



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the Matter of

Resonanceoptions and Huong Tran

Respondents.

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Case Number: ENSC-190843

**EMERGENCY ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL
PENALTIES**

This matter comes before the Commissioner of Securities for the State of Georgia (“Commissioner”) pursuant to the authority granted in O.C.G.A. § 10-5-70, *et seq.* of the Georgia Uniform Securities Act of 2008, as amended (“Act”) and the Rules of the Georgia Commissioner of Securities promulgated thereunder (“Rules”). Whereas, the Commissioner undertook an investigation into the acts and practices of Resonanceoptions (“Resonance”) and Huong Tran (“Tran”) (collectively, “Respondents”).

On the basis of the investigation, the Commissioner has found grounds to conclude that Respondents have engaged in acts or practices constituting violations of the Act. The Commissioner has determined it is in the public interest to issue this Order.

The Commissioner finds as follows:

I. FINDINGS OF FACT

1. Resonance purports to be an online binary options broker with a website located at <https://www.resonanceoptions.com> (the “website”). Resonance’s address as listed on the website is “Park Ave, New York 10154.” Also displayed on the website is contact information, including a phone number listed as “0 555 255 234.”

2. Resonance is not, and has never been, registered to conduct business in Georgia with the Corporations Division of the Georgia Secretary of State as a corporation or other type of business organization. Furthermore, Resonance is not, and has never been, registered to conduct

business in New York with the Division of Corporations of the New York Department of State as a corporation or other type of business organization.

3. Resonance is not registered and has never been registered with the Commissioner as a broker-dealer pursuant to O.C.G.A. § 10-5-30.

4. Tran is not registered and has never been registered with the Commissioner as a broker-dealer agent pursuant to O.C.G.A. § 10-5-31.

5. On April 4, 2019, the Commissioner received a complaint from Investor stating Tran and Resonance were fraudulently operating in the State of Georgia as a broker-dealer agent and broker-dealer, respectively. The complaint further states Investor was introduced to Tran through the social media application, Instagram, and communicated with Tran through Instagram and the cross-platform messaging Voice Over IP service, WhatsApp.

6. Resonance's website states, "[w]ith a high payout of 81% on binary options contracts, we offer the most generous payouts in the industry.." [sic].

7. Resonance's website further states, "Resonanceoptions platform stands out as a leader among the brokers out there with a team that is made up of professionals with experience in forex trading, risk management, derivatives and international laws and legislation. Their combined knowledge and experience trumps that held by most operators in the market."

8. On December 4, 2018, Tran states to Investor "[Tran] live[s] in Avondale estates GA [sic]."

9. On December 8, 2018, Tran states, "www.resonanceoptions.com [t]hat's the name of the platform I work for" [sic]. Subsequently, Tran inquires of Investors, "When would you like to deposit so I'll begin to trade on your behalf?"

10. On December 8, 2018, Tran states, "\$500 will fetch you a maximum profit of \$3800." Tran further states, "I always advice [sic] my clients to invest with a higher capital at all times say \$2500 or more because it gives a better earning at the same period of time and after [Investor] get [Investor's] profits before [Investor] will pay me my 15% commission for trading on Investor's behalf."

11. On December 16, 2018, Investor's account showed a balance of seventy-four thousand four hundred ninety-eight dollars (\$74,498.00). Investor requested the withdrawal of Investor's entire balance.

12. Additionally on December 16, 2018, in response to Investor inquiring as to Tran's commission, Tran responds, "I want mine via bitcoin [sic] My commission is supposed to be 15% but I'll have just 10% because of your past experience with others and to seal our relationship as well."

13. On December 18, 2018, two days after Investor requested the withdrawal of his balance, Tran sends a message to all of his supposed "clients" stating, "Hello all !!![sic] I'm sorry to announce to you all that our servers are still down and our technicians are doing their best to ensure we're back online soon as possible. Please be patient some more [sic] Thank you. Yours sincerely Huong Tran."

14. On December 19, 2018, Tran instructs Investor will have to provide additional payment for a "brokerage permit fee" equating to fifteen percent (15%) of the withdrawal request prior to the withdrawal request being processed.

15. On December 22, 2018, Tran states, "We work by the book [sic] or we lose our license" [sic].

16. On December 28, 2018 and December 31, 2018, Investor provided funds in the amounts of five thousand two hundred thirty-three dollars (\$5,233.00) and two thousand four hundred fifty-two dollars (\$2,452.00), respectively, in Bitcoin and transferred the amounts to Tran's wallet. These transaction represented partial payment of the "brokerage permit fee" requested by Tran.

17. In furtherance of the scheme, on January 12, 2019, Tran informed Investor that Investor would have to provide additional payment for an "OCC [Office of the Comptroller of the Currency] fee" equating to four percent (4%) of the withdrawal request prior to the withdrawal request being processed.

