

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

**IN THE MATTER OF:** \*

Person(s) T/A VipBinary \* Case No. 2012-0396

Person(s) T/A www.VipBinary.com \*

Respondents. \*

\* \* \* \* \*

*Serve on:*

VipBinary.com, *et al.*  
[Support@vipbinary.com](mailto:Support@vipbinary.com)

**FINAL ORDER TO CEASE AND DESIST  
AND  
ORDER OF BAR**

WHEREAS, the Maryland Securities Division (the “Securities Division”), pursuant to the authority granted in Section 11-701 of the Maryland Securities Act, Md. Ann. Code, Corps. & Ass’ns, §§11-101, *et seq.* (2007 Repl. Vol. & Supp. 2011) (the “Securities Act”), initiated an investigation into the activities of persons trading as: VipBinary and www.VipBinary.com (collectively, “Respondents”); and

WHEREAS, on the basis of that investigation, the Maryland Securities Commissioner (the “Securities Commissioner”) concluded that Respondents engaged in violations of Sections 11-301, 11-302 and 11-401 of the Securities Act; and

WHEREAS, pursuant to Section 11-701 of the Securities Act, on September 25, 2012, the Securities Commissioner issued a Summary Order To Cease And Desist/Order Of Bar (the

“Summary Order”), incorporated herein by reference, requiring Respondents to show cause why Respondents should not be ordered to cease and desist from engaging in activities in further violation of Sections 11-401, 11-301 and 11-302 of the Securities Act, why Respondents should not be assessed the statutory penalty of \$5,000 per violation of the Securities Act, and why Respondents should not be permanently barred from the securities and investment advisory business in this State; and

WHEREAS, the Summary Order gave Respondents notice of the opportunity for a hearing in this matter, provided that Respondents submitted an answer within 15 days of service of the Summary Order, including any request for a hearing, and gave notice to Respondents that failure to do so would be deemed a waiver of the right to a hearing and result in the entry of a final order; and

WHEREAS, on September 25, 2012, an electronic copy of the Summary Order was served upon Respondents via electronic mail addressed to [support@vipbinary.com](mailto:support@vipbinary.com); and

WHEREAS, to date, Respondents have neither answered the Summary Order nor requested a hearing with respect to the Summary Order; and

WHEREAS, the Securities Commissioner has determined that it is in the public interest to issue this Final Order.

NOW, THEREFORE, THE SECURITIES COMMISSIONER FINDS AND ORDERS:

**I.**

**JURISDICTION**

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to

Section 11-701 of the Securities Act.

## II.

### RESPONDENTS

2. VipBinary has a website located [www.vipbinary.com](http://www.vipbinary.com). “R, T [casinone@gmail.com](mailto:casinone@gmail.com)” of Fresh Meadows, New York is identified by HostingDude.com’s WHOIS database as the administrator for that website.

3. VipBinary’s website no longer identifies a place of business, however, information sent to customers prior to the date that this Order was issued reflected an address at 40 Wall Street, New York, NY 10005. Currently the VipBinary website states that the company’s “headquarters are in the British Virgin Islands,” and that it is related to ChargeXP Investments Ltd. of Nicosia, Cyprus.

4. The Securities Division’s records reflect that there is no person registered as a broker-dealer or broker-dealer agent or investment adviser or investment adviser representative with the name “VipBinary.”

## III.

### STATEMENT OF FACTS

5. In April 2011, vipbinary.com became an operational website, advertising a binary options trading platform to enable investors to execute options trades.

6. VipBinary.com advertises that they are a “privately held global platform” with “offices all around the world.” The company claims to be “managed by a select group of

professionals of the financial industry, with vast experience in financial trading, risk management, technology and trading regulations.” In fact, the company is not registered with any securities regulatory authority as required in order to conduct the type of activities advertised on its website. Also the company encourages investing in ways that violate applicable industry standards, such as those relating to “know your customer” and suitability.

7. VipBinary.com advertises that clients can “open a trader account” and “start trading online.” The company encourages clients to fund their account using their credit card and/or debit card, or wire transfers of monies. All that the company requires to open an account is the transfer of investment monies.

