STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE,	)	
Petitioner,	)	
vs.	)	**O.I.: 2020-0021**
HYPERCOIN TRADE, LTD AND ROSE ANN PARKER	)	
Respondents.	)	

PETITION FOR AN EX PARTE ORDER TO CEASE AND DESIST

The Securities Division of the Tennessee Department of Commerce and Insurance ("Division"), by and through undersigned counsel, pursuant to the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 through 48-1-201 et seq. ("Act") petitions the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") to issue an Ex Parte Order to Cease and Desist all unregistered securities activity to Hypercoin Trade, Ltd ("Hypercoin"), which was operated by Rose Ann Parker ("Respondent Parker"), collectively ("Respondents").

I. JURISDICTION

1. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

II. PARTIES

2. The Commissioner is responsible for the administration of the Act. The Division,

pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

3. Hypercoin is an inactive New York corporation with a former address of 7232 Broadway, Suite 206, Jackson Heights, NY 11377. Hypercoin has never been registered with the Division.

4. Respondent Parker is believed to be a natural person with a last known business address of 7232 Broadway, Suite 206, Jackson Heights, NY 11377. She has never been registered with the Division.

5. Respondents are not currently, nor have they ever been, registered with the Tennessee Secretary of State's office as a legal entity conducting business in the State of Tennessee.

III. FACTUAL ALLEGATIONS

6. On or about September 3, 2019, the Financial Services Investigation Unit ("FSIU") received an email complaint from Tennessee resident Anooshah Nasserizafar ("Mr. Nasserizafar"). This complaint stated that he invested one thousand five hundred dollars ($1,500) in cryptocurrencies with Hypercoin. Mr. Nasserizafar stated that he invested with Hypercoin because of the daily profits offered. He stated that when he attempted to withdraw funds from his Hypercoin account, it was blocked. He was told that his "Free Trial" [sic] period had ended, and he would need to pay nine hundred dollars ($900) to unblock the account. See Stone Aff ¶ 4.

7. On or about April 7, 2020, the Commissioner issued Order of Investigation 2020-0021. See Stone Aff ¶5.

8. FSIU's investigation into the activities of Hypercoin and its affiliates included the following:

a. The filed complaint;

b. Emailed communication between the victim and the SEC; *See Exhibit F.*

c. State-Based Systems website;

d. Central Registration Depository ("CRD") report for Hypercoin showing no information is available for Hypercoin;

e. Hypercoin Trade, Ltd website from March 24, 2020;

f. Communications from WhatsApp with an individual portraying himself as an employee of Hypercoin, Michael Noble; and

g. Emailed communications with a person believed to be Rose Ann Parker that provided explanations of the company's model. See Stone Aff ¶6.

9. Based on FSIU's investigation, it was determined that Hypercoin is not a registered broker-dealer, agent, investment adviser, or investment adviser representative in Tennessee. Additionally, Hypercoin was selling unregistered securities in Tennessee, which did not qualify for an exemption.

10. Hypercoin's website offers the following statements and assertions:

a. "Start Earning. The process of earning is very simple; you do not need to be an expert trader. You can earn funds by simply joining our investment program and let our experts do the rest for you."

b. Six different Investment Packages are available: Basic, Standard, Silver, Premium, Ultimate, and Admin.

    i. Basic: -$100/ min deposit, max deposit $1000, Daily ROI 3%, Payout automatic, investment security 100%.

ii. Standard-$1000 min deposit, max deposit $3000, Daily ROI 5%, Payout automatic, investment security 100%.

iii. Silver-$3000 min deposit, max deposit $5000, Payout automatic, investment security 100%.

iv. Premium-$5000 min deposit, max deposit $20,000, Daily ROI 10%, Payout automatic, investment security 100%.

v. Ultimate-$15000 min deposit, max deposit no limit, Daily ROI 15%, Payout automatic, investment security 100%.

vi. Admin -$30,000 min deposit, max deposit no limit, Daily ROI 30%, Payout automatic, investment security 100%. See Exhibit E. See Stone Aff ¶ 10.

