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

In the Matter of, COINBFT.COM, and JADE GONG; Respondents.	SUMMARY ORDER TO CEASE AND DESIST AND REVOKING EXEMPTIONS AND NOTICE OF PROPOSED ORDER FOR RESTITUTION DFI Case No. S-251481 (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. At all relevant times, coinbft.com purported to operate an online AI-powered investment platform with a purported affiliation to Coinbase Pro, a trading platform that was phased out by Coinbase in or around 2022.

2. Jade Gong is most likely an alias for one or more control persons of coinbft.com with no known address, but purports to reside somewhere in Boston, Massachusetts.

Conduct

3. In or about April of 2025, Wisconsin resident AA began communicating with "Jade Gong" after Gong had interacted with AA's post on Tiktok. Gong direct-messaged AA, telling AA that she wanted to be AA's friend. Gong urged AA to move their conversation to Telegram, which was a more private communications platform according to Gong. Gong communicated with AA through two Telegram accounts: "@Grape852963" and "@coinbasepro-01."

4. Gong represented herself to AA as a young professional working in the Boston area. She also said she was a Chinese immigrant who graduated with a business degree and worked with a Boston investment firm.

5. Gong and AA had video calls in which AA observed Gong removing gold bars from a safe. Gong also sent to AA numerous photos of herself behind the wheel of expensive vehicles such as a Porsche and a Bentley.

6. In or around June of 2025, Gong told AA she had donated $30,000 to her church with money she earned from cryptocurrency investing. Gong claimed to be making thousands of dollars investing in cryptocurrency "nodes" – the more money she invested into nodes, the more money she received in return.

7. AA was interested in investing but had limited knowledge about cryptocurrency. Gong provided AA with step-by-step instructions on how to invest crypto. Specifically, Gong directed AA to paste a website URL, https://coinbft.com, into the browser feature within the Coinbase application where AA already had an account.

8. During the relevant time period, AA believed he was interacting with the Coinbase Pro trading platform. For example, when a user attempted to interact with the coinbft.com website, they were redirected to a Login/Registration page that stated "Welcome to Coinbase Pro." In addition, the Registration Agreement referred to users "registering and using the Crypto Pro platform." Moreover, the customer service messages appeared to originate from @CoinbasePro088, and the fictitious Coinbase Pro account identity was @coinbasepro_01. However, unbeknownst to AA, Coinbase phased out the Coinbase Pro trading platform in or around 2022.

9. Among other things, the coinbft.com website showcased tokens that were allegedly offered on the site and touted "Intelligent AI Arbitration Efficient profit and realization automated benefits." [sic]. This representation seemed in line with AA's understanding that he would deposit funds, and through no effort of his own, generate a return.

10. AA appeared to make a profit on his early transactions with coinbft.com using Gong's instructions. AA was able to withdraw about $250 from his investment. This gave AA confidence that Gong was telling him the truth about investing in cryptocurrency.

11. AA continued to invest as instructed by Gong, and his account balance on coinbft.com appeared to increase. However, AA was unable to withdraw any funds after the original $250 withdrawal. When he contacted "Coinbase Pro" customer support, they provided myriad excuses about why the investment account was locked.

12. Eventually, "Coinbase Pro" customer support told AA that to retrieve his funds he would need to deposit $5,610 and a clear photo of himself holding his ID for "advanced identity verification." AA made the requested deposit using an Athena BTC kiosk and provided the requested identity verification. However, AA's funds were not released to him as promised.

13. Gong ceased all communications with AA and deleted portions of the Telegram conversation. AA's total investment losses were $14,644.

14. The Division's investigation identified at least 15 additional websites associated with coinbft.com. All the associated websites, including coinbft.com, were taken down at the Division's request.

15. In tracing AA's crypto transactions, the Division learned AA's funds were transferred to various unhosted wallets and exchanges. None of the funds were recoverable.

16. Investor AA was a passive investor, providing investment funds to coinbft.com which guaranteed profits based on investment opportunities. The investments were entirely managed and directed by coinbft.com through its "Intelligent AI Arbitration" trading operations.

17. Respondents' representations to AA failed to provide material information prior to AA's investments, such as potential risks, the use of investor funds, and the investor's ability to withdraw funds from the investment account.

18. The Respondents have never been registered with the Division, the U.S. Securities and Exchange Commission, or the Financial Industry Regulatory Authority.

B. Conclusions of Law

Legal Authority and Jurisdiction

19. 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.

20. Pursuant to Wis. Stat. § 551.102(28)(d)(1), the passive investment accounts offered and sold by the Respondents are investment contract securities under Wisconsin law. Specifically, Wisconsin investors who deposited funds onto the coinbft.com investment platform for the purpose of generating passive income invested their assets with the Respondents with the expectation of profits through the essential managerial efforts of someone other than the investor.

