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### Texas State Securities Board

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DAVID B. MONTGOMERY  
MEMBER

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IN THE MATTER OF	§
TESLA INC. LTD AKA TESLA SPACE X	§
INVESTMENTS AKA TESLA SPACE X	§
INVESTMENTS AKA TESLA-SPACE X INVEST	§
AKA TELS A SPACE X AKA TELS A SPACE-X	§
AKA TELS A INC. AKA TESLA, CAMERON	§
WILLIAMSON, LESLIE ALEXANDER, ESTHER	§
HOWARD, AND KRISTIN WATSON	§

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**Order No. ENF-24-CDO-1884**

**Tesla Inc. LTD aka Tesla SpaceX Investments aka Tesla SpaceX Investments aka Tesla-SpaceX Invest aka Telsa SpaceX aka Telsa Space-X aka Telsa Inc. aka Tesla** is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.

**Cameron Williamson** is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.

**Leslie Alexander** is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.

**Esther Howard** is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.

**Kristin Watson** is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.

### **EMERGENCY CEASE AND DESIST ORDER**

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas (“Securities Commissioner”) of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 4007.104 of The Securities Act, Tex. Gov’t Code Ann. §§ 4001.001-4008.105 (the “Securities Act”).

The Enforcement Division of the Texas State Securities Board (the “Enforcement Division”) has presented evidence sufficient for the Securities Commissioner to find that:

## FINDINGS OF FACT

1. Tesla Inc. LTD aka Tesla SpaceX Investments aka Tesla SpaceX Investments aka Tesla-SpaceX Invest aka Telsa SpaceX aka Telsa Space-X aka Telsa Inc. aka Tesla (“Respondent TSX”) purports to maintain its office at Gigafactory Texas N, Austin, Texas. It is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.
2. Cameron Williamson (“Respondent Williamson”) purportedly serves as the Vice President of Respondent TSX and is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.
3. Leslie Alexander (“Respondent Alexander”) purportedly serves as the Customer Success Lead for Respondent TSX and is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.
4. Esther Howard (“Respondent Howard”) purportedly serves as the Vice President of Planning and Strategy for Respondent TSX and is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.
5. Kristin Watson (“Respondent Watson”) purportedly serves as a Financial Advisor for Respondent TSX and is being served by certified mail, return receipt requested, addressed to Gigafactory Texas N, Austin, Texas.
6. Respondents TSX, Williamson, Alexander, Howard and Watson (collectively the “Respondents”) published a website accessible at tesla-spacexinvest.com (the “TSX Website”), and the website explains that users can contact Respondents by email at support@tesla-spacexinvest.com. The Enforcement Division is also sending this Emergency Cease and Desist Order to Respondents by electronic mail addressed to support@tesla-spacexinvest.com.
7. The TSX Website was registered with PSI-USA, Inc. dba Domain Robot on or around November 27, 2023. The Enforcement Division is sending this Emergency Cease and Desist Order to Respondents c/o PSI-USA, Inc. via certified mail, return receipt requested, addressed to 3960 Howard Hughes Parkway, Suite 500, Las Vegas, Nevada 89169.
8. Private Name Services Inc. is the registrant contact, administrative contact and technical contact for the TSX Website. The Enforcement Division is sending this Emergency Cease and Desist Order to Respondents c/o Private Name Services Inc. via registered mail addressed to 1100-1200 West 73rd Avenue, Vancouver, British Columbia V6P 6G5.

### THE BROKERAGE AND EXCHANGE BUSINESSES AND THE OFFER OF THE DIGITAL ASSET PACKAGES

9. Respondent TSX purportedly operates as a forex broker, a commodities broker, an investment broker and a cryptocurrency exchange that accepts retail and institutional clients.

