

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:

Central Trade & Financial Authority

Respondent.

**ORDER TO CEASE AND DESIST
Matter No. 20195828**

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.* (the “Act”), and delegated to the Securities Division of the Office of the Attorney General (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Central Trade & Financial Authority (the “Respondent” or “CTFA”), and in connection with its investigation, the Division has determined that the Respondent violated the Act.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RESPONDENT

2. CTFA claims to be a securities “regulatory agency” operating at 731 Rutherford Road, Greenville, South Carolina. The Principals of CTFA are unknown.

IV. FINDINGS OF FACT

3. In December of 2019, the Division received a complaint from a complainant (the “Complainant”) located in Europe. The Complainant was contacted by an individual claiming to be associated with CTFA, which he said was a regulatory agency located in Greenville, South Carolina. This person told the Complainant that CTFA was interested in purchasing 30,000 shares of a certain stock (the “Stock”) held by the Complainant for \$168,900. The Complainant was told that in order to comply “with regulations,” the Complainant needed to send \$8,400 in “earnest money” via wire transfer to execute the transfer of the Stock. The Complainant was told to wire the money to a bank located in the Philippines. The Complainant rejected CTFA’s offer to purchase the Stock, and soon thereafter, he contacted the Division to report the suspected fraud.

4. The Division conducted an investigation into CTFA. The CTFA website represented it was headquartered at 731 Rutherford Road, Greenville, South Carolina. In fact, this location is a vacant grocery store, and there is no evidence that it was ever used as CTFA’s place of business, and there is no evidence to suggest that CTFA conducts or conducted operations anywhere else in Greenville, South Carolina.

5. CTFA’s website listed its phone number as 1-864-421-6791. The Division, through its investigation, has determined this number to be fraudulent and not related to CTFA.

6. The United States Securities and Exchange Commission (the “SEC”) has CTFA listed as a fictitious regulator on its Public Alert webpage.¹ The Division is in agreement with the SEC’s classification of CTFA. Through its investigation, the Division has determined that CTFA is a fictitious securities regulator that uses fraudulent regulatory authority to defraud.

¹ <https://www.sec.gov/enforce/public-alerts/fictitious-regulators/central-trade-and-financial-authority> (last visited Sept. 15, 2021).

V. CONCLUSIONS OF LAW

7. South Carolina Code Ann. § 35-1-501, provides in relevant part that “It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly (1) to employ a device, scheme, or artifice to defraud; (2) 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; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.”

8. The Respondent participated in an offer to purchase a security by means of a scheme to defraud, made untrue statements of a material fact or omitted to state material facts necessary in order to make the statements, in light of the circumstances under which they were made, not misleading; and engaged in acts, practices, or courses of business that operated as a fraud.

9. A violation of S.C. Code § 35-1-501 by the Respondent is cause for the imposition of civil monetary penalties pursuant to S.C. Code Ann. § 35-1-604(d).

10. This Order is in the public interest.

VI. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Each Respondent and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of each of the Respondents shall

CEASE AND DESIST from transacting business in this State in violation of the Act;

- b. The Respondent shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) if this Order becomes effective by operation of law, or, if the Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by the Respondent, and the actual cost of the investigation or proceeding.

VII. NOTICE OF OPPORTUNITY FOR HEARING

The Respondent is hereby notified that she/he/it has the right to a formal hearing on the matters contained herein. To schedule a hearing, the Respondent must file with the Division within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If the Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule a hearing for the Respondent. The written request shall be delivered to the Office of the Attorney General, 1000 Assembly Street, Columbia, South Carolina 29201, or mailed to the Office of the Attorney General, Attention: Securities Division, P.O. Box 11549, Columbia, South Carolina, 29211-1549.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, the Respondent shall so state.


Failure by the Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by the Respondent of the right to

such a hearing. Failure by the Respondent to file an Answer, including a request for a hearing, shall result in this Order's becoming final by operation of law. The regulations governing the hearing process can be found at S.C. Code of Regulations § 13-604.

This Order does not prevent the Division or any law enforcement agency from seeking additional civil or criminal remedies as are available under the Act, including remedies related to the securities related activities of the Respondent.

ENTERED, this the 17 day of Sept., 2021.

ALAN WILSON
SECURITIES COMMISSIONER

By: 
Jonathan B. Williams
Assistant Deputy Attorney General