

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

In the Matter of,

CTOPTION, and
ANTONIO CONTE aka
RAWAD NASSAR,

SUMMARY ORDER TO CEASE AND
DESIST AND REVOKING EXEMPTIONS
NOTICE OF ORDER FOR RESTITUTION

DFI Case No. S-241001 (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, 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

Respondents

1. CTOption was an unregulated binary options broker operated by Infinicore Ltd.¹ with a last known address of The Jaycees Building, Stoney Ground, Kingstown, St. Vincent and The Grenadines.
2. Antonio Conte aka Rawad Nassar (“Conte”) was a CTOption account manager at all relevant times with a last known address of Wadi El Ein, Arraba City 3801200, PO Box 225, Arrabah, Israel.

Conduct

3. CTOption purported to provide a binary options trading platform to the public. CT Option was known to use the website www.ctoption.com. The website provided

¹ Infinicore Ltd was organized under the laws of the United Kingdom effective March 14, 2014. The company was dissolved effective August 7, 2018. <https://beta.companieshouse.gov.uk/company/08940282/filing-history>

information on how to trade binary options and facilitated trades in binary options by users of the website.

4. Conte held himself out as CTOption's Senior Financial Market Analyst with an email address of antonio@ctoption.com.
5. Investor JH of Sacramento, CA heard about CTOption and binary options investments through another CTOption investor, KXY of Mequon, Wisconsin. KXY received referral fees from CTOption for referring new investors.
6. In May of 2016, after several communications with KXY and Conte in which they promised her significant profits, JH invested \$4,000 in CTOption for the purpose of binary option trading.
7. From May to October, 2016, JH saw on the CTOption website that her CTOption account grew from \$4,000 to \$17,000. Based on her perceived success, JH decided to invest another \$20,000.
8. Conte instructed JH to wire the \$20,000 to a bank account in Bulgaria held by Ninety Nine Innovations, Ltd. JH's bank in California refused to transfer the funds.
9. JH contacted KXY in Wisconsin to inform her about the difficulty transferring funds. KXY instructed JH to wire the \$20,000 to KXY's bank account at BMO Harris Bank and then KXY would forward the funds to the bank in Bulgaria. JH followed KXY's instructions and KXY wired JH's investment to the bank in Bulgaria on or about October 20, 2016.
10. Following her second investment of \$20,000, JH saw on the CTOption website that her account grew in value to \$60,000.
11. KXY received a referral fee from CTOption for JH's investments.
12. In early 2018, JH emailed CTOption to request a withdrawal from her CTOption account.
13. On February 5, 2018, JH received an email from support@ctoption.com informing her that "Due to regulation law, our company can't provide services to your country." The email informed JH that she had a negative account balance and that her CTOption account was closed.
14. At the time CTOption informed JH that the company could not provide services to US customers, CTOption had been trading her account for two years.
15. At no time was CTOption registered with the Division in any capacity, nor was it registered with the SEC, CFTC, NFA, FINRA, or the Financial Services Authority of St. Vincent and The Grenadines.

16. At no time was Conte registered with the Division in any capacity, nor was he registered with the SEC, CFTC, NFA, FINRA, or the Financial Services Authority of St. Vincent and The Grenadines.
17. At no time was KXY registered with the Division in any capacity, nor was KXY registered with the SEC, CFTC, NFA, FINRA, or the Financial Services Authority of St. Vincent and The Grenadines.

B. Conclusions of Law

Legal Authority and Jurisdiction

18. 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.
19. CTOption and Conte transacted business as a broker-dealer in this state as defined under Wis. Stat. § 551.102(4) 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 this state 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. KXY transacted business in this state as an agent for a broker-dealer as defined under Wis. Stat. § 551.102(2) and DFI Sec. 1.02(5), Wis. Admin. Code.
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 the broker-dealer unless the agent is registered under Ch. 551 as an agent or is exempt from registration under Wis. Stat. § 551.402(2).
23. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Violations

24. Through the conduct described above, CTOption and Conte violated Wis. Stat. § 551.401(1) by transacting business in this state as a broker-dealer without being registered under Ch. 551 as a broker-dealer and without being exempt from registration as a broker-dealer.
25. Through the conduct described above, CT Option violated Wis. Stat. § 551.402(4) by employing or associating with an agent who transacts business in this state on

behalf of CTOption without being registered under Ch. 551 as an agent or exempted from registration under Wis. Stat. § 551.402(2).

26. Through the conduct described above, CTOption and Conte in violation of Wis. Stat. § 551.501(2), in connection with the offer, sale or purchase of a security, directly or indirectly, made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including the failure to inform JH after accepting her investment funds that CTOption could not provide services to US customers.

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 summarily 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 summarily 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) IT IS FURTHER ORDERED summarily 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

either RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENTS.

- (e) 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. Proposed Orders

- (f) IT IS PROPOSED that an order be issued against CTOption to pay restitution to Investor JH in the amount of **\$24,000**, with interest on such amount at the legal rate under Wis. Stat. § 138.04 starting from the date of each violation and through the date of satisfaction, pursuant to Wis. Stat. § 551.604(4m). Such payment shall be completed within 30 days of the effective date of this Order.

C. Service of Order

- (g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified 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.
- (h) PLEASE TAKE NOTICE that if service is by certified mail, the date of the service of this order is the date it is placed in the mail. If service is by personal service, the date of the service of this order is the date personal service is completed.

D. Notice of Hearing Rights

- (i) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a written petition filed with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01 and Wis. Stat. § 227.42. 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.
- (j) 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 emailing the written petition to Attorney Supervisor Robin Jacobs at robin.jacobs@dfi.wisconsin.gov.

- (k) 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.
- (l) 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).
- (m) 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 and proposed orders, including the requirement for the payment of restitution and interest, sought in a statement in the order, becomes final as by operation of law, pursuant to Wis. Stat. § 551.604(2), and the order may be filed as a certified final order with the clerk of a court of competent jurisdiction pursuant to Wis. Stat. § 551.604(6).
- (n) PLEASE TAKE FURTHER NOTICE violations of this order may be enforced by any investor, or by the Division pursuant to Wis. Stat. § 551.604(7) whether acting in its own right or on behalf of the investor, by petitioning any court of competent jurisdiction to enforce the terms of the order.
- (o) PLEASE TAKE FURTHER NOTICE 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.

EXECUTED at Madison, Wisconsin, and effective on this 21st day of July, 2020.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

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



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. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon CTOption at its last known address of The Jaycees Building, Stoney Ground, Kingstown, St. Vincent and The Grenadines:
i. A copy of the Summary Order to Cease and Desist and Revoking Exemptions Notice of Order for Restitution, DFI Case No. S-241001 (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.

s/Katherine Clementi
KATHERINE CLEMENTI

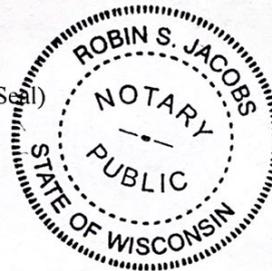
State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 22nd day of July, 2020.

[Signature]
Notary Public, State of Wisconsin
My commission is permanent.

(Notary Seal)





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. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon Antonio Conte aka Raward Nassar at his last known address of Wadi El Ein, Arraba City 3801200, PO Box 225, Arrabah, Israel:
i. A copy of the Summary Order to Cease and Desist and Revoking Exemptions Notice of Order for Restitution, DFI Case No. S-241001 (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.

s/Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 22nd day of July, 2020.

Ruth Jant
Notary Public, State of Wisconsin
My commission is permanent.