11. WhatsApp communications with Michael Noble from the Hypercoin support team explain the six different investment packages:

a. Basic investment package ($100 - $1000) - 3% daily return.

b. Standard investment package ($1000 - $3000) - 5% daily return.

c. Silver investment package ($3000 - $5000) - 8% daily return.

d. Premium investment package ($5000 - $10000) - 10% daily return.

e. Ultimate investment package ($10000 - $30000) - 15% daily return.

f. Admin investment package ($30000 - no limit) - 20% daily return. See Exhibit H. See Stone Aff ¶11.

12. Upon information and belief, there was no disclosure that excludes Tennessee residents from investing in the platform. See Stone Aff ¶ 12.

13. Director of Registration, April Odom, found that at no point were the Respondents registered with the Division in any capacity. Additionally, the investment contract that the Respondent sold was never registered with the Division. Odom Aff. ¶ 10, 11, 12, 15, 16, and 17.

IV. APPLICABLE LAW

14. Tenn. Code Ann. § 48-1-102(3) states in pertinent part:

> (3) "Agent" means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from, in, or into this state. A partner, officer, director, or manager of a broker-dealer, or a person occupying similar status or performing similar functions, is an agent only if such person otherwise comes within this definition or receives compensation specifically related to purchases or sales of securities from, in, or into this state. "Agent" does not include such other persons not within the intent of this subdivision (3) as the commissioner may, by rule, exempt from this definition as not in the public interest and necessary for the protection of investors;

15. Tenn. Code Ann. § 48-1-102(4) states in pertinent part:

> (4) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others, or any person engaged in the business of buying or selling securities issued by one (1) or more other persons for such person's own account and as part of a regular business rather than in connection with such person's investment activities. "Broker-dealer" does not include:
>
> (A) Issuers, except to the extent provided in § 48-1-110(f);
> (B) An agent;
> (C) An institutional investor;
> (D) A person who has no place of business in this state and who is registered as a broker-dealer with the securities and exchange commission or the Financial Industry Regulatory Authority (FINRA) or any successor regulatory entity if:
> (i) The person effects transactions in this state exclusively with or through:
> (a) The issuers of the securities involved in the transactions;
> (b) Other broker-dealers; or
> (c) Institutional investors; or
> (ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i));

or(E) Such other persons not within the intent of this subdivision (4) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

16. Tenn. Code Ann. § 48-1-102 (13) states, in pertinent part:

(13) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, buying, or selling securities, or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. "Investment adviser" includes a financial planner or other person who, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or who holds oneself out as providing investment advice to others for compensation. "Investment adviser" does not include:

(A) A bank (unless it is acting as an investment adviser for a registered investment company), savings institution, or trust company;

(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;

(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;

(D) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;

(E) A person who has no place of business in this state if:

(i.) The person's only clients in this state are other investment advisers, broker-dealers, or institutional investors; or

(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

(F) Such other persons not within the intent of this subdivision (13) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors;

17. Tenn. Code Ann. § 48-1-102 (14) states, in pertinent part:

(A) "Investment adviser representative" means any partner, officer, or director of (or person occupying a similar status or performing similar functions) an investment adviser, or other individual, except clerical or ministerial personnel, who is employed by or associated with an investment adviser and does any of the following:

(i.) Makes any recommendation or otherwise renders advice regarding securities;

(ii.) Manages accounts or portfolios of clients;
(iii.) Determines which recommendation or advice regarding securities should be given;
(iv.) Solicits, offers, or negotiates for sale of or sells investment advisory services;
(v.) Supervises employees who perform any such actions; or
(vi.) Provides investment advice or holds oneself out as providing investment advice;

18. Tenn. Code Ann. § 48-1-102 (20) (A) and (B) state in pertinent part:

(A) Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.
(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

