

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Securities Act of Washington by:

7 Stars Stripes Inc.,  
8 Ubay International Trading Inc.,  
9 Ronto Trading Inc.,  
10 Xuchang Longshengyuan Hair Products Co.,  
11 Respondents.

Order No.: S-23-3581-23-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO  
ENTER ORDER TO CEASE AND DESIST,  
TO IMPOSE A FINE,  
AND TO CHARGE COSTS

12 THE STATE OF WASHINGTON TO:

Stars Stripes Inc  
Ubay International Trading Inc.  
Ronto Trading Inc.  
Xuchang Longshengyuan Hair Products Co.

13 **STATEMENT OF CHARGES**

14 Please take notice that the Securities Administrator of the State of Washington has reason to believe  
15 that Respondents Ubay International Trading Inc., Ronto Trading Inc., Stars Stripes Inc., and Xuchang  
16 Longshengyuan Hair Products Co. (collectively "Respondents") have violated the Securities Act of  
17 Washington. The Securities Administrator believes those violations justify the entry of an order against the  
18 Respondents to cease and desist from such violations, to impose a fine, and to charge costs pursuant to RCW  
19 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

20 **TENTATIVE FINDINGS OF FACT**

21 **Respondents**

22 1. Stars Stripes Inc. ("Stars Stripes") is a New York corporation incorporated on October 16,  
23 2020, with a principal place of business purportedly in Long Beach, NY. Xuejun Ye is likely a Chinese citizen  
and the Acting Secretary for Stars Stripes Inc. Guoqiang Wang is a Chinese citizen and the Registered Agent  
for Stars Stripes Inc.

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ENTER ORDER TO  
CEASE AND DESIST, TO IMPOSE A FINE,  
AND TO CHARGE COSTS

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 41200  
Olympia, WA 98504-1200  
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1 controlled by Respondents Ubay International Trading Inc., Ronto Trading Inc., Stars Stripes Inc., and  
2 Xuchang Longshengyuan Hair Products Co. D.O's account balance was zeroed out in October of 2021. D.O.  
3 never received any payments from his trading account.

#### 4 **Nature of the Conduct**

5 2. In or around spring of 2021, D.O. attended a trade show in New York where he met Amy Kim.  
6 Kim stated that she owned a bridal store in Orlando, Florida. D.O. mentioned to Kim that he was looking to  
7 invest in private equity. Kim stayed in touch with D.O. After several weeks of communicating, Kim mentioned  
8 that she made money investing and offered to connect D.O. with her account coordinator, Walker Lee.

9 3. In May of 2021, Kim directed D.O. to contact Lee. On May 28, 2021, D.O. messaged Lee on  
10 WhatsApp. Lee described the investment to D.O. as a private equity team operation where an analyst team  
11 can "control the market" to earn profits. Lee told D.O. that a minimum investment of \$100,000 to \$1,000,000  
12 was required for professional teacher guidance. D.O. requested time to think over the investment prior to  
13 investing.

14 4. On June 1, 2021, Amy showed D.O. her alleged trading history on the MHW platform and ran  
15 simulations for him.<sup>2</sup> On June 2, 2021, D.O. messaged Lee to register him for an account.

16 5. On June 3, 2021, Lee instructed D.O. to create an account on  
17 <https://mwhmarkets.com/register1.html> ("mwhmarkets.com") and had D.O. send him a copy of a photo ID.  
18 Lee then had D.O. create an account on the MetaTrader 4 app.<sup>3</sup> The MetaTrader 4 application displayed the  
19 same account information available on the mwhmarkets.com website. D.O. agreed to invest \$10,000. Lee  
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21 <sup>2</sup> MWH created a false sense of legitimacy to potential investors by using a similar name to and listing the AFSL  
license number of MWH Capital Pty Ltd.

22 <sup>3</sup> MetaTrader 4 is a popular smartphone app used to conduct foreign market exchange transactions. MetaTrader 4  
23 allows licensees to use a plug in, known as a Virtual Dealer, which can be used to simulate account balances, profits,  
or losses. A similar product, the MetaTrader 5 app, was removed from the Apple App Store in September 2022 after it  
was used in a cryptocurrency scam to defraud a California investor out of more than \$1 million.

1 directed D.O. to wire the money to an account held by Stars Stripes Inc. at JPMorgan Chase. Lee instructed  
2 D.O. to send him photos of the transfer confirmation from his bank after each transfer.

3 6. On June 9, 2021, D.O. wired an additional \$90,000 to the account held by Stars Stripes Inc. at  
4 JPMorgan Chase. Lee told D.O. that moving forward D.O. should let him know when he will be wiring funds,  
5 as MWH uses multiple bank accounts that change frequently.

