

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

MetaCapitals Limited,

Respondent.

**SUMMARY CEASE
AND DESIST ORDER**

Pursuant to the authority granted to Amy Kopleton, Acting Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Cease and Desist Order (“Order”) against MetaCapitals Limited (“MetaCapitals”).

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

A. The Respondent

1. MetaCapitals conducts its business on the internet, principally by means of a website accessible at <https://metacapitals.com/> (the “MetaCapitals Website”).
2. MetaCapitals holds itself out as an online trading platform and copy trading platform where users can trade cryptocurrencies, foreign currencies, stocks, and binary options. MetaCapitals purports to be located at “20 Richardson Dr. Saint Petersburg (sic), FL 33710.”
3. MetaCapitals is not and has never been registered in any capacity with the Bureau.

B. MetaCapitals is Acting as an Unregistered Broker-Dealer

4. MetaCapitals offers several services including trading and copy trading in cryptocurrencies, foreign currencies, stocks, and binary options.

5. MetaCapitals describes copy trading as “...one of the easiest ways to use another trader’s expert knowledge. By copying another trader, you could potentially make money based on their skills. In fact, no advanced knowledge of the financial market is required to take part!”

6. MetaCapitals offers four different trading packages or plans (together, the “MetaCapitals Trading Plans”) to purportedly trade or copy trade a variety of investment “packages” or “plans” – albeit with practically no specific information. The investment “plans” range from £500 to £10,000 in price. MetaCapitals publishes the following graphics on the MetaCapitals Website to demonstrate its plans for junior traders (basic plan), pro traders (silver plan), expert traders (premium and VIP plans), (together, the “MetaCapitals Securities”), respectively:

OUR INVESTMENT PACKAGES

our amazing packages are designed for all users of varying financial capabilities

Package	Minimum Investment	Available To Copy
BASIC	£500.00	Junior Traders
SILVER	£1,000.00	Pro Traders
PREMIUM	£5,000.00	Expert Traders
VIP	£10,000.00	Expert Traders

7. MetaCapitals claims it is “fast and easy to get started...in three simple steps”:

- a. “Create an Account: Create a free account for yourself, its [sic] quick and easy to get started.”
- b. “Make Deposit: Pick a plan of your choice then make a deposit to fund your Account.”
- c. “Start Earning: Mine, Trade or Copy Expert Traders and Watch your earnings grow.”

8. The MetaCapitals Website states that “The Company may pay fee/commission to business introducers, referring agents, or other third parties based on written agreement. This fee/commission is related to the frequency/volume of transactions and/or other parameters.” The website notes “[a]ll applicable fees or charges can be found on the Company’s Website,” but does not disclose any fees specifically.

9. The MetaCapitals Website offers little information regarding each service. The MetaCapitals Website states it does not charge any “setup or maintenance fees”. However, it warns, “each trader gets a set percentage [sic] of the profit they make, make sure you check this percentage before copying any trader”.

10. MetaCapitals offers trading services to the general public, including New Jersey residents.

11. MetaCapitals is not registered with the Bureau as a broker-dealer or in any capacity.

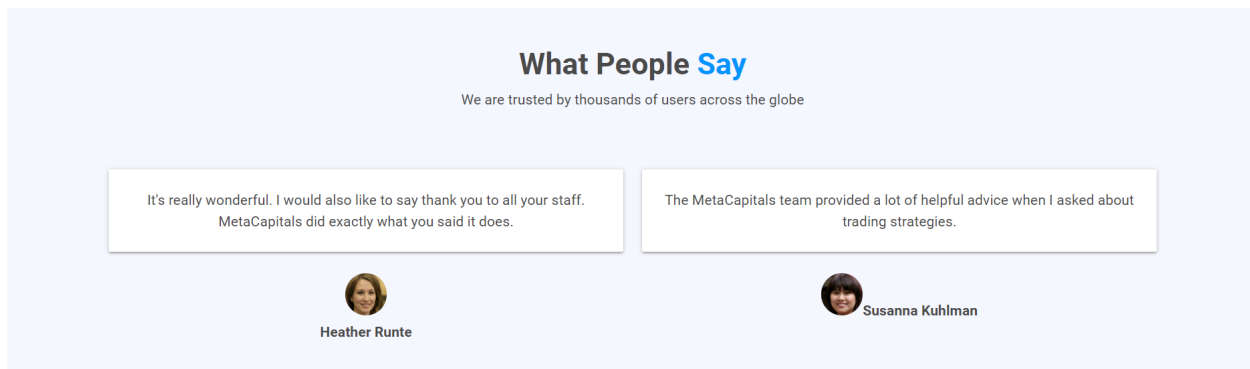
C. The MetaCapitals Website

12. The MetaCapitals Website does not provide any information regarding the identity of MetaCapitals’ officers, directors, or management team, and does not indicate what credentials, qualifications, or experience these individuals may have.