19. Tenn. Code Ann. § 48-1-102 (21) (A) states in pertinent part:

(21)(A) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

20. Tenn. Code Ann. § 48-1-103(a) states in pertinent part:

(a) The following securities are exempted from § 48-1-104 and, except as the commissioner may otherwise require by rule, §§ 48-1-113 and 48-1-124(e)
…
(13)
(A) Any security issued by a person that meets the following requirements:
(i) The sale of the security must meet the requirements of the federal exemption for intrastate offerings in either:
(a) Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C. § 77c(a)(11)), and 17 C.F.R. 230.147 or 17 C.F.R. 230.147A; or
(b) 17 C.F.R. 230.147A;
…

21. Tenn. Code Ann. § 48-1-104 states, in pertinent part:

> (a) It is unlawful for any person to sell any security in this state unless:
>
> (1) It is registered under this part;
> (2) The security or transaction is exempted under § 48-1-103; or
> (3) The security is a covered security.
>
> (b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

22. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

> (a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes
>
> …
>
> (e)
>
> (2)
>
> (A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

23. Tenn. Code Ann. § 48-1-109(a) provides that:

> (a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:
>
> (1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

24. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

25. Tenn. Code Ann. § 48-1-109(e) provides that:

The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

26. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Ex Parte Order to Cease and Desist upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

27. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

V. CAUSES OF ACTION

A. The Respondents are selling unregistered securities in the state of Tennessee.

28. The Respondents' sale of the Hypercoin investments meets the elements of an investment contract under the Hawaii Market Test. An investment contract as included within Tenn. Code Ann. § 48-1-102(21)(A) is a security. An investment contract has the following characteristics:

a. an offeree furnishes initial value to an offeror,

b. a portion of this initial value is subjected to the risks of the enterprise, and

c. the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and

d. the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise. King v. Pope, 91 S.W.3d 314, 316 (Tenn. 2002)

In this case, Respondents offered investors interests in the investment program; the Hypercoin investments were at risk of the enterprise; the investment amount was induced by promises of returns of value above the initial investment amount; and the investors did not have any right to control the investment. As an investment contract is included in the definition of security, the Respondents were required to register the security with the Division. The securities sold did not meet Tennessee’s requirements for an exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). The Respondents' failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity.

B. The Respondents are engaging in unregistered activity as broker-dealers by effecting the sale of securities in Tennessee.

29. The Respondents facilitated the sale of securities in the State of Tennessee by accepting funds for investments, thereby acting as broker-dealers in Tennessee. They were not registered in Tennessee, nor did the products qualify for an exception to the security registration requirement. The Respondents’ acceptance of funds for the investments constitutes acting as a

broker-dealer in effecting the sale of unregistered securities in Tennessee, in violation of Tenn. Code Ann. § 48-1-109(a).

30. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(a) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all unregistered securities activity.

C. The Respondents are engaging in activity as investment advisers or investment adviser representatives by recommending investments in unregistered securities for a fee in Tennessee.

31. The Respondents are offering investment advisory services in Tennessee, and the Respondents are not registered with the Division as an investment adviser or investment adviser representative as required under the Act.

32. The Respondents, in providing investment recommendation information to the public via its website for a commission,, were behaving as investment advisers as defined in Tenn. Code Ann. § 48-1-102(14).

33. The Respondents' actions of providing investment advisory services in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on the Respondents as fiduciaries by recommending investments in exchange for a fee and accepting custody of client funds. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all unregistered securities activity.

VI. PRAYER FOR RELIEF

THE DIVISION HEREBY REQUESTS the entry of an Ex Parte Order requiring, pursuant to the Act, that:

34. The Respondents shall **COMPLY** with the provisions of the Act and all rules

promulgated pursuant to the Act.

35. The Respondents shall **CEASE AND DESIST** from any further unregistered conduct as an investment adviser, investment adviser representative, agent, or broker-dealer from or in the State of Tennessee.

