ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:	*	
Stanley G. Richards	*	Case No. 2025 - 0560
Respondent	*	

* * * * * * * * * * * * *

ORDER TO SHOW CAUSE

WHEREAS, the Securities Division of the Maryland Office of the Attorney General (the "Division"), pursuant to the authority granted in section 11-701 of the Maryland Securities Act (the "Act" or "Securities Act"), and the Corporation and Associations Article, Title 11, Annotated Code of Maryland (2025 Repl. Vol.), undertook an investigation of the securities activities of Stanley G. Richards ("Respondent"); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the "Commissioner") has determined that Respondent may have violated the registration and anti-fraud provisions of the Securities Act; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Order to Show Cause;

NOW, THEREFORE, pursuant to sections 11-301, 11-302(a)(1) – (2) and (c), 11-306, 11-401(a), 11-401(b), 11-501, 11-701.1 and 11-801 of the Securities Act, it is hereby:

ORDERED, that Respondents show cause why they should not be barred permanently from engaging in the securities and investment advisory business in Maryland for or on behalf of others, or from acting as principal or consultant for any such business, why they should not be ordered to permanently cease and desist from further violations of the Act, why a monetary penalty of $5,000 per violation should not be entered against Respondents, and why any other sanction or combination of sanctions against Respondents as permitted under section 11-701.1 should not be entered.

The Commissioner alleges the following as a basis for this Order to Show Cause:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 and 11-801 of the Securities Act.

II. RESPONDENT

2. At all relevant times, Respondent was a resident of Maryland. At all relevant times, Respondent acted as a broker-dealer, agent, investment adviser or investment adviser representative in the State of Maryland on behalf of NovaTech Ltd. a/k/a NovaTechFx, NovaTech Advisors, LLC, NovaPay, LLC, and Nova Trading OU ("NovaTech Entities"). Respondent has never been registered as a broker-dealer, agent, investment adviser, or investment adviser representative in the State of Maryland.

III. OTHER NON-PARTIES

3. At all relevant times, NovaTech Ltd. a/k/a NovaTechFx is and was a business entity registered in Saint Vincent and the Grenadines with principal places of business in Beachmont, Kingstown, St. Vincent and the Grenadines.

4. At all relevant times, NovaTech Advisors, LLC is and was a Florida limited liability company with a principal place of business in Boca Raton, Florida.

5. At all relevant times, NovaPay, LLC is and was a Florida limited liability company with a principal place of business in Boca Raton, Florida.

6. At all relevant times, NovaTrading OU is and was an Estonian company with a principal place of business in Tallinn, Estonia.

7. At all relevant times, Eddy Petion was a co-founder, manager and Chief Operating Officer of the NovaTech Entities. Mr. Petion has never been registered as a broker-dealer, agent, investment adviser, or investment adviser representative in the State of Maryland.

8. At all relevant times, Cynthia Petion was a co-founder, manager and the Chief Executive Officer of the NovaTech Entities. Ms. Petion has never been registered as a broker-dealer, agent, investment adviser, or investment adviser representative in the State of Maryland.

9. Eddy and Cynthia Petion are collectively known as "the Petions."

10. The NovaTech Entities, through the Petions, operated the websites www.novatechfx.com and www.novatechfx.io.

IV. STATEMENT OF FACTS

11. As early as 2019, NovaTech began offering and selling securities in the form of investment contracts in Maryland through general solicitations on its website, via virtual online conferencing, and via in-state, person-to-person recruitment. NovaTech referred to these investment contracts as "Packages."

12. NovaTech was not and is not currently registered as a broker-dealer to sell securities in the state of Maryland nor has it registered its securities or filed a claim of exemption or preemption from registration.

13. NovaTech promoted itself as a crypto asset and Forex trading platform. The purported purpose of the securities offerings was for NovaTech to use investor funds to engage in crypto and Forex trading, which in turn would generate returns for clients who invested in NovaTech Packages. NovaTech claimed to execute this trading activity using its percentage

allocation management module (PAMM) accounts. According to NovaTech, clients could invest their funds in NovaTech's master trading accounts, which NovaTech would then pool with other client's funds to be managed and traded by NovaTech's "experienced traders and bots."

