

TRAVIS J. ILES
SECURITIES COMMISSIONER



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Texas State Securities Board

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CHAIR

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MEMBER

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

EJIKE E OKPA II
MEMBER

IN THE MATTER OF	§
RIEK CAPITAL AKA RIEK CAPITAL INVESTMENT	§
AKA RIEK CAPITAL DISTRIBUTORS, LLC; JOSHUA	§
OJ ROBERTSON; NICOLAI A. ANDRESEN; ROBERT	§
COSTOMORIS; KATHERINE C.B. CULLUM; STEVE	§
WELCH; JEFFERY T. WINTER; MARCOS D. LEON;	§
JOHN M. WILLOCK; AND GARETH M. COPE	§

Order No. ENF-21-CDO- 1849

Riek Capital aka Riek Capital Investment aka Riek Capital Distributors, LLC

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Joshua Oj Robertson

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Nicolai A. Andresen

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Robert Costomoris

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Katherine C.B. Cullum

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Steve Welch

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Jeffery T. Winter

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Marcos D. Leon

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

John M. Willock

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

Gareth M. Cope

Service by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (the "**Securities Commissioner**") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stats. Ann. arts. 581-1-581-45 (the "**Securities Act**").

The Enforcement Division of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find:

FINDINGS OF FACT

1. Riek Capital aka Riek Capital Investment aka Riek Capital Distributors, LLC ("**Respondent Riek Capital**") can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
2. Joshua Oj Robertson ("**Respondent Robertson**") is a Financial Analyst of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
3. Nicolai A. Andresen ("**Respondent Andresen**") is a Broker, Trader, and Portfolio Manager of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

4. Robert Costomoris ("**Respondent Costomoris**") is a Vice President of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
5. Katherine CB Cullum ("**Respondent Cullum**") is a Finance Director of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
6. Steve Welch ("**Respondent Welch**") is an IT and Security Director of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
7. Jeffery T. Winter ("**Respondent Winter**") is a Chief Investment Strategist of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
8. Marcos D. Leon ("**Respondent Leon**") is a Fund Manager of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
9. John M. Willock ("**Respondent Willock**") is a Fund Manager of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.
10. Gareth M. Cope ("**Respondent Cope**") is a Fund Manager of Respondent Riek Capital and can be served by certified mail, return receipt requested, addressed to (1) 1 Mosley Street, Manchester, United Kingdom; and (2) Hyphen House, 75 Mosley Street, Manchester City, United Kingdom.

OVERVIEW

11. Respondents Riek Capital, Robertson, Andresen, Costomoris, Cullum, Welch, Winter, Leon, Willock, and Cope (the "**Respondents**") are misappropriating the identity of a registered individual as part of an illegal online scheme to fraudulently sell investments involving the trading of binary options, forex, and cryptocurrencies.
12. Respondents are not registered to offer these investments, are concealing material information regarding these investments, and are misleading the public.

13. The Securities Commissioner is entering this Emergency Cease and Desist Order to stop the illegal and fraudulent securities offering and protect Texas from immediate and irreparable harm.

THE INVESTMENTS IN TRADING PLANS

14. Respondents are promoting the sale of investments in Trading Plans issued by Respondent Riek Capital through an advertisement published in Dealstream, an online marketplace that claims more than 100,000 members in 100 countries.
15. Respondent Riek Capital refers to these Trading Plans as the Beginners Plan, the Bronze Plan, the Silver Plan, the Gold Plan, and the Platinum Plan, and it describes investments in the Trading Plans as follows:
 - A. Investors can purchase investments in the Beginners Plan for a minimum of \$1,000 up to a maximum of \$5,000 and earn a 3% weekly return for a term of six to twelve months;
 - B. Investors can purchase investments in the Bronze Plan for a minimum of \$5,100 up to a maximum of \$10,000 and earn a 4% weekly return for a term of six to twelve months;
 - C. Investors can purchase investments in the Silver Plan for a minimum of \$10,100 up to a maximum of \$20,000 and earn a 5% weekly return for a term of six to twelve months;
 - D. Investors can purchase investments in the Gold Plan for a minimum of \$21,000 up to a maximum of \$50,000 and earn a 6% weekly return for a term of six to twelve months; and
 - E. Investors can purchase investments in the Platinum Plan for a minimum of \$100,000 and earn an undisclosed negotiated return for a term of six to twelve months.
16. Respondents are directing investors to open a trading account through an internet website accessible by the public at <https://riekcapital.com> (the "**Riek Capital Website**") in order to purchase these investments in the Trading Plans.
17. In connection with the offer of these investments in Trading Plans, Respondents are representing the following:
 - A. All payments are made in cryptocurrency;
 - B. Respondents use investors' funds to trade binary options, forex, and cryptocurrency on behalf of investors; and

- C. Investors will receive guaranteed weekly returns.

THE ACTUAL TERMS OF THE INVESTMENT

18. Although Respondents are representing investors can purchase investments in the Beginners Plan, the Bronze Plan, the Silver Plan, the Gold Plan, and the Platinum Plan as described herein, once investors create an account with the Riek Capital Website, investors are instead offered investments in four investment plans described as follows:
- A. Investors can purchase investments in the Starter plan for a minimum of \$2,000 up to a maximum of \$10,000 and earn an estimated 0.43% daily return;
 - B. Investors can purchase investments in the Bronze plan for a minimum of \$10,000 up to a maximum of \$50,000 and earn an estimated 0.57% daily return;
 - C. Investors can purchase investments in the Silver plan for a minimum of \$50,000 up to a maximum of \$100,000 and earn an estimated 0.72% daily return; and
 - D. Investors can purchase investments in the Gold plan for a minimum of \$100,000 up to a maximum of \$500,000 and earn an estimated 0.93% daily return.
19. Investors are also being provided a prospectus describing these investments in Trading Plans as the sale of shares in the Riek Capital High Yield Fund involving the trading of options, forex, and cryptocurrencies and promising weekly returns between 3% to 6%.
20. Although Respondents are representing the terms of investment in Respondent Riek Capital's Trading Plans as described herein, Respondents are requiring the execution of a contract that reflects the following:
- A. Respondent Andresen will trade investors' funds for a term of six months and generate weekly profits up to 5%;
 - B. Investors' capital will be 100% guaranteed;
 - C. Investors' funds will be used to trade cryptocurrencies, forex, and digital diamonds; and
 - D. Investors will receive 2% commission payments for referrals of other investors.