36. All persons or entities in any way assisting, aiding, or helping the Respondents in any of the aforementioned violations of the Act shall **CEASE AND DESIST** all such activities in violation of the Act.

37. In addition, the Division requests such other, further, general, or different relief to which the Division may be entitled.

Respectfully Submitted,

Courtney.Anne Smith (Jun 23, 2026 15:58:52 CDT)

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vs.	)	**O.I.: 2020-0021**
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EX PARTE ORDER TO CEASE AND DESIST

This Ex Parte Order to Cease and Desist issues as the result of a Petition, and its Exhibits attached thereto, filed by the Securities Division of the Tennessee Department of Commerce and Insurance ("Division") against to Hypercoin Trade, Ltd ("Hypercoin"), which was operated by Rose Ann Parker ("Respondent Parker"), collectively ("Respondents"). This Ex Parte Order to Cease and Desist is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") is responsible for the administration of the Act. The Division, pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

2. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public

interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

3. Hypercoin is an inactive New York corporation with a former address of 7232 Broadway, Suite 206, Jackson Heights, NY 11377. Hypercoin has never been registered with the Division.

4. Respondent Parker is believed to be a natural person with a last known business address of 7232 Broadway, Suite 206, Jackson Heights, NY 11377. She has never been registered with the Division.

5. Respondents are not currently, nor have they ever been, registered with the Tennessee Secretary of State's office as a legal entity conducting business in the State of Tennessee.

6. On or about September 3, 2019, the Financial Services Investigation Unit ("FSIU") received an email complaint from Tennessee resident Anooshah Nasserizafar ("Mr. Nasserizafar"). This complaint stated that he invested one thousand five hundred dollars ($1,500) in cryptocurrencies with Hypercoin Trade LTC Company ("Hypercoin"). Mr. Nasserizafar stated that he invested with Hypercoin because of the daily profits offered. He stated that when he attempted to withdraw funds from his Hypercoin account, it was blocked. He was told that his "FREE TRAIL"[sic] period had ended, and he would need to pay <u>nine-hundred dollars (</u>$900) to unblock the account.

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f. Communications from WhatsApp with an individual portraying himself as an employee of Hypercoin, Michael Noble; and

g. Emailed communications with a person believed to be Rose Ann Parker that provided explanations of the company's model.

9. Based on FSIU's investigation, it was determined that Hypercoin is not a registered broker-dealer, agent, investment adviser, or investment adviser representative in Tennessee. Also, Hypercoin was selling unregistered securities in Tennessee, which did not qualify for an exemption.

10. Hypercoin's website offers the following statements and assertions:

a. "Start Earning. The process of earning is very simple; you do not need to be an expert trader. You can earn funds by simply joining our investment program and let our experts do the rest for you."

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iii. Silver-$3000 min deposit, max deposit $5000, Payout automatic, investment security 100%.

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f. Admin investment package ($30000 - no limit) - 20% daily return. See Exhibit H.

12. Upon information and belief, there was no disclosure that excludes Tennessee residents from investing in the platform.

13. Director of Registration, April Odom, found that at no point were the Respondents registered with the Division in any capacity. Additionally, the investment contract

that the Respondent sold was never registered with the Division. Odom Aff. ¶ 10, 11, 12, 15, 16, and 17.