10. Respondents are also engaging in other business, including businesses that incorporate digital assets and financial technology. For example, Respondents are promoting Respondent TSX's digital asset cloud mining service and an automated digital asset trading service that "maximizes profit on every trade and guarantees... the right trades are made." Respondent TSX also purports to manage an NFT platform described as "[t]he world's [l]eading and largest marketplace for crypto collectibles and non-fungible tokens (NFTs)."
11. Moreover, Respondents are offering "packages" that permit clients to earn interest on a weekly basis.
12. The packages include the Silver, Gold, Diamond and Elite Packages, and Respondents are describing their terms as follows:
  - A. Clients purchase the Silver Package for a minimum of \$500 and a maximum of \$4,999. Their purchase entitles them to earn 10% interest per week, 10% trading/withdrawal commissions and 5% referral bonuses.
  - B. Clients purchase the Gold Package for a minimum of \$5,000 and a maximum of \$14,999. Their purchase entitles them to earn 15% interest per week, 10% trading/withdrawal commissions and 5% referral bonuses.
  - C. Clients purchase the Diamond Package for a minimum of \$15,000 and a maximum of \$49,999. Their purchase entitles them to earn 20% interest per week, 10% trading/withdrawal commissions and 5% referral bonuses.
  - D. Clients purchase the Elite Package for a minimum of \$50,000 and a maximum of \$100,000. Their purchase entitles them to earn 25% interest per week, 10% trading/withdrawal commissions and 5% referral bonuses.
13. Clients purchase the Silver, Gold, Diamond, and Elite Packages, as well as other products and services, by registering accounts through the TSX Website and depositing digital assets as follows:
  - A. Clients transfer Bitcoin to a wallet controlled by Respondents at bc1qaqm q5t45q3rt7m3wfx4px5xhm5z339cjcc3d9v,
  - B. Clients transfer Ether to a wallet controlled by Respondents at 0x009af0 9ab5eafe2f71da31b36651840a0682fc81, and
  - C. Clients transfer Tether to a wallet controlled by Respondents at TJP8Tbv vzRzo7yAvYuK8fo95C249vMzyJp.

### THE SCOPE OF OPERATIONS

14. Respondents are touting the size of Respondent TSX, claiming it has 890 team members, 80,765 employees and 65 locations worldwide.

15. Respondents are also touting the scope of the operations of Respondent TSX. They are, for example, claiming that, as of June 13, 2024, Respondent TSX has 40,216 members and more than 15,534 clients, Respondent TSX is also representing its members invested \$9,374,034 and Respondent TSX remitted nearly \$100,000,000.
16. Additionally, as of June 13, 2024, the aforementioned Bitcoin, Ethereum and Tether wallets controlled by Respondents completed more than 150 transactions and received digital assets valued at more than \$117,000.

#### COMPLIANCE AND REGULATION

17. Respondents are touting their legitimacy in part by representing Respondent TSX is “globally licensed and regulated.”
18. Respondents are also claiming Respondent TSX is a “legal company” with “its registered office in the US.”

#### “NO RISK” INVESTMENTS AND “CRIME INSURANCE” PROTECTION

19. Respondents are representing that its services pose significant risks to investors.
20. Although Respondents are acknowledging these significant risks, they are also representing that investments purchased from Respondent TSX do not have any risk.
21. Moreover, Respondents also representing they are minimizing any risk associated with theft by purchasing “crime insurance” from an undisclosed insurance company.

#### THE INVESTMENT GUARANTEES

22. Respondents are representing that Respondent TSX is “guaranteeing maximum profitability for all [clients’] investments.”
23. Respondents are also representing Respondent TSX is “guarantee[ing]... the best ROI” for cloud mining services.

#### THE IMPERSONATION OF TESLA, INC., AND SPACE EXPLORATION TECHNOLOGIES CORPORATION

24. Respondents are impersonating Tesla, Inc., a domestic multinational automative and clean energy company headquartered in Austin, Texas, that currently employs Elon Musk as its Chief Executive Officer.
25. Respondents are representing Respondent TSX is located at Gigafactory Texas N, Austin, Texas. Although the term “Gigafactory” often refers to a facility used by Tesla, the address published by Respondent TSX does not exist.
26. Respondents are also impersonating Space Exploration Technologies Corporation, commonly referred to as SpaceX, a domestic manufacturer, launch service provider and satellite communications company founded by Elon Musk.

