

STATE OF OHIO  
DEPARTMENT OF COMMERCE  
**DIVISION OF SECURITIES**  
COLUMBUS, OHIO 43215-6131

Order No. 14-024

**IN THE MATTER OF:                      VAULT OPTIONS**  
**CEASE AND DESIST ORDER**

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**DIVISION ORDER**

WHEREAS, the Ohio Division of Securities (hereinafter "the Division") is charged with the responsibility of protecting investors and finds that this Order is necessary or appropriate in the public interest or for the protection of investors, and is consistent with the purposes of the Ohio Securities Act, Chapter 1707 of the Ohio Revised Code (hereinafter "O.R.C.");

WHEREAS, the Division has conducted an investigation into the activities of Vault Options (hereinafter "Respondent"), an internet-based trading platform whose website address is [www.vaultoptions.com](http://www.vaultoptions.com), and whose business address is 70 Pine Street, New York, NY 10005;

WHEREAS, as a result of the investigation, the Division issued a Notice of Opportunity for Hearing and Notice of Intent to Issue a Cease and Desist Order ("Notice Order") on September 3, 2014, under Division Order Number 14-022;

WHEREAS, on September 4, 2014, the Division served the Notice Order via certified mail to the last known address for the Respondent, which was claimed by Respondent on September 16, 2014;

WHEREAS, more than thirty days has passed since the date service was perfected in accordance with R.C. 119.07 and the Respondent has not requested a hearing in this matter; and

WHEREAS, as a result of said investigation, the Division finds as follows:

- (1) Vault Options ("Respondent") operates an internet-based trading platform at [www.vaultoptions.com](http://www.vaultoptions.com) ("Respondent's website") and provides its principal place of business as 70 Pine Street, New York, NY 10005, which is a vacant building;

- (2) Respondent's website states that the website is owned and managed by STDF Services, LTD, Invision House, Hitchin, Herfordshire, England SG4 0TW;
- (3) Respondent's website solicits investors, registers accounts and allows investors to directly participate in transactions online;
- (4) Respondent's website trades binary options where the investor predicts whether the price on a certain investment will go up or down before the "expiry time";
- (5) Respondent's website states, "Vault Options trading platform is designed to provide a 100% secure and private investment experience, and to make financial trading as rewarding as possible for our customers, every time they trade";
- (6) Respondent's website advertises "up to 89% maximum profit" on the main page under the section "HOW TO TRADE";
- (7) Respondent accepts deposits from investors by credit card, debit card or by wire transfers completed according to instructions provided by Respondent;
- (8) Respondent's website advertises "Up to 500% Returns on your Investments" under the "One Touch Option";
- (9) Respondent's website does not contain cautionary language or risk factors associated with options trading and further does not state a basis for the 89% and 500% returns;
- (10) In November 2013, Vault Options solicited at least one Ohio resident ("Ohio Investor") to engage in online binary investing and trading through Respondent's trading platform;
- (11) The Ohio Investor, a retired teacher, was 68 years old at the time she made the investment;
- (12) Respondent told the Ohio Investor that the binary investing and trading was secure if she invested at least \$50,000 in the program;
- (13) The Ohio Investor entered into an investment contract with Respondent by registering an account with Respondent and investing \$50,000;
- (14) The investment was made by the Ohio Investor through multiple credit card transactions;

- (15) The Respondent conducted no due diligence and did not inquire about the Ohio Investor's risk tolerance, financial situation or investment objectives prior to entering into the investment contract;
- (16) The investment transactions made by Respondent appear as "Tradersroom" on the Ohio Investor's credit card account statements;
- (17) "TradersRoom" operates a separate internet based trading platform at [www.tradersroom.com](http://www.tradersroom.com);
- (18) The Ohio Investor made a request to withdraw funds when their account balance was reported over \$100,000;
- (19) Respondent told the Ohio Investor to send an additional \$10,000 in order to get requested funds;
- (20) Respondent's website states a customer must have "a trading volume of deposit plus bonus x 20 is required in order to make a withdrawal and also withdraw the Bonus";
- (21) Respondent's website states "Maximum monthly withdraw amount cannot exceed 5000 units";
- (22) "Units" is not defined by the Respondent;
- (23) The investment in stocks and binary trading of those stocks are options to purchase securities or investment contracts and are securities as defined by R.C. 1707.01(B);
- (24) The securities issued by the Respondent are not registered with the Division for sale in Ohio;
- (25) Respondent has never held an active securities dealer license in the State of Ohio;
- (26) R.C. 1707.44(C)(1) states:

(C) No person shall knowingly sell, cause to be sold, offer for sale, or cause to be offered for sale, any security which comes under any of the following descriptions:

- (1) Is not exempt under section 1707.02 of the Revised Code, nor the subject matter of one of the transactions exempted in section 1707.03 , 1707.04 , or 1707.34 of the Revised Code, has not been registered by coordination or qualification, and is not the subject

matter of a transaction that has been registered by description;