APPLICABLE LAW

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15. Tenn. Code Ann. § 48-1-102(4) states in pertinent part:

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> (A) Issuers, except to the extent provided in § 48-1-110(f);
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> (D) A person who has no place of business in this state and who is registered as a broker-dealer with the securities and exchange commission or the Financial Industry Regulatory Authority (FINRA) or any successor regulatory entity if:
> (i) The person effects transactions in this state exclusively with or through:
> (a) The issuers of the securities involved in the transactions;
> (b) Other broker-dealers; or
> (c) Institutional investors; or
> (ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i)); or(E) Such other persons not within the intent of this subdivision (4) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

16. Tenn. Code Ann. § 48-1-102 (13) states, in pertinent part:

(13) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, buying, or selling securities, or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. "Investment adviser" includes a financial planner or other person who, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or who holds oneself out as providing investment advice to others for compensation. "Investment adviser" does not include:

(A) A bank (unless it is acting as an investment adviser for a registered investment company), savings institution, or trust company;

(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;

(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;

(D) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;

(E) A person who has no place of business in this state if:

(i.) The person's only clients in this state are other investment advisers, broker-dealers, or institutional investors; or

(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

(F) Such other persons not within the intent of this subdivision (13) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors;

17. Tenn. Code Ann. § 48-1-102 (14) states, in pertinent part:

(A) "Investment adviser representative" means any partner, officer, or director of (or person occupying a similar status or performing similar functions) an investment adviser, or other individual, except clerical or ministerial personnel, who is employed by or associated with an investment adviser and does any of the following:

(i.) Makes any recommendation or otherwise renders advice regarding securities;

(ii.) Manages accounts or portfolios of clients;

(iii.) Determines which recommendation or advice regarding securities should be given;

(iv.) Solicits, offers, or negotiates for sale of or sells investment advisory services;

(v.) Supervises employees who perform any such actions; or

(vi.) Provides investment advice or holds oneself out as providing investment advice;

18. Tenn. Code Ann. § 48-1-102 (20) (A) and (B) state in pertinent part:

(A) Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.

(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

19. Tenn. Code Ann. § 48-1-102 (21) (A) states in pertinent part:

(21)(A) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

20. Tenn. Code Ann. § 48-1-103(a) states in pertinent part:

(a) The following securities are exempted from § 48-1-104 and, except as the commissioner may otherwise require by rule, §§ 48-1-113 and 48-1-124(e)

…

(13)

(A) Any security issued by a person that meets the following requirements:

(i) The sale of the security must meet the requirements of the federal exemption for intrastate offerings in either:

(a) Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C. § 77c(a)(11)), and 17 C.F.R. 230.147 or 17 C.F.R. 230.147A; or

(b) 17 C.F.R. 230.147A;

…

21. Tenn. Code Ann. § 48-1-104 states, in pertinent part:

(a) It is unlawful for any person to sell any security in this state unless:

(1) It is registered under this part;
(2) The security or transaction is exempted under § 48-1-103; or
(3) The security is a covered security.

(b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

22. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

(a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes

…

(e)

(2)

(A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

23. Tenn. Code Ann. § 48-1-109(a) provides that:

(a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:

(1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

24. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

25. Tenn. Code Ann. § 48-1-109(e) provides that:

The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

26. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code

Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Ex Parte Order to Cease and Desist upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

27. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

CONCLUSIONS OF LAW

The Commissioner finds that this Ex Parte order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act pursuant to Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner finds that prior notice to the Respondents of this Cease and Desist Order would not have been in the public interest and would have been detrimental to the protection of Tennessee securities consumers pursuant to Tenn. Code Ann. § 48-1-116(e)(2)(A).

A. The Respondents are selling unregistered securities in the state of Tennessee.

28. The Findings of Fact demonstrate that Respondents were required to register the security with the Division. The securities sold did not meet Tennessee's requirements for an

exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). The Respondents' failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all securities activity.

29. The Respondents' actions of selling unregistered securities in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on the Respondents as fiduciaries in providing financial advice.

B. The Respondents are engaging in unregistered activity as broker-dealers by effecting the sale of securities in Tennessee.

30. The Findings of Fact demonstrate that Respondents facilitated the sale of securities in the State of Tennessee by accepting funds for investments, thereby acting as broker-dealers in Tennessee. They were not registered in Tennessee, nor did the products qualify for a registration exception to the security registration requirement. The Respondents' acts of accepting sales and attempting to obtain the sale of such securities through their sales tactics constitute acting as unregistered broker-dealers in effecting the sale of unregistered securities in Tennessee, in violation of Tenn. Code Ann. §§ 48-1-104(a) and 48-1-109(a).

31. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and 48-1-109(a) provide grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all securities activity.

C. The Respondents are engaging in investment adviser services while not registered as an investment adviser or an investment adviser representative.

32. The Findings of Fact demonstrate that Respondents are offering investment adviser services in Tennessee, and the Respondents are not registered with the Division as an

investment adviser or investment adviser representative as required under the Act.

33. The Respondents, in providing information to the public via its websites for a commission, constitute acting as investment advisers as defined in Tenn. Code Ann. § 48-1-102(14).

34. The Respondents' actions of providing investment adviser services in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on Respondents as fiduciaries by recommending investments in exchange for a fee and accepting custody of client funds. The Respondents' unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all unregistered securities activity.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

34. The Respondents **SHALL COMPLY** with the provisions of the Act.

35. The Respondents **SHALL CEASE AND DESIST** from engaging in any further unregistered conduct as an investment adviser, investment adviser representative, broker-dealer, or agent from or in the State of Tennessee until such time they are effectively registered with the Division to engage in such activity.

37. Any persons aiding or otherwise acting in concert with the Respondents or facilitating the unlawful activities of the Respondents through operation of its social media accounts, websites, and YouTube channels to and from Tennessee, and any successor entities or individuals, **SHALL IMMEDIATELY CEASE AND DESIST** from aiding such unlawful conduct of the Respondents.

38. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which the Respondents might be engaged.

39. Entry of this Ex Parte Order to Cease and Desist shall not in any way restrict the Division or the Commissioner from taking further action, including the imposition of maximum civil penalties allowed under the Act, with respect to these or other possible violations of the Act, or any of the rules promulgated thereunder, by the Respondents.

40. The Respondents are advised that the right to a hearing as to all matters raised in this Ex Parte Order to Cease and Desist is available. If the Respondents wish to exercise the right to a hearing, please notify:

ELIZABETH H. BOWLING
ASSISTANT COMMISSIONER FOR SECURITIES
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER, 10th FLOOR
NASHVILLE, TENNESSEE 37243

41. Such request must be received within thirty (30) days from the date of execution of this Ex Parte Order to Cease and Desist. This Ex Parte Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 01 day of July, 2026.

Carter Lawrence (Jul 1, 2026 15:01:20 CDT)

Carter Lawrence, Commissioner

APPROVED FOR ENTRY:

Elizabeth Bowling (Jul 1, 2026 11:58:52 CDT)

Elizabeth H. Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance

Courtney.Anne Smith (Jun 23, 2026 15:58:52 CDT)

Courtney Smith, BPR #032367
Associate Counsel
500 James Robertson Parkway
Davy Crockett Tower
Nashville, TN 37243
(615) 253-9910
courtney.anne.smith@tn.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this Petition for Ex Parte Order to Cease and Desist and Ex Parte Order to Cease and Desist will be served upon the Respondent via overnight mail and email to the below enclosed address on this 7th day of July, 2026.

United States Postal Service No. 9589 0710 5270 4047 4924 98

Rose Parker
7232 Broadway, Suite 206,
Jackson Heights, NY 11377

United States Postal Service No. 9589 0710 5270 4047 4924 74

Hypercoin Trade Ltd.
7232 Broadway, Suite 206,
Jackson Heights, NY 11377

United States Postal Service No. 9589 0710 5270 4047 4924 81

Hypercoin Trade Ltd.
Attn: Carter Lawrence – Commissioner
Attorney-In- Fact pursuant to Tenn. Code Ann. §48-1-124(f)
500 James Robertson Parkway
Nashville, TN 37243

Courtney.Anne Smith (Jun 23, 2026 15:58:52 CDT)

Courtney A. Smith