21. In addition, pursuant to Wis. Stat. § 551.102(28)(d)(2), the passive investment accounts offered and sold by the Respondents are investment contract securities under Wisconsin law. Specifically, Wisconsin investors who deposited funds into the coinbft.com investment platform for the purpose of generating a passive income furnished initial value to Respondents based on representations from Respondents by which the Wisconsin investors like AA reasonably understood that a valuable benefit of some kind over and above the initial funds would accrue to them as a result of the operation of the enterprise, and with the Wisconsin investors not having the right to exercise practical and actual control over the managerial decisions of the enterprise.

22. The investment contracts sold by Respondents to Investor AA were required to be, but were not, registered with the Division.

23. Pursuant to Wis. Stat. § 551.301(1), it is unlawful to offer or sell securities in Wisconsin unless the securities are registered under Ch. 551, federally covered securities, or exempted from registration under Ch. 551.

24. Pursuant to Wis. Stat. § 551.501(1), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to employ a device, scheme, or artifice to defraud.

25. 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 any 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.

26. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to engage in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person.

27. The Respondent was further transacting business in this state as an investment adviser as defined under Wis. Stat. § 551.102(15) because the AI powered platform made recommendations about the advisability of investing in securities and making recommendations to purchase specific securities for compensation.

28. Pursuant to Wis. Stat. § 551.403(1), it is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under Ch. 551 as an investment adviser or is exempt from registration under Wis. Stat. § 551.403(2).

Violations

29. As described above, the Respondents violated Wis. Stat. § 551.301 by selling, offering to sell, and accepting offers to purchase securities in this state that were not registered and were not exempt from registration.

30. As described above, the Respondents violated Wis. Stat. §§ 551.501(1)-(3), when in connection with the offer and sale of the coinbft.com investment contract securities, the Respondents directly or indirectly employed a device, scheme, or artifice to defraud, engaged in acts, practices, or a course of business that operated as a fraud or deceit, and made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, under the circumstances under which they were made, not misleading.

31. As described above, Respondents violated Wis. Stat. § 551.403(1) by transacting business as an investment adviser in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.403(2).

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 in or from Wisconsin to any person or entity any further offers or sales of securities unless and until such securities qualify as covered 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 summarily 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 RESPONDENT, its 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 summarily 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 any RESPONDENT, its 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)(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 and Wis. Stat. § 551.502 or successor statutes.

(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 the RESPONDENTS, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by any RESPONDENT.

(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). You are advised 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.

B. Proposed Orders

(g) IT IS PROPOSED that an order be issued against Respondents to pay restitution in the amount of **$14,644**, with interest on such amount at the legal rate under Wis. Stat. § 138.04, starting from the date of the transaction through the date of satisfaction, pursuant to Wis. Stat. § 551.604(4m). Such payment shall be made payable to the Wisconsin Department of Financial Institutions and shall be remitted to the Division no later than 30 calendar days from the date of issuance of this Order, or if a petition for a hearing is filed as provided under Wis. Stat. § 551.604(2), by a date to be fixed by a final order.

(h) IT IS FURTHER PROPOSED that an Order be issued imposing the actual costs of the investigation or proceeding pursuant to Wis. Stat. § 551.604(5) against the Respondents.

(i) IT IS FURTHER PROPOSED that an order be issued prohibiting 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, from becoming registered in any capacity under Ch. 551 or successor statute that might otherwise apply, prior to satisfying their civil liabilities under Wis. Stats. §§ 551.604(4), (5) and (4m) as ordered in paragraphs (g) and (h) above.

C. Service of Order

(j) 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.

(k) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail if service is by certified mail. If a party or the party's attorney is personally served, the date of service is the date service is completed. You are advised 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.

D. Notice of Hearing Rights

(l) PLEASE TAKE NOTICE that you have the right to request a hearing pursuant to Wis. Stat. § 551.604(2). 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.

(m)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.

(n) 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.

(o) 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).

(p) 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, including any imposition of civil penalties, disgorgement, restitution, costs, and all applicable interest, become final as by operation of law, pursuant to Wis. Stat. §551.604(2).

(q) PLEASE TAKE FURTHER NOTICE violations of this order may be enforced by any investor, or by the Division 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.

(r) PLEASE TAKE FURTHER NOTCE failure to provide a copy of this Order to prospective investors may be a material misrepresentation in violation of Ch. 551 and this Order.

(s) PLEASE TAKE FURTHER NOTICE that any willful violation of an Order by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, this 7th day of October, 2025.



Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way, 4th Floor
Madison, Wisconsin 53705