8. VipBinary.com advertises that there is a limited time to place a position in certain listed options, and that executing a position in certain options can produce a payout of 71%. The company also references the stock of well-known companies as if it were possible to execute transactions in those securities through its website.

9. On May 18, 2012, Maryland resident SHC “invested” \$5,000 with VipBinary by using her credit card. SHC then received advice and instruction from a VipBinary representative on executing options, and she was led to believe that she executed various options transactions through VipBinary.

10. SHC later discovered that the options transactions were fraudulent. Specifically, SHC discovered that the options that VipBinary claimed to have executed either expired shortly after the transaction (*i.e.*, within approximately a half an hour), or were expired before the transactions were purportedly effected.

11. On May 23, 2012, VipBinary charged another \$5,000 to SHC’s credit card

without her permission. She received an email from VipBinary regarding the charge, and was advised that in order to withdraw “profits” she was required to provide a copy of certain documents, including: the front and back of her credit card, a utility bill, and her driver’s license or passport.

12. SHC contacted her credit card company and was advised to close out her credit card account because of the unauthorized charges made by VipBinary, to prevent the company’s further misuse of her credit card account. SHC followed her credit card company’s advice and closed out that particular credit card account.

13. On May 3, 2012, SHC received an email from VipBinary, advising of the firm’s “secure trade program.” The email stated that “[f]or every unsuccessful trade you will make under a Secure Trade Policy, you will get a full refund to your account. A new way of minimizing your risk to 0%.” The email assured “[u]p to \$3,000 insurance per one trade!”

14. On May 30, 2012, SHC received another email from VipBinary regarding the firm’s “secure trade program.” The email promoted the program by stating that “[i]f for some reason you end up losing your investment then Vip Binary [sic] will refund in full your original investment to your account balance in the form of a bonus.”

15. SHC’s VipBinary account information represented that she had \$10,000 in “bonuses” in her account, however, upon further inquiry she was advised by a company representative that further trading was required to capture the “bonuses.” She also found information regarding the trading requirement in materials provided by VipBinary.

16. On June 5, 2012, SHC received an email from VipBinary, advising that the company was “offering . . . a 100% bonus on every deposit you will make higher than \$1000

during the day today. . . . This is a special offer and its [sic] only valid for the next 24hours [sic]. Take advantage of this great 100% bonus extraordinary offer, fund your account today . . . .”

17. After SHC ceased to conduct business with VipBinary, the firm continued to contact SHC to solicit investment opportunities, claiming that certain options were “guaranteed to win.”

18. As of the date of this Order, VipBinary’s website is operational and available to the public, including citizens of the State of Maryland, to access through the internet.

#### **IV. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Securities Commissioner concludes that:

19. In connection with the facts contained in the Statement of Facts contained within this Final Order, incorporated in this Section by reference, Respondents have engaged in violations of the Securities Act, Sections 11-401 (broker-dealer/broker-dealer agent and investment adviser/investment adviser representative registration provisions), 11-301 (securities antifraud provisions) and 11-302 (investment adviser antifraud provisions).

#### **V. SANCTIONS**

NOW, THEREFORE, the Securities Commissioner finds it to be in the public interest to issue this Final Order, and IT IS HEREBY **ORDERED** THAT:

20. Respondents permanently cease and desist from engaging in activities in violation

of Sections 11-401, 11-301 and 11-302 of the Securities Act, and related regulations.

21. Respondents are permanently barred from the securities and investment advisory business in Maryland.

22. Respondents are assessed a civil monetary penalty, pursuant to Section 11-701.1 of the Securities Act, in the amount of \$25,000, payable by certified check to the order of the Office of the Attorney General.

#### **VI. JURISDICTION RETAINED**

23. Jurisdiction is retained by the Securities Commissioner for the purposes of enabling any party to this Final Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

**VII. APPEAL RIGHTS**

24. Respondents may appeal this Final Order to the appropriate Circuit Court of the State of Maryland within 30 days from the date this Final Order is mailed by the Securities Division.

**SO ORDERED:**

DATED: October 22, 2012

**Commissioner's Signature is  
on File with Original Document**

Melanie Senter Lubin  
Securities Commissioner