18. Throughout the course of the scheme, specifically from December 2, 2018 through March 21, 2019, Investor provided funds totaling twenty thousand nine hundred fifty nine dollars and forty-six cents (\$20,959.46) through an account established via Resonance's website and through the payment of Bitcoin directly to a wallet held by Tran. Furthermore, throughout the course of the scheme, Investor repeatedly requested the return of the profits derived from his investment and his principal investment. As of the date of this Order, Investor has yet to be provided with his principal and the supposed profits derived therefrom.

II. CONCLUSIONS OF LAW

19. Paragraphs 1 through 18 are incorporated by reference as though fully set forth herein.

20. The Commissioner has jurisdiction over this matter pursuant to the Act.¹

21. Pursuant to O.C.G.A. § 10-5-70, *et seq.*, the Commissioner is authorized to institute this investigation and issue this Order.

22. Pursuant to Rule 590-4-1-.10, the Commissioner is authorized to issue an emergency order effective on the date of issuance provided that the “Commissioner deems that the public health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in the emergency order, in which case the order may be effective immediately pending proceedings.”

23. Pursuant to O.C.G.A. § 10-5-73, the Commissioner may issue an order directing a person to cease and desist from engaging in the act, practice, or course of business if the Commissioner determines that the person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules adopted thereunder.

24. Pursuant to O.C.G.A. § 10-5-73(d), the Commissioner may impose a civil penalty up to \$50,000.00 for a single violation or up to \$500,000.00 for more than one violation.

25. Pursuant to O.C.G.A. § 10-5-2(3), in part, the term “broker-dealer” is defined as “a person engaged in the business of effecting transactions in securities for the account of others or for the person’s own account.”

26. Pursuant to O.C.G.A. § 10-5-30, in part, “[i]t is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under [the Act] as a broker-dealer or is exempt from registration as a broker-dealer.”

27. Resonance is not registered as a broker-dealer with the Commissioner. However, Resonance is holding itself out as a binary options broker with a website accessible by Georgia residents. These activities are violations of O.C.G.A. § 10-5-30. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Resonance is subject to discipline.

28. Pursuant to O.C.G.A. § 10-5-2(1), in part, the term “agent” is defined as “an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting

¹ See O.C.G.A. §§ 10-5-70 and 10-5-71.

to effect purchases or sales of securities or who represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.”

29. Pursuant to O.C.G.A. § 10-5-31, in part, “[i]t is unlawful for an individual to transact business in this state as an agent unless the individual is registered under [the Act] as an agent or is exempt from registration as an agent.”

30. Tran is not registered as an agent with the Commissioner. However, Tran transacted business as an agent when he attempted to effect transactions in securities on behalf of Investor. This activity is a violation of O.C.G.A. § 10-5-31. The violation is an actionable event pursuant to O.C.G.A. § 10-5-73; therefore, Tran is subject to discipline.

31. Pursuant to O.C.G.A. § 10-5-50, “[i]t is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly: (1) [t]o employ a device, scheme, or artifice to defraud; (2) [t]o make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or (3) [t]o engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.”

32. As detailed in paragraphs 6 through 7 above, Resonance made an untrue statement of a material fact by stating, “[w]ith a high payout of 81% on binary options contracts, we offer the most generous payouts in the industry.” Furthermore, Resonance made an untrue statement of a material fact by stating, “[Resonance’s] platform stands out as a leader among the brokers out there with a team that is made up of professionals with experience in forex trading, risk management, derivatives and international laws and legislation. Their combined knowledge and experience trumps that held by most operators in the market.” Resonance’s representations are materially misleading and likely to deceive the public. Furthermore, the acts, practices, or course of business of Resonance operates as fraud or deceit upon potential investors. Resonance’s activities are violations of O.C.G.A. § 10-5-50. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Resonance is subject to discipline.

33. As detailed in paragraph 10 above, Tran made an untrue statement of a material fact by stating, “\$500 will fetch you a maximum profit of \$3800.” Tran’s representations are materially misleading and likely to deceive the public. Furthermore, the acts, practices, or course of business of Tran operates as fraud or deceit upon potential investors. Tran’s activities are violations of O.C.G.A. § 10-5-50. The violations are actionable events pursuant to O.C.G.A. §

10-5-73; therefore, Tran is subject to discipline.

34. As detailed in paragraph 15 above, Tran made an untrue statement of a material fact by stating, “We work by the book [sic] or we lose our license” [sic]. Tran’s representations are materially misleading and likely to deceive the public. Furthermore, the acts, practices, or course of business of Tran operates as fraud or deceit upon potential investors. Tran’s activities are violations of O.C.G.A. § 10-5-50. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Tran is subject to discipline.