6 7. After D.O.'s initial investment and transfer of funds, Lee directed D.O. to make specific trades  
7 online using MetaTrader 4. Lee would sporadically contact D.O., by WhatsApp, to instruct him to make  
8 transactions based on the alleged advice of his analyst team.

9 8. D.O. continued to invest funds as his mwhmarkets.com account showed high rates of return.  
10 Additionally, Lee pushed him to invest more funds on the promise of even higher returns.

11 9. On June 17, 2021, D.O. wanted to invest an additional \$200,000. Lee directed D.O. to wire the  
12 funds to an account held by Ubay at Cathay Bank. Lee said that Ubay was his agent. After this transfer, Lee  
13 advised D.O. to avoid using "investment" or words related to MetaTrader 4 on the wire transfers.

14 10. On June 22, 2021, D.O. wanted to invest an additional \$70,000. Lee again directed D.O. to  
15 wire the funds to an account held by Ubay at Cathay Bank.

16 11. On June 23, 2021, D.O. wanted to invest an additional \$50,000. Lee again directed D.O. to  
17 wire the funds to an account held by Ubay at Cathay Bank.

18 12. On June 29, 2021, Lee falsely told D.O. that the \$70,000 transfer and the \$50,000 transfer were  
19 rejected by D.O.'s bank. Lee requested D.O.'s bank credentials and instructed D.O. to communicate with his  
20 bank regarding refund of the payment. Lee represented that his bank had refunded the payment. Bank records  
21 show that Ubay's Cathay bank account received these transfers and do not show that these payments were  
22 refunded.

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1           13.     On July 16, 2021, D.O. invested \$120,000. Lee directed D.O. to wire the funds to an account  
2 held by Ronto Trading Inc. at Cathay Bank.

3           14.     On July 21, 2021, D.O. messaged Lee and told him that his bank had not received the return  
4 of the \$50,000 he had invested on June 23, 2021. Lee told D.O. that the account was locked and that a refund  
5 would take up to two months. D.O. said we would follow up in August or September about the return of the  
6 funds.

7           15.     On August 26, 2021, D.O. asked Lee about the process to reinvest gains and how to withdraw  
8 funds. Lee told D.O. that there was no need to reinvest the funds and then told D.O. not to attempt to withdraw  
9 funds until after December, as it will “incur expensive handling fees.” Additionally, Lee told D.O. that if he  
10 wants an analyst to help him, D.O. needed to increase his total investment to \$2,000,000.

11          16.     On September 3, 2021, Lee messaged D.O. with trading instructions. D.O. replied to Lee  
12 telling him that his account balance on the platform had been zeroed out. Including alleged profits, prior to  
13 the account being cleared D.O.’s account had a balance of \$1,800,000. Lee told D.O. he would help resolve  
14 the issue. On September 8, 2021, Lee requested D.O.’s credentials to log into his account.

15          17.     On September 14, 2021, D.O. invested a further \$200,000 because Lee had told him that his  
16 principal had met “advanced analytical standards” and that he could use the “winning rate” more frequently.  
17 Lee directed D.O. to wire the funds to an account held by Xuchang Longshengyuan Hair Products Co., Ltd.  
18 at Citibank in their Singapore branch.

19          18.     On September 15, 2021, Lee asked D.O. when D.O. would transfer an additional \$250,000.  
20 D.O. told Lee that he was waiting for the balance of \$1,800,000 to be returned to his account prior to  
21 submitting any additional transfers.

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1 19. In and around October of 2021, Lee repeatedly messaged D.O. on WhatsApp to increase his  
2 investment. D.O. consistently responded that he wanted to use the \$1,800,000 that had been cleared from his  
3 account.

4 20. D.O. messaged Lee on November 9, 2021, asking where his funds were. Lee again told D.O.  
5 he needed to wait. Lee encouraged D.O. to send funds via Bitcoin or Tether token moving forward.

6 21. D.O. messaged Lee again on November 22, 2021, requesting an update on his funds, Lee did  
7 not respond. On November 23, 2021, D.O. received a notification that his security code with Lee on WhatsApp  
8 had changed.<sup>4</sup> Lee has not contacted D.O. since then.

9 22. Between June 3, 2021 and September 14, 2021, D.O. invested a total of \$720,000 by wiring  
10 funds to accounts owned by Stars Stripes Inc., Ubay International Trading Inc., Ronto Trading Inc., and  
11 Xuchang Longshengyuan Hair Products Co. Bank records show that D.O.'s funds were commingled with  
12 other funds and a majority of funds were quickly transferred to other entities based China and Hong Kong.  
13 D.O. intended for his funds to go to his mwhmarkets.com account for investing, he did not intend for his funds  
14 to be wired to China.

15 23. D.O. lost all \$720,000 of his investment.