14. NovaTech specifically targeted prospective investors with little to no experience trading in the crypto and Forex markets, telling prospective investors that NovaTech's "fully automated" investment products allow investors to "earn without having to trade" and that "no experience is needed."

15. The Packages were publicly available to investors through NovaTech's website and in Maryland by face-to-face and online offerings and sales by Maryland-based NovaTech senior representatives, including Respondent.

16. 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 prospective investors that the profits from its Bitcoin ATM business would be included in the distributions it made to clients who purchased NovaTech Packages.

17. Hundreds of thousands of NovaTech clients across the country and internationally were defrauded out of hundreds of millions of dollars, including approximately three thousand (3,000) Maryland residents who were defrauded out of an estimated $110,000,000 by enticing clients to invest in NovaTech by citing past, and promising future, high returns on their investments which were completely false and not supported by any link to actual market performance.

18. NovaTech also falsely informed clients they could withdraw their money at any time, when in reality all withdrawals were controlled by the Petions and ultimately, when new deposits slowed beyond the ability to cover withdrawals, no withdrawals were permitted.

19. However, Respondent still made recommendations and rendered investment advice to prospective clients and ultimately offered and sold the NovaTech security to 148 clients, some of whom offered and sold to other prospective clients who invested an estimated $37,000,000 into NovaTech. NovaTech was an illegal pyramid scheme.

20. During NovaTech videos, virtual calls, and on social media, Respondent offered and sold the NovaTech security to prospective clients by highlighting the claimed high returns, the benefits of compound interest and advantages of reinvesting profits in NovaTech. He often cited his level of success at NovaTech and on July 27, 2022, Respondent posted on his social media feed that only after one year with NovaTech, he had "personally sponsored 107 individuals, with a total of 3206 on my team – group volume of over $13.8 million – and I'm just getting started."

21. Respondent used the materials and information from the NovaTech websites, www.novatechfx.io and www.novatechfx.com, which advertised NovaTech as a "Forex & Crypto Trading Platform" that promised "weekly payouts," to conduct in-person and online offering and selling sessions targeting prospective clients.

22. Respondent enticed clients to open accounts with NovaTech, and investors were told they could convert monies into cryptocurrency and invest any amount of cryptocurrency for "trading." Respondent further enticed clients by telling them that NovaTech would waive monthly service fees for investors with over $25,000.

23. After opening their accounts, clients' monies were directed through NovaTech's website to a payment processor located in Lithuania and Estonia. The crypto assets were held in NovaTech's crypto "wallets." The Petions maintained full control of the NovaTech accounts held with the payment processor and determined the methods by which clients' crypto assets were received from and returned, if at all, to clients.

24. The Petions determined how much, if any, clients' monies were traded on the NovaTech trading platform.

25. Respondent informed clients that on each Friday, NovaTech posted the return on investments from weekly trading profits from the prior week. In reality, these numbers were completely false and not supported by any link to actual market performance.

26. Respondent informed clients that they could also receive referral bonuses for recruiting new clients and were given ceremonial titles that reflected the amount of money they convinced prospective clients to invest in NovaTech. Titles included Platinum Associate for $25,000 in sales and 2-Star Ambassador for $100,000,000 in sales.

27. Respondent held the title of Senior Director for offering and selling a group volume of no less than $25,000,000. NovaTech defined group volume as the amount of crypto assets invested by a promoter's subordinate clients and included the alleged trading profits and commissions reinvested by a promoter's subordinate clients. Respondent's wife and son held titles of Director and Junior Director respectively for selling no less than $10,000,000 and $5,000,000, respectively.

28. Respondent used various social media platforms such as Facebook, YouTube, WhatsApp, Telegram, virtual online meetings, in-person meetings, and other means to promote NovaTech. Respondent used slide decks created by the Petions describing the structure of the NovaTech investment in virtual online meetings and face-to-face recruitment meetings. The same information was available for viewing on the NovaTech investor portal and the NovaTech website.

29. Respondent falsely promoted NovaTech as being properly "registered" or "a registered hedge fund" and "licensed" to trade cryptocurrency in the United States.

