

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

SUMMARY ORDER TO CEASE
AND DESIST

BEHUZ INVESTMENT and
SABELLA OZAN,

Respondents.

DFI Case No. S-244039 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Upon information and belief, Behuz Investment is an online business with a last known business address of No. 15 Elidorlu Street, Rumuokwurusi, Port Harcourt, Rivers, NG 500102. Behuz Investment has a website address of <https://behuzinvestment.com>.
2. Upon information and belief, Sabella Ozan (“Ozan”) is an agent for Behuz Investment.

Conduct

3. Investor GS is an adult male resident of Wisconsin.
4. In 2021, Investor GS began receiving Facebook messages from Sabella Ozan about how he could earn passive income using investment plans offered by Behuz Investment. Investor GS understood that Behuz Investment had a superior cryptocurrency trading bot that earned high returns for investors.

5. The Behuz Investment website described its services as follows:

“Behuz Investment offers various accounts types, trading software and automated tools to facilitate individuals and institutional customers with cyprto trading bot. All Retail, Affiliates and White Label clients have the opportunity to access investment accounts and liquidity via state of the art automated trading platforms. Behuz Investment provides an unparalleled variety of account options that clients can select to enjoy. Coupled with a superior trading conditions and lightning fast execution, Behuz Investment trading bot provides all the tools and services needed for clients of any level to realize their trading ambitions.”

6. Behuz Investment’s website represented that it was an “award winning forex and stock broker” and was affiliated with numerous fintech companies including IQ Option, Binance, Coinbase Pro, and Bitmex.

7. At the time Behuz Investment was touting its affiliation with Bitmex, HDR Global Trading Limited (aka Bitmex) was facing regulatory and civil actions involving fraud and registration violations:

- i. *Williams v. HDR Global Trading Limited*, SDNY, 4/3/2020 (alleging securities fraud)
- ii. *United States v. Arthur Hayes, et al*, SDNY, Case no. 20-CR-500, 10/1/20 (criminal indictment alleging violations of the Bank Secrecy Act)
- iii. *CFTC v. HDR Global Trading Limited, et al.*, SDNY, Case no. 1:20-CV-8132, 10/1/20, (charged with operating an unregistered trading platform and violating multiple CFTC regulations)
- iv. *Pogodin v. HDR Global Trading Limited, et al.*, Dist. Ct. N. Cali., Case no. 3:20-CV-08034, 11/13/20 (alleging conspiracy, fraud, and RICO violations)

8. Behuz Investment’s website presented the following investment plans:

Investment Plan Name	%	Frequency	Minimum Deposit	Maximum Deposit
OMEGA PLAN	40%	Daily for 5 day	38000 USD	100000 USD
GOLD PLUS PLAN	45%	Daily for 3 day	1000 USD	3000 USD
EXCLUSIVE PLAN	35%	Daily for 3 day	500 USD	3000 USD
EXPERT PLAN	30%	Daily for 1 day	10000 USD	30000 USD
GOLD PRO PLAN	60%	Daily for 7 day	5000 USD	30000 USD
ARCHIVED PLAN	12%	Daily for 7 day	12500 USD	45000 USD
MODERATE PLAN	25%	Daily for 1 day	2000 USD	5000 USD
UNITED PLAN	25%	Daily for 7 day	18000 USD	60000 USD
CLASSIC PLAN	15%	Daily for 1 day	200 USD	700 USD
OMEGA PLAN	25%	Daily for 10 day	20000 USD	70000 USD
DIAMOND PLAN	30%	Daily for 12 day	34000 USD	90000 USD

9. Ozan recommended that Investor GS buy the Gold Pro Plan that cost \$5,000.00. Ozan told GS that in purchasing the Gold Pro Plan he could earn up to \$26,000.
10. In a Facebook Message thread, Ozan explained to Investor GS “trading using our platform is very secured! You are able to monitor your trade from your phone while our experts trade and manager your account.” Ozan also explained “After funding your trading account and buying bitcoin with the funded capital I will be linking your trading account to the company’s brokers and your trade begins immediately even while you’re sleeping your profits are being made and after a week of trade your profits will be sent to your trading account then I’ll guide you in making withdrawals to your banking account.”
11. Ozan directed Investor GS to purchase approximately \$5,000 worth of bitcoin to invest through Behuz Investment.
12. On June 30, 2021, Investor GS purchased a \$5,000 Gold Pro investment plan via an ATM machine in Milwaukee. By the end of the week, Investor GS believed his account value had risen to \$26,000.
13. Investor GS attempted to withdraw funds from his crypto account with Behuz Investment. Behuz Investment did not allow any withdrawals. Instead, Behuz Investment informed GS that he needed to invest an additional \$12,000 in a higher plan level to be able to access his funds.
14. None of the respondents have ever been registered with the Division, Securities and Exchange Commission, Commodities and Futures Trading Commission, or Financial Regulatory Authority.
15. The Respondents failed to disclose the lawsuits pending against Bitmex at the time they touted their affiliation with Bitmex. They also failed to disclose the illiquidity of the investment, the risks and terms of the investment, the principals of Behuz Investment, and affirmatively misrepresented the profits that could be earned.

