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

In the Matter of,	SUMMARY ORDER TO CEASE AND DESIST
JEFF NELSON, and GN CAPITAL LTD aka TITAN TRADE,	DFI CASE NO. S-237960 (EX)
Respondents.	

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, herby 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

Respondents

1. GN Capital Limited aka Titan Trade ("Titan Trade") is a binary options broker located at Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960.

2. Jeff Nelson was a representative of GN Capital Limited aka Titan Trade with a last known address of Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960.

Conduct

3. Titan Trade purported to provide a binary options trading platform to the public. Titan Trade was known to use the website http://titantrade.com. The website provided information on how to trade binary options and facilitated trades in binary options by

users of the website. Titan Trade also promoted its "Binary Options Academy" to educate investors to make better trades, and offered investors "all the benefits of our expert, long-standing brokerage company."

4. On or about November 2014, an individual who identified himself as "Jeff Nelson" of Titan Trade contacted Wisconsin resident "DR" of Brookfield, Wisconsin via telephone about investing in binary options. At the time, DR was not familiar with binary options trading.

5. Nelson told DR that he would make trades on DR's behalf because DR had no understanding of how binary options worked.

6. On or about November 4, 2014, DR invested $7,000 with Nelson at Titan Trade using his credit card to make three separate transactions in the amount of $2,000 each and a single $1,000 transaction. DR believed these four transactions totaling $7,000 were deposited into a binary options trading account with Titan Trade.

7. At the time he opened his Titan Trade account, DR was provided online access to the account. Nelson directed DR to use Skype to communicate with Nelson about his account. DR had never used Skype prior to his communication with Nelson so Nelson helped him activate his Skype account.

8. Shortly after DR activated his Titan Trade and Skype accounts, DR's Titan Trade account grew to about $40,000.00 with Nelson trading on DR's behalf.

9. In or about December 2014, and after DR's account had grown to $40,000.00, Nelson told DR that he would have to make trades on his own with direction from Nelson. DR informed Nelson that he had no idea how to make trades but Nelson insisted. Nelson would send trades to DR via Skype that DR was to execute. DR lost money this way because the trades Nelson would send via Skype had a small window of profitability and DR was always late to execute the trades.

10. Shortly after DR sustained losses in his trading account, he was locked out by Titan Trade. DR attempted to call Titan Trade but was unable to resolve the matter. DR believed he had about $8,000 in his Titan Trade account at the time he was locked out.

11. The current website for Titan Trade contains nothing but the following message:
"Dear Visitor,
Unfortunately due to regulatory constraints we cannot allow access to our website for traders in your region. We are sorry for the inconvenience."

12. The following agencies have identified Titan Trade on warning lists to investors:

US Commodity Futures Trading Commission
Australian Securities and Investments Commission
Financial Markets Authority New Zealand
Commissione Nazionale per le Societa e la Borsa Italy
International Financial Services Commission Belize
Ontario Securities Commission
Financial Conduct Authority United Kingdom

13. The Titan Trade binary options transactions 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.

14. The Titan Trade binary options investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

15. At no time was GN Capital Limited aka Titan 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.

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

B. Conclusions of Law

Legal Authority and Jurisdiction

17. 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.

18. GN Capital Limited aka Titan Trade transacted business as a broker-dealer as defined under Wis. Stat. § 551.102(4) and DFI Sec. 1.02(5), Wis. Admin. Code.

19. Jeff Nelson transacted business as an agent of a broker-dealer as defined under Wis. Stat. § 551.102(2) and DFI Sec. 1.02(5), Wis. Admin. Code.

20. 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).

21. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business in Wisconsin as the agent of a broker-dealer unless the person is registered under Ch. 551 as an agent or is exempt from registration as an agent under Wis. Stat. §551.402(2).

22. Pursuant to Wis. Stat. § 551.402(4), it is unlawful for a broker-dealer to employ or associate with an agent who transacts business in this state on behalf of broker-dealers unless the agent is registered under Ch. 551 as an agent or is exempt from registration.

23. 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.

24. 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

25. Through the conduct described above, GN Capital Limited aka Titan Trade 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).

26. Through the conduct described above, Jeff Nelson violated Wis. Stat. § 551.402(1) by transacting business as an agent of a broker-dealer in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.402(2).

27. Through the conduct described above, GN Capital Limited aka Titan Trade violated Wis. Stat. § 551.402(4) by employing or associating with an agent who transacts business in this state without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.402(2).

28. Through the conduct described above, GN Capital Limited aka Titan Trade and Jeff Nelson violated Wis. Stat. § 551.301 by offering and selling unregistered securities in this state to a Wisconsin investor.

29. 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 DR.

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 federal 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, shall cease and desist 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 date of issuance of this order, pursuant to Wis. Stat. § 551.604(2). 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.

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 if service is by certified mail. If a party or the party's attorney is personally served, the date of service is the date service is completed.

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 you may file your written petition:

(1) By mailing the written petition to:

Division of Securities
Wisconsin Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768

(2) By delivering the written petition in person to:

Division of Securities
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower, 4th Floor
Madison, Wisconsin 53705

(3) By faxing the written petition to 608-264-7979.

(i) PLEASE TAKE FURTHER NOTICE that the petition for hearing must be filed with the Division. Pursuant to Wis. Stat. § 551.102(8), "filing" means "receipt." Therefore, a petition is not "filed" with the Division until it is actually "received" by the Division. If the Division does not receive your written petition before midnight on the 30th day after the date of service of this order, your right to a hearing will be waived and the Summary Order shall become final by operation of law.

(j) 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).

(k) 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 24th day of February, 2020.

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

State of Wisconsin

Department of Financial Institutions

Tony Evers, **Governor** Kathy Blumenfeld, **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. 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 caused to be served copies of those same documents upon the Administrator for the Division of Securities:

   i. A copy of the Summary Order to Cease and Desist, DFI Case No. S-237960 (EX); and

   ii. A copy of this Affidavit of Service.

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 24th day of February, 2020.

Robin Jacobs
Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)

ROBIN S. JACOBS NOTARY PUBLIC STATE OF WISCONSIN

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