13. The MetaCapitals Website purports to have “contracts with professional traders and miners around the world that guarantees [sic] the best services” and offers “customers the ultimate online trading experience and to help them optimize their investment portfolio.”

14. It additionally claims MetaCapitals has “the best system security team” and is thus “safe and secure.”

15. MetaCapitals displays several testimonials from purported investors on the MetaCapitals Website such as:



16. However, these two photographs are stock photographs. Additionally, these exact or substantially similar testimonials, with the company name changed appear on other purported cryptocurrency trading websites including <https://paragonmarkets.net/> and <https://tfxlimited.live/>. Those websites look very similar to the MetaCapitals Website and offer similar services.

D. New Jersey Investor

17. At least one New Jersey resident opened an account with MetaCapitals (the “New Jersey Investor”).

18. In July 2021, the New Jersey Investor was approached by Lisa K. Patel (“Patel”), a self-purported trade manager affiliated with MetaCapitals through Instagram.

19. On July 21, 2021, the New Jersey Investor created an account with MetaCapitals at Patel’s direction after he agreed to let Patel make an investment on his behalf.

20. On or about July 23, 2021, the New Jersey Investor bought Bitcoin from Coinbase, an online cryptocurrency exchange not affiliated with MetaCapitals, worth \$200 and transferred the Bitcoin to the address Patel provided.

21. Seven days later, Patel told the New Jersey Investor that after she “generated” revenue of \$18,950, a 20% commission fee of \$3,790, a transfer fee of \$700, and a tax fee of \$2,000 would be required to be paid.

22. The New Jersey Investor bought Bitcoin worth \$7,100 and sent it through Coinbase to the Bitcoin address Patel provided to pay the purported fees.

23. Patel again told the New Jersey Investor that in order to withdraw the profits, an additional tax fee of \$300 would be required to be paid.

24. Despite numerous requests, the New Jersey Investor has not received any of his principal or profits back from MetaCapitals.

E. Omissions of Material Facts to Potential Investors by MetaCapitals in the Offer of the MetaCapitals Securities

25. In connection with the offer of securities MetaCapitals omits the following materials facts:

- a. The identity of its principals and management;
- b. The company’s financial statements, including its assets, liabilities, and profitability;
- c. The risks of investing in the MetaCapitals Investment plans;
- d. Any fees or charges relating to transactions;
- e. Information about the payment of taxes on any gains or losses incurred; and
- f. That MetaCapitals is not registered with the Bureau as a broker-dealer, investment adviser, or in any capacity as required by the Securities Law.

F. Untrue Statements of Material Facts and Omissions of Material Facts in Connection with the Offer of the MetaCapitals Securities

i. Individuals Identified on the Respondent’s Websites

26. The MetaCapitals Website displays several testimonials from purported clients, when in fact, the photographs are stock photos and the testimonials appear on other websites.

ii. Physical Addresses

27. The MetaCapitals Website claims MetaCapitals is located at “20 Richardson Dr. Saint Petersburg (sic), FL 33710.” However, there is no “Richardson Dr.” located in St. Petersburg Florida.

CONCLUSIONS OF LAW

28. MetaCapitals offer and sells “securities” as defined by N.J.S.A. 49:3-49(m).

29. MetaCapitals is effecting or attempting to effect transactions in securities for the accounts of others or for its own account without registration as a broker-dealer in violation of N.J.S.A. 49:3-56.

30. In connection with the offer of the MetaCapitals Trading Plans, MetaCapitals is omitting to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not misleading to investors, in violation of N.J.S.A. 49:3-52(b).

31. N.J.S.A. 49:3-67 empowers the Bureau Chief to issue orders that are reasonably necessary to carry out the provisions of the Law.

32. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

33. MetaCapitals’ violations are continuous and ongoing, therefore making a cease and desist order in the public interest and an appropriate remedy.

ORDER

THEREFORE, it is on this 2nd of February 2023, **ORDERED** that:

34. MetaCapitals and any person, employee, officer, director, entity, agent, MetaCapitals representative, or independent contractor under MetaCapitals' direction or control immediately **CEASE AND DESIST** from:

- i. offering for sale any security in New Jersey until the security is registered with the Bureau, is offered for sale pursuant to an exemption from registration under the Securities Law, or is a federally covered security;
- ii. acting as broker-dealers or agents in New Jersey until each is registered with the Bureau or are acting pursuant to an exemption from registration under the Securities Law;
- iii. making material misstatements of fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in connection with its offer and/or sale of securities in New Jersey; and
- iv. violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

35. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to MetaCapitals.

36. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to MetaCapitals.

A handwritten signature in black ink, appearing to read "Amy Kopleton". The signature is fluid and cursive, with a large initial "A" and a long, sweeping tail.

Amy Kopleton
Acting Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i) the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.