1768 Madison, WI 53701-1768
Courier: 4822 Madison Yards Way, Madison, WI 53705
Voice: (608) 261-9555 Fax: (608) 264-7979 Web: www.wdfi.org

State of Wisconsin

Department of Financial Institutions

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STATE OF WISCONSIN)
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COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Respondent Hanna Bondarchuk at her last known address of Horton House, Exchange Flags, Liverpool, UK L2 3PF:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-236793 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

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STATE OF WISCONSIN)
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I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Respondent Greymountain Management, Ltd., a/k/a Grey Mountain Management at its last known address of 3d floor, Ulysses House, Foley Street, Dublin 1, Ireland:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-236793 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

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1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Respondent David Cartu at its last known address of Hatihila 12C, Netanya, Israel:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-236793 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

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