B. Conclusions of Law

Legal Authority and Jurisdiction

16. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
17. The Behuz Investment transactions were investment contracts as defined by Wis. Stat. § 551.102(28)(d)(1), because Investor GS invested in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than himself.

18. Investment contracts are included in the definition of security under Wis. Stat. § 551.102(28)(d)(1).
19. Pursuant to Wis. Stat. § 551.301(1), it is unlawful to offer or sell a security that is not registered under Ch. 551, federally covered, or exempted from registration under Ch. 551.
20. Pursuant to Wis. Stat. § 551.401(1), it is unlawful for a person to transact business in Wisconsin as a broker-dealer unless the person is registered under Ch. 551 as a broker-dealer or is exempt from registration as a broker-dealer under Ch. 551.
21. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business in Wisconsin as an agent of a broker-dealer unless the person is registered under Ch. 551 as an agent or is exempt from registration as an agent under Ch. 551.
22. As described above in ¶¶ 1-15, the Respondent Behuz Investment acted as a broker-dealer and Sabella Ozan acted as an agent of a broker-dealer.
23. Pursuant to Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, 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.

Violations

24. Through the conduct described above in ¶¶ 1-15, Behuz Investment and Sabella Ozan violated Wis. Stat. § 551.301 when they offered and sold securities in Wisconsin without those securities being registered or exempted from registration.
25. Through the conduct described above in ¶¶ 1-15, Behuz Investment violated Wis. Stat. § 551.401(1) when it transacted business as a broker-dealer in Wisconsin without being registered or exempted from registration under Ch. 551.
26. Through the conduct described above in ¶¶ 1-15, Sabella Ozan violated Wis. Stat. § 551.402(1) when Sabella Ozan transacted business as an agent of a broker-dealer in Wisconsin without being registered or exempted from registration under Ch. 551.
27. Through the conduct described above in ¶¶ 1-15, Behuz Investment and Sabella Ozan violated Wis. Stat. § 551.501(2) when they offered and sold securities while misrepresenting to Investor GS the profits that could be earned from his investment. They also failed to disclose the lawsuits pending against their affiliate Bitmex, the illiquidity of the investment, the risks and terms of the investment, and the principals of Behuz Investment.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED summarily that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as federal covered securities, federal exempt securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).
- (b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- (c) IT IS FURTHER ORDERED that all exemptions from registration set forth in Wis. Stat. §§ 551.201 and 551.202 that may otherwise apply to a specific security, transaction or offer of or by RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of RESPONDENTS, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(c) and (2).
- (d) IT IS FURTHER ORDERED summarily that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.
- (e) IT IS FURTHER ORDERED summarily that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of either RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENTS.
- (f) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

B. Service of Order

- (g) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.
- (h) PLEASE TAKE NOTICE that if service is by certified mail, the date of the service of this order is the date it is placed in the mail. If service is by personal service, the date of the service of this order is the date personal service is completed.

C. Notice of Hearing Rights

- (i) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a written petition filed with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01 and Wis. Stat. § 227.42. A petition for a hearing to review the order shall:
 - (1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and
 - (2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.
- (j) PLEASE TAKE FURTHER NOTICE that you may file your written petition:
 - (1) By mailing the written petition to:

Division of Securities
Wisconsin Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
 - (2) By delivering the written petition in person to:

Division of Securities
Wisconsin Department of Financial Institutions
4822 Madison Yards Way, North Tower, 4th Floor
Madison, Wisconsin 53705
 - (3) By faxing the written petition to 608-264-7979.

- (k) PLEASE TAKE FURTHER NOTICE that the petition for hearing must be filed with the Division. Pursuant to Wis. Stat. § 551.102(8), “filing” means “receipt.” Therefore, a petition is not “filed” with the Division until it is actually “received” by the Division. If the Division does not receive your written petition before midnight on the 30th day after the date of service of this order, your right to a hearing will be waived and the Summary Order shall become final by operation of law.
- (l) PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).
- (m) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary and proposed orders sought in the statements in the order, becomes final as by operation of law, pursuant to Wis. Stat. § 551.604(2), and the order may be filed as a certified final order with the clerk of a court of competent jurisdiction pursuant to Wis. Stat. § 551.604(6).
- (n) PLEASE TAKE FURTHER NOTICE violations of this order may be enforced by any investor, or by the Division pursuant to Wis. Stat. § 551.604(7) whether acting in its own right or on behalf of the investor, by petitioning any court of competent jurisdiction to enforce the terms of the order.
- (o) PLEASE TAKE FURTHER NOTICE failure to provide a copy of this Order to prospective investors may be a material misrepresentation in violation of Ch. 551 and this Order.
- (p) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, and effective on this 4th day of November, 2021.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
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