35. As detailed in paragraphs 6 through 18 above, Respondents’ actions operated as an “advanced fee scheme” by continuously requesting Investor to provide funds to satisfy fraudulently established fees in order to withdraw Investor’s principal investment and the falsified profits supposedly derived from the investment. Therefore, Respondents employed a device, scheme, or artifice to defraud Investor. Furthermore, the acts, practices, or course of business of Respondents operate as fraud or deceit upon potential investors. Respondents’ activities are violations of O.C.G.A. § 10-5-50. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Respondents are subject to discipline.

III. ORDER

WHEREFORE, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. That **Resonanceoptions** immediately **CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.
2. That **Huong Tran** immediately **CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.
3. That **Resonanceoptions** and **Huong Tran** jointly and severally pay a civil penalty in the amount of fifty thousand dollars (\$50,000.00).

The entry of this Order is deemed to be in the public interest, and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to the Respondents and shall not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

(Signature page attached)

SO ORDERED this 16th day of October, 2019.

BRAD RAFFENSPERGER
SECRETARY OF STATE
COMMISSIONER OF SECURITIES

By: 
C. Ryan Germany
Assistant Commissioner of Securities



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the Matter of	:	
	:	
Resonanceoptions and Huong Tran	:	Case Number: ENSC-190843
	:	
Respondents.	:	
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NOTICE OF OPPORTUNITY FOR HEARING

**TO: Resonanceoptions
Attn: Huong Tran**

Pursuant to O.C.G.A. § 10-5-73(b), Respondents are hereby notified that within thirty (30) days after receipt of a request for a hearing in a record from Respondents, this matter will be scheduled for a hearing unless another date and time is otherwise agreed to by the parties. If Respondents do not request a hearing and none is ordered by the Commissioner within thirty (30) days after the date of service of this Order, this Order will become final as to the Respondents by operation of law. If a hearing is requested or ordered, the Commissioner, after notice of and opportunity for hearing to Respondents, may modify or vacate this Order, or extend it until final determination.

1. **GROUND:** The grounds for the issuance of the Order are that Respondents have engaged in conduct in violation of O.C.G.A. §§ 10-5-30, 10-5-31, 10-5-50, and 10-5-1, *et seq.*
2. **REQUEST FOR HEARING:** A request for a hearing may be delivered to the attention of Noula Zaharis, Director, Office of the Secretary of State, Securities and Charities Division, 2 Martin Luther King Jr. Drive SE, Suite 317 West Tower, Atlanta, Georgia 30334 or by electronic mail at nzaharis@sos.ga.gov.
3. **PROCEDURE FOR REQUESTING A HEARING:** If Respondents request a hearing, the request for hearing must be in writing and contain the following information:
 - A title which indicates the nature of the proceedings;

- The complete name and address of the person or persons on whose behalf the request is filed;
- The name and address of all other persons known to have a legal interest in the proceedings;
- If the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
- A clear and concise statement of the facts upon which the contested case arises;
- A prayer setting forth the relief sought; and
- A statement of the grounds upon which the person contends he is entitled to the relief sought.

4. **SCHEDULING OF HEARING:** If requested, a hearing will be scheduled and the Respondents will be notified of the date, time and location of the hearing.

5. **ISSUES TO BE ADDRESSED:** If a hearing is requested, the issues to be addressed are set forth in the attached Order that is incorporated herein by reference and made a part of this Notice of Opportunity for Hearing.

6. **CONTESTED CASES:** This is a contested case proceeding and pursuant to the Rules it shall be conducted as expeditiously as possible, with regard to the rights of the parties, and in a manner to enable the parties to obtain relevant information needed for preparation of the case to the extent that such disclosure is authorized or required by law.

7. **LEGAL AUTHORITY AND JURISDICTION:** This Notice of Opportunity for Hearing is issued pursuant to O.C.G.A. § 10-5-73, Rule 590-4-6-.01, *et seq.*, and O.C.G.A. § 50-13-1, *et seq.* (The Georgia Administrative Procedure Act).

8. **INFORMAL CONFERENCE:** Respondents may request an informal prehearing conference with the Division Director pursuant to the Commissioner's Rule 590-4-6-.12 adopted under the Act. The receipt of a request for a prehearing conference will toll, until the date scheduled for the prehearing conference, the running of the time for requesting a hearing. A request for hearing that does not contain the required information as outlined above will be treated as a request for an informal conference. Further information regarding an informal conference may be obtained by contacting Noula Zaharis at nzaharis@sos.ga.gov.

9. **RIGHTS OF PARTIES:** The parties to this matter shall have all of the rights provided for in the Act and the Rules, including but not limited to the following:

- To subpoena witnesses and documentary evidence;
- To be represented by legal counsel; and
- To respond to and present evidence on all issues involved.

SO ORDERED this 16th day of October, 2019.

BRAD RAFFENSPERGER
SECRETARY OF STATE
COMMISSIONER OF SECURITIES

By:


C. Ryan Germany
Assistant Commissioner of Securities