THE MISAPPROPRIATION OF THE IDENTITY OF A REGISTRANT

21. Brage William Golding (CRD No. 4003167) ("**Golding**") is registered with the Financial Industry Regulatory Authority ("**FINRA**") and the Massachusetts Securities Division.
22. Respondents are misappropriating Golding's name, identity, and securities registrations by using Golding's name and CRD number in its promotional materials to falsely identify Golding as a President, Chief Trader, CEO, and Fund Manager of Respondent Riek Capital.

REPRESENTATIONS OF REGULATION

23. Respondents are requiring the execution of a contract identifying Respondent Andresen as a licensed and regulated broker under Respondent Riek Capital.

REGISTRATION VIOLATIONS

24. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto and they have not been registered or notice-filed as investment advisers or investment adviser representatives at any time material hereto.
25. The investments in the Trading Plans described herein have not been registered by qualification, notification, or coordination and no permit has been granted for their sale in Texas.

FRAUD AND THE MISAPPROPRIATION OF GOLDING'S IDENTITY

26. In connection with the offer of investments in the Trading Plans, Respondents are representing Golding is a President, Chief Trader, CEO, and Fund Manager of Respondent Riek Capital. These statements constitute misrepresentations of relevant facts because Golding is not affiliated with Respondent Riek Capital.

FRAUD AND SECURITIES REGISTRATIONS

27. In connection with the offer of investments in the Trading Plans, Respondents are representing Respondent Andresen is a registered broker and Respondent Riek Capital is a registered brokerage firm. These statements constitute misrepresentations of relevant facts because Respondent Andresen and Respondent Riek Capital are not registered with the SEC or with the Securities Commissioner as dealers or agents.

FRAUD RELATED TO BUSINESS OPERATIONS

28. In connection with the offer of the investments in the Trading Plans, Respondents are intentionally failing to disclose the following material facts:
- A. Details regarding Respondent Riek Capital's trading strategies for generating promised returns; and
 - B. Respondent Riek Capital's assets, liabilities, and any other financial information reflecting its ability to guarantee investors' principal and returns.

FRAUD AND THE FAILURE TO DISCLOSE INFORMATION RELATING TO PRINCIPALS AND TRADERS

29. In connection with the offer of investments in the Trading Plans, Respondents are intentionally failing to disclose the identity of its principals and their business reputes and qualifications, and this information constitutes a material fact.
30. In connection with the offer of investments in the Trading Plans, Respondents are intentionally failing to disclose the identity of its traders and their business reputes and qualifications, and this information constitutes a material fact.

FRAUD AND THE RISKS ASSOCIATED WITH CRYPTOCURRENCIES

31. In connection with the offer of investments in the Trading Plans, Respondents are intentionally failing to disclose material facts related to cryptocurrencies, including the following:
- A. A system or technical failure, or deficient source code, may negatively impact the ability to exchange cryptocurrencies for fiat currencies, as well as the price of cryptocurrencies; and
 - B. Cryptocurrencies compete with all other cryptocurrencies, and this competition may negatively impact the price of a specific cryptocurrency.

FRAUD AND THE RISKS ASSOCIATED WITH FOREX TRADING

32. In connection with the offer of investments in the Trading Plans, Respondents are intentionally failing to disclose the following risks associated with trading forex, and these risks constitute material facts:
- A. Fluctuations in a country's interest rates may lead to fluctuations in a currency's value, thereby negatively impacting the ability to close a trade for a profit;
 - B. Fluctuations in the foreign exchange rate between the time of placing a

trade and the time of closing a trade may negatively impact the price of a forex contract;

- C. A system or technical failure in a platform for executing trades may negatively impact the ability to close a trade for a profit;
- D. Leveraging transaction on margin, once called, may lead to substantial losses in excess of initial investments; and
- E. The fees associated with trading foreign currencies.

DECEIT AND THE USE OF REFERRAL PROGRAMS

- 33. Respondents are promising to pay investors a 2% commission of the principal amount deposited by recruited investors. These statements are materially misleading or otherwise likely to deceive the public, because:
 - A. Persons who offer and sell securities in Texas, including investments in the Trading Plans, who are not registered as dealers or agents and who do not qualify for an exemption violate Section 12 of the Securities Act; and
 - B. Persons who offer and sell investments in the Trading Plans in Texas are offering unregistered securities in violation of Section 7 of the Securities Act.

CONCLUSIONS OF LAW

- 1. The investments in the Trading Plans are securities as the term is defined in Section 4.A of the Securities Act.
- 2. Respondents are violating Section 7 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
- 3. Respondents are violating Section 12 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Securities Act.
- 4. Respondents are engaging in fraud in connection with the offer for sale of securities.
- 5. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public.
- 6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.

7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

ORDER

1. It is therefore ORDERED Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED Respondents immediately CEASE AND DESIST from acting as a securities dealer, agent, investment adviser, or investment adviser representative in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 23-2 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Securities Act any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Securities Act is a criminal offense punishable by a fine or not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 16th day of September, 2021.



TRAVIS J. ILES
Securities Commissioner