THE USE OF STOCK IMAGES AND PHOTOGRAPHS  
OF MODELS TO DEPICT OFFICERS AND/OR EMPLOYEES

27. Respondents are collectively referring to Respondents Williamson, Alexander, Howard and Watson as Respondent TSX's "Expert Team" and publishing images of them as follows:
- A. Respondent Williamson serves as the Vice President of Respondent TSX. The photograph depicting Respondent Williamson, however, is a headshot of a model from a photography studio operating in Northern Ireland.
  - B. Respondent Alexander serves as the Customer Success Lead of Respondent TSX. The photograph depicting Respondent Alexander, however, is a stock photograph of a model.
  - C. Respondent Howard serves as the Vice President of Planning and Strategy of Respondent TSX. The photograph depicting Respondent Howard, however, is an image of a model used to sell decorative jewelry through e-commerce.
  - D. Respondent Watson serves as a Financial Advisor for Respondent TSX. The photograph of Respondent Watson, however, is a stock photograph of a model.

THE PHONY TESTIMONIALS

28. Respondents are representing Respondent TSX has received a 98% satisfaction rate from customers. Respondents are also publishing testimonials from various clients that include photographs that purport to show the client, as well as quotes touting Respondents and the investments issued by Respondent TSX.
29. Although the testimonials purport to be authentic, Respondents are using stock photographs and images appropriated from unrelated parties to falsely depict clients. For example:
- A. The testimonial for Louis M. Reilly touts the success of Respondents' platform and the returns received from her investments. The image for Louis M. Reilly, however, is actually the same image used in a social media profile for an adjunct professor at Liberty University who is not named Louis M. Reilly.
  - B. The testimonial for Rodney C. Stilwell claims profits from investments purchased from Respondents helped him and his family survive the 2020 pandemic. The image for Rodney C. Stilwell, however, is a stock image used in unrelated stories published by national media.

REGISTRATION VIOLATIONS

30. Respondent TSX has not been registered with the Securities Commissioner as a dealer at any time material hereto.

31. Respondents Williamson, Alexander, Howard and Watson have not been registered with the Securities Commissioner as agents of Respondent TSX at any time material hereto.
32. The Silver, Gold, Diamond, and Elite Packages have not been registered by qualification, notification or coordination, and no permit has been granted for their sale in Texas at any time material hereto.

#### FRAUD AND THE IMPERSONATION OF TESLA, INC., AND SPACEX

33. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are misrepresenting that they are Tesla, Inc., and SpaceX, and said information constitutes a relevant fact.

#### FRAUD AND THE OFFICES OF RESPONDENT TSX

34. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are misrepresenting the address of Respondent TSX as Gigafactory Texas N, Austin, Texas, and said information constitutes a relevant fact.
35. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are intentionally failing to disclose the true address of Respondent TSX, and said information constitutes a material fact.

#### FRAUD AND THE CAPITALIZATION OF RESPONDENT TSX

36. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are intentionally failing to disclose any financial information for Respondent TSX, including its assets, liabilities and revenue, and said information constitutes a material fact.

#### FRAUD AND THE PURPORTED OFFICERS OF RESPONDENT TSX

37. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are misrepresenting the likenesses of Respondents Williamson, Alexander, Howard and Watson, and said information constitutes a relevant fact.
38. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are intentionally failing to disclose the following material facts:
  - A. The true identity of the owners, directors and officers of Respondent TSX, and
  - B. The background, experience and qualifications of the true owners, directors and officers of Respondent TSX.

#### DECEIT AND REGULATION AND COMPLIANCE

39. Respondents are representing that Respondent TSX is “globally licensed and regulated,” that Respondent TSX is a “legal company” and that Respondent TSX’s

“registered office [is] in the US.” These statements are materially misleading or otherwise likely to deceive the public because:

- A. Respondent TSX purports to be operating from Texas but is not registered with the Texas Secretary of State,
  - B. As described herein, Respondent TSX is providing a phony address for its offices in the US,
  - C. Respondent TSX purports to be operating from Texas but is not registered with the Securities Commissioner to offer or sell securities, and
  - D. Respondent TSX is not registered with FINRA to offer or sell securities.
40. As described herein, Respondents are representing Respondent Watson is a Financial Advisor for Respondent TSX. The statement describing Respondent Watson as a “Financial Advisor” is materially misleading or otherwise likely to deceive the public because Respondent Watson has not been registered with the Securities Commissioner as an agent of Respondent TSX at any time material hereto.