30. Respondent held routinely scheduled online calls to promote NovaTech, updated clients on the continuing success of NovaTech, falsely telling existing and prospective clients that NovaTech was generating profits from trading of approximately 2-4% per week, and falsely assuring clients that they could withdraw their initial investment and profits at any time.

31. The statements made by Respondent were materially false and misleading. NovaTech was not licensed by any regulatory entity in the United States, including Maryland, or abroad and did not generate profits from trading that were sufficient to support the profit claims or ability to make the payouts promised by Respondent. He knew, or should have known, that NovaTech's structure and claims were completely false.

32. At no time did Respondent disclose the risks associated with the NovaTech securities, including that the NovaTech securities described above could lose value, were unsecured, would not be paid, and were unregistered. Conversely, Respondent falsely stated that clients could get their money back at any time, and cited false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities

33. Investors worldwide deposited between six hundred million dollars and one billion dollars' worth of cryptocurrency with NovaTech beginning as early as 2019 through 2023; however, less than $26 million was ever actually traded on NovaTech's trading platform.

34. In 2022, securities regulators in the United States and Canada issued cease and desist orders against NovaTech for selling and promoting unregistered securities and for committing fraud. Notwithstanding these orders and the warning signs that NovaTech was on the verge of collapse, Respondent continued to buy time with clients by assuring them via YouTube video updates that clients were still able to access the money in their accounts, which was true

until February 2023 and with varying amounts of success by clients depending on how much cryptocurrency they were trying to withdraw.

35. Beginning in February 2023, NovaTech suspended all withdrawals from clients' accounts and failed to return monies invested, leaving tens of thousands of clients worldwide with extraordinary losses totaling millions of dollars, including those to whom Respondent offered and sold the NovaTech security.

36. The Petions transferred tens of millions of dollars' worth of cryptocurrency out of NovaTech, and Respondent was paid between 1% to 5% for offering and selling the NovaTech security to clients he recruited and a lesser percentage for clients sold to by Respondent's subordinate clients.

COUNT I

(Offer and Sale of Unregistered Securities - section 11-501)

WHEREAS, the Novatech investments described above as offered and sold by Respondent constitute "securities" within the definition contained in section 11-101(s) of the Act; and

WHEREAS, section 11-501 of the Act makes it unlawful for any person to offer or sell a security in this State unless the security is registered, is exempt from registration under Subtitle 6 the Act, or qualifies as a federal covered security; and

WHEREAS, Respondent offered and sold the Novatech securities as described above to clients via online virtual meetings, online platforms available to clients and prospective clients and direct to clients via face-to-face offering and sales meetings held in various locations in Maryland; and

WHEREAS, the securities offered and sold by Respondent are not registered with the Division, nor has a claim of exemption from registration or a claim that the securities are federal covered securities been filed with respect to the offerings; and

WHEREAS, Respondent has offered and sold securities in violation of the registration requirements of section 11-501 of the Act; and

NOW THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be entered against Respondent that orders Respondent to cease and desist from further violations of section 11-501 of the Act, imposes the statutory penalty of $5,000 per violation of section 11-501 of the Act, permanently bars Respondent from the securities and investment advisory business in Maryland, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

COUNT II
(Unregistered Broker-Dealer or Agent - section 11-401(a))

WHEREAS, section 11-101(b) of the Act defines "agent" to mean an individual other than a broker dealer who represents a broker-dealer or issuer in effecting or attempting to affect the purchase or sale of securities; and

WHEREAS, section 11-101(c) of the Act defines "broker-dealer" to mean a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and

WHEREAS, section 11-401(a) of the Act makes it unlawful for any person to transact business in this State as a broker-dealer or agent unless the person is registered as a broker-dealer or agent; and

WHEREAS, Respondent transacted business as a broker-dealer or agent for NovaTech in Maryland by effecting or attempting to affect the purchase or sale of NovaTech securities described above to clients while not registered with the Division as a broker-dealer, in violation of section 11-401(a) of the Act; and