- (27) Respondent violated R.C. 1707.44(C)(1) by issuing and selling securities in Ohio which were not registered with the Division for sale in Ohio;
- (28) R.C. 1707.44(A)(1) states:
  - (1) No person shall engage in any act or practice that violates division (A), (B), or (C) of section 1707.14 of the Revised Code, and no salesperson shall sell securities in this state without being licensed pursuant to section 1707.16 of the Revised Code;
- (29) R.C. 1707.14(A) states, with certain enumerated exceptions:
  - (A) No person shall act as a dealer, unless the person is licensed as a dealer by the division of securities...;
- (30) Respondent violated R.C. 1707.44(A)(1) by operating as a securities dealer in Ohio without proper licensure issued by the Division;
- (31) R.C. 1707.44(B)(4) states:
  - (B) No person shall knowingly make or cause to be made any false representation concerning a material and relevant fact, in any oral statement or in any prospectus, circular, description, application, or written statement, for any of the following purposes:
    - (4) Selling any securities in this state;
- (32) Respondent violated R.C. 1707.44(B)(4) by publishing false statements to investors and potential investors, including the terms "100% secure", "Up to 500% returns", and furthermore by falsely informing the Ohio Investor that her investment was secure if she invested at least \$50,000;
- (33) R.C. 1707.44(G) states:
  - (G) No person in purchasing or selling securities shall knowingly engage in any act or practice that is, in this chapter, declared illegal, defined as fraudulent, or prohibited;
- (34) The Respondent violated R.C. 1707.44(G) by publishing false and inflated returns without including any risk factors or basis for the returns and by

not informing investors that it was not licensed by the Division to act as a securities dealer in Ohio;

- (35) O.A.C. 1301.6-3-19(A)(5) states that no dealer or salesperson shall:
- (5) Sell, purchase, or recommend the sale or purchase of any security without reasonable grounds to believe that the transaction or recommendation is suitable for the customer, based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other relevant information known to dealer or salesperson;
- (36) Respondent violated O.A.C. 1301:6-3-19(A)(5) in acting as a securities dealer in Ohio and selling, purchasing and recommending the sale and purchase of options-based securities that were not suitable for the Ohio Investor and without conducting reasonable inquiry of the Ohio Investor's objectives, financial situation and needs;
- (37) O.A.C. 1301:6-3-19(A)(6) provides that no dealer or salesperson shall:
- (6) Sell, purchase, effect any transaction in or induce the purchase or sale of any security by means of any device, practice, plan, program, design or contrivance declared to be manipulative, deceptive or fraudulent and recognized as such in courts of law or equity, or by any administrative tribunal, state or federal, on or after July 22, 1929, or by the rules, by-laws, code of ethics or other published standard of any self-regulatory association of securities dealers or salespersons of which the dealer or salesperson was a member at the time of the transaction;
- (38) Respondent violated O.A.C. 1301:6-3-19(A)(6) by inducing the sale of and effecting the sale of securities by means of a manipulative and deceptive program and design, specifically Respondent's website and e-mails to the Ohio Investor;
- (39) O.A.C. 1301:6-3-19(A)(16) states no dealer or salesperson shall:
- (16) Represent to a customer that the dealer or salesperson will guarantee any person against losses in any securities transaction; and
- (40) Respondent violated O.A.C. 1301:6-3-19(A)(16) by including the statement "100% secure" on Respondent's website and further by specifically informing the Ohio Investor that binary investing and trading was secure if she invested at least \$50,000.

WHEREAS, based on Paragraphs (1) through (40), the Division finds that Vault Options violated R.C. 1707.44(A)(1), R.C. 1707.44(B)(4), R.C. 1707.44(C)(1), R.C. 1707.44(G), O.A.C. 1301:6-3-19(A)(5), O.A.C. 1301:6-3-19(A)(6), and O.A.C. 1301:6-3-19(A)(16).

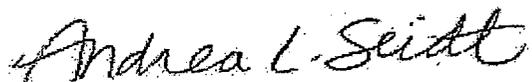
THEREFORE, IT IS ORDERED THAT, pursuant to R.C. 1707.23(G), Respondent Vault Options is hereby ordered to **CEASE AND DESIST** from the acts and practices described herein which constitute violations of Chapter 1707 of the Ohio Revised Code.

**TIME AND METHOD TO PERFECT AN APPEAL**

Any party desiring to appeal shall file a Notice of Appeal with the Ohio Division of Securities, 77 South High Street, 22nd Floor, Columbus, Ohio 43215, setting forth the order appealed from and stating that the agency's order is not supported by reliable, probative, and substantial evidence and is not in accordance with law. The notice of appeal may, but need not, set forth the specific grounds of the party's appeal beyond the statement that the agency's order is not supported by reliable, probative, and substantial evidence and is not in accordance with law. The Notice of Appeal shall also be filed by the appellant with the court of common pleas of the county in which the place of business of the licensee is located or the county in which the licensee is a resident. If any party appealing from the order is not a resident of and has no place of business in this state, the party may appeal to the Court of Common Pleas of Franklin County. Such notices of appeal shall be filed within fifteen (15) days after the mailing of the notice of the Ohio Division of Securities' Order as provided in Section 119.12 of the Ohio Revised Code.

RLP Jr./cn

WITNESS MY HAND AND THE OFFICIAL SEAL OF THIS DIVISION at  
Columbus, Ohio this 23<sup>rd</sup> day of October, 2014.



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Andrea L. Seidt, Commissioner of Securities