



FINTELEGRAM INVESTOR
PROTECTION LTD



EUROPEAN FUNDS
RECOVERY INITIATIVE

**CYPRUS SECURITIES AND
EXCHANGE COMMISSION**

Att: Demetra Kalogerou

19 Diagorou Str
CY-1097 Nicosia

via Email to chairman@cysec.gov.cy

9 October 2020

**Ref: Request for Action - Compliance Check and Statement regarding
Maxigrid Ltd (Ref.No.: 13.29.004.4019)**

Dear Demetra Kalogerou,

investment fraud is on the rise in Europe. On a daily basis hundreds if not thousands of unsuspecting European consumers are being defrauded by scammers and losing their life savings. Therefore, each European supervisory authority has to make it top priority to address any issue in relation to such investment fraud which is brought to the attention of the authorities by a victim – at least this is our understanding.

Today we are drawing your attention to an urgent matter regarding **Maxigrid Ltd**, a CySEC-regulated investment firm, as we believe that this case should be a reference case for the CySEC for the protection of EU consumers and retail investors.

Our request for action has to be seen also in context with the statement of *The Financial Ombudsman Service of the Republic of Cyprus* dated October 8th, 2020 (REF. NO.: 13.29.004.4019) on a complaint made by an Austrian victim of Investment fraud.

We have also copied this notification to Europol in this case because we assert that they should also investigate the case as the responsible coordination law enforcement entity on EU level.

CySEC Responsibility

Maxigrid Ltd is a CySEC-regulated investment company with [license number 145/11](#), which makes it the responsibility of your government agency for the company's financial activities. Furthermore, **Maxiflex Ltd**, another CySEC-regulated investment firm with the [license number 258/14](#) also seems to be connected to the scam activities. Both **Maxigrid** and **Maxiflex** show Mr. *Roy Almagor* as one of the beneficial owners.



Given the alleged involvement of two CySEC-regulated entities and/or their beneficial owners in vast scam and money-laundering activities, clearly this evidence establishes CySEC’s responsibility to investigate.

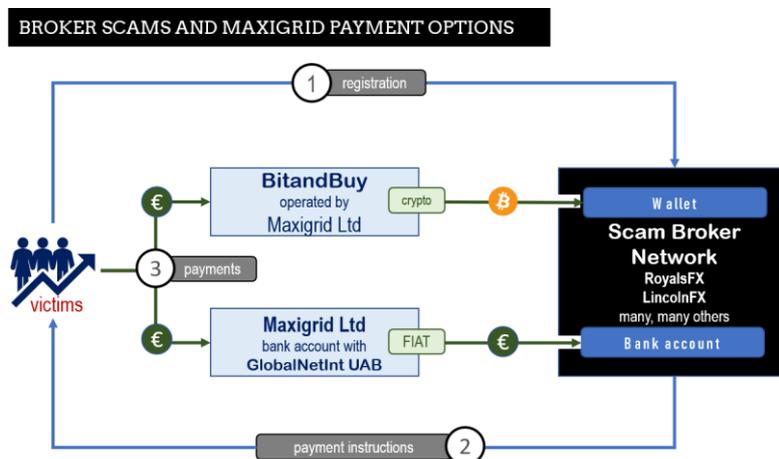
Maxigrid Case

While FinTelegram has received whistleblower reports, the European Funds Recovery Initiative (EFRI – not-for-profit organization to date representing more than 850 victims from investment fraud cases) represents victims of various broker scams such as *RoyalsFX* or *LincolnFX* with a total loss of more than EUR 900,000 .

The documents received from the victims prove beyond any reasonable doubt that payments from client-victims of these scams were processed by **Maxigrid Ltd**. This applies to deposits via cryptocurrencies as well as via bank transfers:

1. **Crypto transactions:** Until May 2020 **Maxigrid Ltd** operated the crypto investment and trading platform **BitandBuy** under the domains *https://crypto.maxigrid.com* and *https://bitandbuy.com*. Customer victims of various scams were asked to make deposits to the scams via **BitandBuy**. After the first complaints from victims - FinTelegram and EFRI have been involved in some of the correspondence and cc’d in emails - **BitandBuy** was closed without further explanation or disclosure by **Maxigrid**. It is clear from the victims' records that **BitandBuy** and the scams co-operated closely. This has happened for several large scams that aggressively targeted EU consumers and victimized them.
2. **Bank transactions:** the Maxigrid Ltd involvement was not limited to its BitandBuy platform. The bank statements, payment documents, and communication available shows that scams also used the bank account of **Maxigrid Ltd** with the Lithuanian GlobalNetInt UAB to receive money from the victims. The corresponding bank documents are available to FinTelegram.

In this respect, **Maxigrid** made itself available in the following form at least as a payment processor for crypto and FIAT for scams.



FinTelegram has contacted **Maxigrid** and its beneficial owners several times and have received no explanations.



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We know that the victims have filed complaints with the relevant law enforcement authorities in their country and that this is being investigated.

We respectfully ask you, as the Chair of CySEC, to ensure that your authority conducts a respective investigation and a compliance check regarding Maxigrid Ltd.

Financial Ombudsman Services Statement

In a cry for help, one victim addressed The *Financial Ombudsman Service of the Republic of Cyprus for this case with Maxigrid Ltd* (Ref.No.: 13.29.004.4019). As of October 8th, the Financial Ombudsman Office closed the complaint, telling the victim that they have determined that Maxigrid Ltd was the operator of the BitandBuy crypto investment and trading platform and did not have a license for it. Furthermore, the Financial Ombudsman Office stated that as CySEC is not responsible for crypto activities, the Financial Ombudsman Office would not be responsible for complaints from victims in this regard. This is a view that we do not understand at all.

Regulators like the CySEC are responsible for ALL activities of the companies registered with CySEC,

We request an official statement from the CySEC in this regard in the interest of the security of the EU financial markets and investor protection.

On behalf of the many scam victims we thank you very much for your attention in this matter.

Please contact us for additional information and/or supporting documents.

Respectfully yours,

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Protection Ltd

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Recovery Initiative (EFRI)

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