NOW THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be entered against Respondent that orders Respondent to cease and desist from further violations of section 11-401(a) of the Act, imposes the statutory penalty of $5,000 per violation of section 11-401(a) of the Act, permanently bars Respondent from the securities and investment advisory business in Maryland, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

COUNT III
(Unregistered Investment Adviser Representative, Section 11-401(b))

WHEREAS, section 11-401(b) of the Act makes it unlawful for any person to transact business in this State as an investment adviser or as an investment adviser representative unless that person is registered as such pursuant to the Act; and

WHEREAS, section 11-101(i) of the Act defines "investment adviser" to mean any person who, for compensation, engages in the business of advising others as to the value of securities or the advisability of investing in, purchasing or selling securities, or who, for compensation and as part of a regular business issues or promulgates analyses or reports concerning securities; or provides or offers to provide financial or investment counseling or advice; or gathers information relating to investments, establishes financial goals and objectives, processes and analyzes the information gathered, and recommends a financial plan; or holds out as an investment adviser in any way, including indicating by advertisement, card, or letterhead, or in any other manner indicates that the person is a financial or investment "planner", "counselor", "consultant", or any other similar type adviser or consultant; and

WHEREAS, section 11-101(j) of the Act defines "investment adviser representative" to mean any individual who is employed by or associated with an investment adviser and solicits on behalf of the investment adviser for the sale of investment advisory services; and

WHEREAS, Respondent acted as an unregistered investment adviser or investment adviser representative as described above through is employment and association with the NovaTech Entities and by engaging in the business of advising individual clients directly or through publications on social media platforms, as to the value of NovaTech securities or as to the advisability of investing in or purchasing NovaTech securities and hosting several online virtual meetings viewed by clients which provided financial and investment counseling or advice related to the purchase of NovaTech Securities; and

WHEREAS, Respondent is not registered with the Division as an investment adviser or investment adviser representative; and

WHEREAS, Respondent acted as an investment adviser or investment adviser representative in violation of the registration requirements of section 11-401(b) of the Securities Act;

NOW THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be entered against Respondent that orders Respondent to cease and desist from further violations of section 11-401(b) of the Act, imposes the statutory penalty of $5,000 per violation of section 11-401(b) of the Act, permanently bars Respondent from the securities and investment advisory business in Maryland, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

COUNT IV
(Fraud in Connection with the Offer or Sale of Securities - Section 11-301(2) and (3)

WHEREAS, sections 11-301(2) and (3) of the Act make it unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to:

> (2) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or

(3) engage in any act practice or course of business which operates or would operate as a fraud or deceit on any person; and

WHEREAS, Respondent failed to disclose material facts in connection with the offer and sale of the NovaTech securities described above including that the NovaTech securities could lose value, are unsecured, would not be paid, and were unregistered, by falsely stating that clients could get their money back at any time, and by citing false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities; and

WHEREAS, Respondent engaged in an act, practice or course of business which operated as a fraud or deceit on clients with the offer and sale of NovaTech securities to clients, by failing to disclose material facts in the offer and sale of the NovaTech securities described above, including the risks that the NovaTech securities described above could lose value, are unsecured, would not be paid, and were unregistered, by falsely stating that clients could get their money back at any time, and by citing false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities; and

NOW THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be entered against Respondent that orders Respondent to cease and desist from further violations of section 11-301 of the Act, imposes the statutory penalty of $5,000 per violation of section 11-301 of the Act, permanently bars Respondent from the securities and investment advisory business in Maryland, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

COUNT V
(Fraud in Connection with the Offer and Sale of Investment Advice - sections 11-302(a)(2) and (c)

WHEREAS, sections 11-302(a)(2) of the Act makes it unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, or for acting as an investment adviser or representative under §11-101(i) and (j) of this title, whether through the issuance of analyses, reports, or otherwise, to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit on the other person; and

WHEREAS, section 11-302(c) of the Act makes it unlawful, in the solicitation of or in dealings with advisory clients, for any person knowingly to make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and

WHEREAS, Respondent engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit on clients or prospective clients by failing to disclose material facts in the offer and sale of the NovaTech securities described above, including the risks that the NovaTech securities described above could lose value, are unsecured, would not be paid, and were unregistered, by falsely stating that investors could get their money back at any time, and by citing false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities as described in the statement of facts above; and

