

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	
Nova Tech, Ltd. a/k/a NovaTech, Ltd.; Cynthia Petion; and Eddy Petion,)	ORDER TO CEASE AND DESIST
)	Matter No. 20232700
)	
Respondents.)	
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I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Nova Tech Ltd. a/k/a NovaTech, Ltd. (“NovaTech”), Cynthia Petion, and Eddy Petion (Cynthia Petion and Eddy Petion are hereinafter collectively, the “Petions”) (NovaTech and the Petions are hereinafter collectively, the “Respondents”). In connection with its investigation, the Division has determined that the Respondents have violated the Act.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred between June 2019 and the present (the “Relevant Period”).

IV. RESPONDENTS

3. NovaTech is a Saint Vincent and the Grenadines entity formed on September 26, 2019, with its principal place of business in Royal Palm, Florida. Purportedly, NovaTech is a crypto asset and forex trading platform.

4. Cynthia Petion is a resident of Florida and the co-founder and chief executive officer of NovaTech. Purportedly, Cynthia Petion is responsible for creating, planning, implementing, and integrating the strategic direction of NovaTech, managing and implementing NovaTech's research and development strategies, and overseeing and managing NovaTech's overall operations, including NovaTech's finances. Cynthia Petion branded herself to investors as a "Reverend CEO" and claimed that NovaTech was a "message from God."

5. Eddy Petion is resident of Florida, the husband of Cynthia Petion, and the co-founder and chief operating officer of NovaTech. Purportedly, Eddy Petion oversees daily operations and trading for client accounts, despite having no experience in trading client assets.

V. RELATED PARTIES

6. AWS Mining Pty Ltd. ("AWS") was an Australian organization and a business name holder for Automated Web Services Mining (together "AWS Mining"). AWS Mining was co-founded by Daniel Beduschi and Alexandre Campos and located at Level 57, MLC Centre, 19-29 Martin Place, Sydney, NSW 2000, Australia. AWS Mining appears to have ceased to exist in August 2019.

VI. FINDINGS OF FACT

A. AWS Mining

7. Before founding NovaTech in 2019, the Petions were top promoters for the alleged multi-level marketing (“MLM”) crypto asset investment scheme operated by AWS.

8. AWS offered investments in crypto asset mining contracts to investors and paid bonuses and commissions to an MLM network of sales agents who sold the investments for AWS and recruited additional agents into its MLM program.

9. In November 2018, the Texas State Securities Board (“TSSB”) found that AWS violated Texas securities laws and ordered AWS to cease and desist from offering its securities in Texas. Among other things, the TSSB found that AWS violated Texas securities laws by making false and misleading statements to investors regarding the profitability of the investments sold, offering unregistered securities, and recruiting sales agents to offer and sell securities without a registration or license to sell such securities.

10. Shortly after the TSSB issued the order to cease and desist, the AWS scheme collapsed and the Petions began to publicly distance themselves from AWS, claiming that they too were victims.

11. The Petions then pivoted to creating and running their own MLM crypto asset investment scheme, NovaTech, which was described as a way for former AWS investors to recoup losses suffered from AWS’s collapse.

B. NovaTech

12. In June 2019, the Petions founded NovaTech and recruited other top promoters from AWS to promote NovaTech to their respective followers and implemented an MLM structure for NovaTech, modeled after AWS’s MLM program.

13. NovaTech was marketed, among other places, on its websites,¹ social media, messaging platforms, like Telegram and WhatsApp, and in presentations made available to investors, as an investment program that promised lucrative profits purportedly earned from trading crypto assets and foreign currency markets by NovaTech's supposed "team of experienced traders." Additionally, NovaTech also paid commissions, through an MLM structure, to members who recruited new investors.

14. The NovaTech investment program was described as offering a participation interest in a pool of crypto assets that NovaTech traded on behalf of investors. NovaTech referred to this participation interest as a "PAMM Account."

15. According to NovaTech, the "PAMM system allows more money to be brought into play while distributing the risk of one trader across (usually) multiple investors."

16. To participate in the NovaTech investment program, investors created a user account on NovaTech's website and funded their accounts with crypto assets worth a minimum of \$99.00. While creating their accounts, investors could identify their "sponsor" (i.e., the person who recruited them) by, among other means, following a unique URL provided by the sponsor.

17. After creating an account with NovaTech, investors could (i) access marketing and training materials; (ii) access NovaTech's official Telegram channel; (iii) invest their crypto assets through NovaTech's program; (iv) track their account balances (including purported trading profits and recruitment commissions credited to their account); (v) re-invest purported profits and commissions; and (vi) submit a request to withdraw purported profits, commissions, and invested capital.

¹ The Petions operated NovaTech from the following websites: <https://novatechfx.com>, <https://novatechfx.uk.com>, and <https://novatechfxuk.com/home/>.

18. The Petions controlled NovaTech's account with a crypto payment processor located in Lithuania (and Estonia for part of the Relevant Period) (the "Payment Processor") and therefore controlled the means by which investor deposits and withdrawals were processed. The manner in which the Petions processed payments with the Payment Processor obscured both incoming transactions by investors to NovaTech and the onward transfer of investors' assets from NovaTech.

19. NovaTech's fee structure, promoters, and the Petions all encouraged investors to increase their trading account balance by either contributing additional assets out of pocket or by rolling over their "bonus account" balances to their trading account, purportedly to increase the weekly profits investors received.

20. In actuality, NovaTech directed investors through its website to send their crypto assets, intended for trading by NovaTech, to the Payment Processor who did not trade crypto assets for NovaTech, but merely stored it in NovaTech's wallets.

