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**FOR IMMEDIATE RELEASE**

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### **Company Fined for Unlawful Sale of Digital Assets to Kentuckians**

**Frankfort, Ky.** (Feb. 7, 2024) – The Department of Financial Institutions (DFI) has entered into a consent order with financial services company TradeStation Crypto Inc. for offering and selling unregistered digital assets to Kentucky consumers. As part of the order, TradeStation must pay nearly \$30,000 in fines and immediately cease and desist.

The order states that from November 2019 to June 2022, TradeStation offered and sold unregistered securities in the form of digital asset trading accounts that accrued and paid interest. The order further clarifies that these securities were not exempt from registration in Kentucky. By June 30, 2022, there were 99 active Kentucky accounts collectively valued at over \$135,000. TradeStation is ordered to cease and desist from offering and selling any unregistered securities in Kentucky and to pay a \$29,411.76 fine.

“While there is never a guarantee with any type of investment, unregistered securities such as the ones offered by TradeStation are particularly dangerous for Kentucky investors because they remain unchecked and unregulated by financial professionals. They are also illegal,” said Chad Harlan, DFI’s securities division’s assistant director. “Always do your homework and make sure you are investing your money wisely.”

Harlan recommends anyone interested in investments should use [BrokerCheck](https://brokercheck.finra.org) (brokercheck.finra.org) before signing on the dotted line. BrokerCheck will verify that:

- Your broker is registered to sell securities and offer investment advice as required by law.
- Your broker’s employment history.
- Any regulatory actions against your broker, including investment-related licensing information, arbitrations, and complaints.

Kentucky’s order is the result of an investigation by the North American Securities Administrators Association (NASAA) and a working group of 51 state and jurisdictional regulators of which DFI is a part. A full copy of DFI’s consent order can be found at [KFI.ky.gov](https://kfi.ky.gov) by clicking on “Legal” and then “Securities Enforcement Actions.”

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*DFI is an agency in the Public Protection Cabinet, and supervises the financial services industry by examining, chartering, licensing, and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI’s mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.*