WHEREAS, Respondent in the solicitation of or in dealings with advisory clients, made untrue statements of material fact, or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, by failing to disclose material facts in the offer and sale of the NovaTech securities described above, including the risks that the NovaTech securities described above could lose value, are unsecured, would not be paid, and were unregistered, by falsely stating that investors could get their money back at any time, and by citing false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities; and

WHEREAS, Respondent violated sections 11-302(a)(2) and (c) of the Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be issued against Respondent that orders Respondent to cease and desist from engaging in violations of the anti-fraud provisions of sections 11-302(a)(2), (3) and (c) of the Act, assesses Respondent the statutory penalty of $5,000 per violation of sections 11-302(a)(2), (3) and (c) of the Act, permanently bars Respondent from engaging in the securities and investment advisory business in Maryland, orders Respondent to permanently cease and desist from further violations of the Act, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

COUNT VI
(Dishonest or Unethical Practices by Broker-Dealer or Agent – section 11-306)

WHEREAS, section 11-306 of the Act makes it unlawful for any person to engage in the business of effecting transactions in securities for the account of others or for the person's own account or who acts as a broker-dealer or agent to engage in dishonest or unethical practices in the securities or investment advisory business; and

WHEREAS, the NovaTech offerings described above are securities within the meaning of section 11-101(s) of the Act, and

WHEREAS, the NovaTech offerings described above were offered and sold by Respondent to investors; and

WHEREAS, Respondent acted as a broker-dealer or agent on behalf of NovaTech; and

WHEREAS, Respondent engaged in the business of effecting transactions in securities for the account of others and for Respondent's own accounts; and

WHEREAS, Respondent engaged in the business of effecting transactions in NovaTech securities to prospective clients, failed to disclose material facts in the offer and sale of the

NovaTech securities described above, including the risks that the NovaTech securities described above could lose value, are unsecured, would not be paid, and were unregistered, and by falsely stating that investors could get their money back at any time, and by citing false gains that did not correspond to actual market performance or gains and losses of the NovaTech securities; and

WHEREAS, Respondent engaged in dishonest or unethical practices in the securities and investment advisory business in violation of section 11-306 of the Act; and

NOW THEREFORE, IT IS HEREBY **ORDERED** that Respondent show cause why a final order should not be entered against Respondent that orders Respondent to cease and desist from further violations of section 11-306 of the Act, imposes the statutory penalty of $5,000 per violation of section 11-306 of the Act, permanently bars Respondent from the securities and investment advisory business in Maryland, and orders any other sanction or combination of sanctions against Respondent as permitted under section 11-701.1 of the Act.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

IT IS FURTHER **ORDERED**, pursuant to section 11-701.1 of the Securities Act and COMAR 02.02.06.06, that Respondent shall file with the Securities Commissioner a written Answer to this Order within fifteen (15) days of service of the Order. The Answer shall admit or deny each factual allegation in the Order and shall set forth affirmative defenses, if any. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

The Answer also shall indicate whether Respondent requests a hearing. A hearing to determine whether the Order should be vacated, modified, or entered as final will be scheduled in this matter if one is requested in writing. Failure by Respondent to file a request for a hearing in this matter within fifteen (15) days of receipt of the Order shall be deemed a waiver by Respondent of the right to such a hearing.

Failure to file an Answer, including a request for a hearing, shall result in entry of a Final Order:

(a) imposing on Respondent a monetary penalty of up to $5,000 per violation of the Securities Act;

(b) barring Respondent from engaging in the securities or investment advisory business in Maryland for or on behalf of any others, or from acting as principal or consultant in any entity so engaged;

(c) ordering Respondent to permanently cease and desist from further violation of the Act; and

(d) imposing any other sanctions or combination of sanctions lawful under section 11-701.1 of the Act.

DATE OF THIS ORDER:

February 11, 2026

SO ORDERED:

Commissioner's Signature on File w/Original Document

Melanie Senter Lubin
Securities Commissioner