21. Throughout the Relevant Period, NovaTech announced and paid to investors positive weekly ROI, despite cryptocurrency markets uniformly plunging in the spring of 2022. On the NovaTech portal, investor account balances appeared to continue to grow and compound, reaching a purported total value of over \$3 billion by May 5, 2023, which bore no relation to the actual dollar value of investor funds held by NovaTech.

22. In addition to its purported trading activities, NovaTech claimed to generate additional revenue through the operation of Bitcoin ATMs by an affiliated entity, Smart Bit Inc. NovaTech told investors that the profits from its Bitcoin ATM business would be included in the distributions it made to investors who had purchased "Packages."

C. The Scheme Collapses

23. In the fall of 2022, Canadian and U.S. state securities regulators served cease and desist orders on NovaTech for selling and promoting unregistered securities and for fraud. By December 2022, a growing number of investors requested to withdraw their funds from NovaTech.

24. Unable to continue making payments to investors, on February 5, 2023, NovaTech announced a temporary freeze in PAMM account withdrawals for a period of 60 days.

25. On May 22, 2023, NovaTech announced that withdrawals were totally unavailable, with no announcement as to when or whether they would resume.

26. On July 6, 2023, Cynthia Petion announced that the NovaTechFX platform was undergoing an audit and was therefore suspended. Cynthia Petion simultaneously announced the publication of the “NovaTech 2.0 platform” at <https://Novatechfx.uk.com>. Cynthia Petion further represented that, while investors could not make withdrawals from the original NovaTechFX platform, investors could purportedly withdraw those inaccessible funds from the NovaTech 2.0 platform. However, to withdraw their initial investments from the NovaTech 2.0 platform, investors had to first make a deposit equal to 30% of the total funds of their original trading accounts into a new account on NovaTech 2.0.

27. NovaTech has failed to return cryptocurrency deposited by investors and tens of thousands of investors have been left with hundreds of millions of dollars in losses, despite the Petions transferring tens of millions of dollars’ worth of investor cryptocurrency out of NovaTech and into cryptocurrency wallets owned and controlled by the Petions.

D. Misrepresentations and Misstatements

28. During the Relevant Period, to assure investors that NovaTech was a legitimate scheme, the Respondents made material misstatements and misrepresentations regarding NovaTech's licenses and registrations, including but not limited to:

- a. that NovaTech was a "legally registered Hedge Fund company," a "registered hedge fund broker," a "licensed hedge fund broker," and a "licensed hedge broker;"
- b. that NovaTech Advisors, LLC, a company controlled by the Petions, was registered with the State of Florida to do business as an investment adviser or financial advisor; and
- c. that NovaTech was licensed to trade cryptocurrency in the U.S. and forex abroad.

29. During the Relevant Period, the Respondents conveyed false and misleading information about NovaTech to investors, including but not limited to:

- a. that the returns it credited to investor accounts were derived from crypto assets and foreign currency trading activity;
- b. publishing fake performance reports depicting purported weekly trading profits on the investor portal on its website;
- c. that NovaTech made weekly crypto asset withdrawals from its trading platform to pay investors; and
- d. that NovaTech had other sources of income that contributed to investors weekly return on investment.

30. NovaTech failed to generate anywhere near the returns it represented to investors. Records from NovaTech's trading platforms show that traders and accounts associated with NovaTech lost approximately \$18 million during the Relevant Period.

31. The Petions also caused NovaTech to transfer crypto assets from wallets in which it aggregated investor funds to accounts and wallets owned and controlled by the Petions.

32. NovaTech (i) failed to generate returns from its crypto assets and foreign exchange trading; (ii) traded only a fraction of investor assets; and (iii) had no other sources of revenue besides investor deposits and trading activity.

E. Other State Actions

33. Several states and foreign regulators have taken action against the Respondents related to the NovaTech scheme, including:

- a. the Central Bank of Russia,
- b. the British Columbia Securities Commission,
- c. the California Department of Financial Protection and Innovation,
- d. the Wisconsin Department of Financial Institutions,
- e. the State of Washington Department of Financial Institutions,
- f. the Attorney General of the State of New York, and
- g. the SEC.

VII. CONCLUSIONS OF LAW

34. Paragraphs 1 through 33 are incorporated by reference as though fully set forth herein.

35. Pursuant to S.C. Code Ann. § 35-1-102(29), the PAMM accounts offered by the Respondents are securities.

36. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in South Carolina unless the security is registered with the Division, exempt from registration, or a federal covered security.

37. The Respondents violated S.C. Code Ann. § 35-1-301 by offering and selling securities that are not registered with the Division, exempt from registration, or a federal covered security.

38. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for any person, in connection with the offer, sale, or purchase of a security, directly or indirectly, (i) to employ a device, scheme, or artifice to defraud, (ii) to make an untrue statement of 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, or (iii) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

39. The Respondents violated S.C. Code Ann. § 35-1-501 by employing a scheme to defraud investors, making untrue statements of material fact and by omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, and engaging in a course of business that operated as a fraud upon investors.

40. This Order is in the best interest of the public, according to the Act.

VIII. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604, it is hereby **ORDERED** that:

- a. Each Respondent and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly

or directly controlled by or on behalf of each of the Respondents shall **CEASE AND DESIST** from transacting business in this State in violation of the Act.

- b. The Respondents shall jointly and severally pay a civil penalty in the amount of twenty thousand dollars (\$20,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in the amount not to exceed \$10,000.00 for each violation of the Act and the actual cost of the investigation or proceeding.

IX. NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that each has the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Securities Division, within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule a hearing for the Respondent.


Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and any assessed costs, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division, or any other agency, including without limitation civil and criminal law enforcement agencies, from seeking additional civil or criminal remedies

that are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 22nd day of May 2025.

ALAN WILSON
SECURITIES COMMISSIONER

By: 
JONATHAN B. WILLIAMS
Assistant Deputy Attorney General