#### FRAUD AND THE SILVER, GOLD, DIAMOND AND ELITE PACKAGES

41. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are intentionally failing to disclose the following material facts about the Silver, Gold, Diamond and Elite Packages:
- A. The historic performance of the Silver, Gold, Diamond, and Elite Packages, including whether Respondent TSX successfully paid all promised returns to current and prior clients and any incidents where Respondent TSX failed to pay all promised returns to current and prior clients,
  - B. The manner in which Respondent TSX holds assets transferred by clients, including whether assets are segregated from or commingled with other assets, whether assets are held in one or more hot or cold wallet, and the identity of any exchanges where assets may be custodialized, and
  - C. The manner in which Respondent TSX uses client assets to generate represented returns.

#### FRAUD, DECEIT AND RISKS TO INVESTORS

42. In connection with the offer of the Silver, Gold, Diamond, and Elite Packages, Respondents are representing that investments purchased from Respondent TSX do not have any risk. This claim constitutes a misrepresentation of a relevant fact.
43. As described herein, Respondents are representing that investments purchased from Respondent TSX do not have any risk and this statement is materially misleading or otherwise likely to deceive the public because:

- A. The Silver, Gold, Diamond, and Elite Packages pose significant risks to investors, and
  - B. Respondents acknowledge its services pose significant risks to investors.
44. As also described herein, Respondents are representing they are minimizing any risk associated with theft by purchasing “crime insurance.” This representation is materially misleading or otherwise likely to deceive the public because:
- A. Respondents are concealing the identity of the insurance company that purportedly issued the “crime insurance,” and
  - B. Respondents are concealing material information about the terms of “crime insurance,” including the type of insurance policy purportedly protecting against theft as well as information relating to scope of coverage, the parties covered by the purported insurance policy, the limitations of the purported policy, and the costs and premiums for the purported policy.

#### FRAUD, DECEIT AND THE GUARANTEE

45. In connection with the offer of the Silver, Gold, Diamond and Elite Packages, Respondents are guaranteeing maximum profitability but intentionally failing to disclose the following material facts:
- A. The basis for claiming they are guaranteeing maximum profitability, including the processes for paying maximum profits to clients in the event the underlying business does not generate sufficient revenue, and
  - B. Any assets owned by Respondents that can be used to satisfy the guarantee or any process that can be implemented to ensure Respondents satisfy the guarantee.

#### FRAUD AND THE PHONY TESTIMONIALS

46. As described herein, Respondents are publishing testimonials from various clients. The testimonials include photographs that purport to show the client, as well as quotes touting Respondents and the investments issued by Respondent TSX.
47. In connection with the offer of the Silver, Gold, Diamond and Elite Packages, Respondents are intentionally failing to disclose that the images of clients are stock photographs or images depicting other persons, and this information constitutes a material fact.

#### DECEIT AND THE AFFILIATE PROGRAM

48. As described herein, Respondents are promising to pay 10% trading/withdrawal commissions tied to the Silver, Gold, Diamond and Elite Packages. The statements



relating to trading/withdrawal commissions are materially misleading or otherwise likely to deceive the public because:

- A. Parties offering the investment plans in or from Texas are offering unregistered securities in violation of Section 4003.001 of the Securities Act, and
- B. Parties offering the investment plans in or from Texas are offering securities in violation of Section 4004.051 of the Securities Act unless the parties registered as dealers or agents.

### **CONCLUSIONS OF LAW**

1. The Silver, Gold, Diamond and Elite Packages are securities as that term is defined in Section 4001.068 of the Securities Act.
2. Respondents are violating Section 4003.001 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with or permitted by the Securities Commissioner.
3. Respondents are violating Section 4004.051 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 4004.051 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for the sale of securities.
5. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents' conduct, acts, and practices threaten immediate and irreparable harm.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 4007.104 of the Securities Act.

### **ORDER**

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers, agents, investment advisers, or investment adviser representatives in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

**NOTICE**

Pursuant to Section 4007.104 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 4007.206 of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 4007.104 of the Securities Act is a criminal offense punishable by a fine of not more than \$10,000.00, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 17<sup>th</sup> day of June, 2024.



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TRAVIS J. ILES  
Securities Commissioner