### 16 **Misrepresentations or Omissions of Material Fact**

17 24. Respondents misrepresented to investor D.O. how his investment funds would be used.  
18 Respondents, through Kim and Lee, represented to D.O. that his funds would be used to make profits via  
19 trading. Instead, a majority of the funds were wire transferred to China and Hong Kong.

20 25. Respondents failed to disclose material information regarding the company, including, but not  
21 limited to, financial statements, operational history, financial conditions, or ownership.

22 \_\_\_\_\_  
23 <sup>4</sup> The WhatsApp security code is used to verify that the calls and the messages are end-to-end encrypted. If a user's security code changes, they must share the new code to continue messaging.

1 26. Respondents failed to provide any information about the risks of investing with the company.

2 **Engagement in Activities Which Operate or Would Operate as a Fraud Upon a Person**

3 27. Lee directed an investor to wire funds to other entities including Star Stripes Inc., Ubay  
4 International Trading Inc., Ronto Trading Inc., and Xuchang Longshengyuan Hair Products Co. These funds  
5 were transferred out or wired to accounts in Hong Kong and China, accounts not associated with  
6 mwhmarkets.com.

7 28. Respondents, through their own website and MetaTrader 4's plug-in, displayed false account  
8 information to investors—showing “deposits” when funds remained in accounts controlled by other entities,  
9 were transferred to other accounts, or were wired to accounts in Hong Kong and China.

10 **Registration Status**

11 29. Respondent Star Stripes Inc. is not currently registered to sell securities in the state of  
12 Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.

13 30. Respondent Ubay International Trading Inc. is not currently registered to sell securities in the  
14 state of Washington and has not previously been so registered, nor has it filed a claim of exemption from  
15 registration.

16 31. Respondent Ronto Trading Inc. is not currently registered to sell securities in the state of  
17 Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.

18 32. Respondent Xuchang Longshengyuan Hair Products Co. is not currently registered to sell  
19 securities in the state of Washington and has not previously been so registered, nor has it filed a claim of  
20 exemption from registration.

21  
22 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

23 **CONCLUSIONS OF LAW**

1 1. The offer and/or sale of the trading program described above constitutes the offer and/or sale  
2 of a security as defined in RCW 21.20.005(14) and (17).

3 2. Respondents Ubay International Trading Inc., Ronto Trading Inc., Stars Stripes Inc., and  
4 Xuchang Longshengyuan Hair Products Co. violated RCW 21.20.140, the securities registration section of  
5 the Securities Act of Washington, by offering and/or selling securities for which no registration is on file with  
6 the Securities Administrator.

7 3. Respondents Star Stripes Inc., Ubay International Trading Inc., Ronto Trading Inc., and  
8 Xuchang Longshengyuan Hair Products Co. violated RCW 21.20.010, the anti-fraud section of the Securities  
9 Act of Washington, by employing a device, scheme, or artifice to defraud, by making untrue statements of  
10 material fact, and by engaging in an act, practice, or course of business which operates or would operate as a  
11 fraud or deceit upon any person.

12 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

13 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions  
14 of Law, the Securities Administrator intends to order Respondents Ubay International Trading Inc., Ronto  
15 Trading Inc., Stars Stripes Inc., and Xuchang Longshengyuan Hair Products Co., and their agents and  
16 employees, to each permanently cease and desist from violations of RCW 21.20.140 and RCW 21.20.010.

17 **NOTICE OF INTENT TO IMPOSE FINES**

18 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,  
19 the Securities Administrator intends to order that:

- 20 a. Stars Stripes Inc. shall be liable for and shall pay a fine of \$20,000;
- 21 b. Ubay International Trading Inc. shall be liable for and pay a fine of \$30,000;
- 22 c. Ronto Trading Inc. shall be liable for and pay a fine of \$10,000; and
- 23 d. Xuchang Longshengyuan Hair Products Co. shall be liable for and pay a fine of \$10,000.

1 **NOTICE OF INTENT TO CHARGE COSTS**

2 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,  
3 the Securities Administrator intends to order that Respondents Stars Stripes Inc., Ubay International Trading  
4 Inc., Ronto Trading Inc., and Xuchang Longshengyuan Hair Products Co. shall be jointly and severally liable  
5 for and shall pay the costs, fees, and other expenses incurred in the administrative investigation and hearing  
6 of this matter, in an amount not less than \$8,350.

7 **AUTHORITY AND PROCEDURE**

8 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
9 to the provisions of Chapter 34.05 RCW. Respondents Stars Stripes Inc., Ubay International Trading Inc.,  
10 Ronto Trading Inc., and Xuchang Longshengyuan Hair Products Co. may each make a written request for a  
11 hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent does  
12 not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above  
13 Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist  
14 as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought  
15 against that respondent.

16 Signed and Entered this 8th day of March, 2024.



22 /s/

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William M. Beatty  
Securities Administrator

Approved by:

/s/

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Brian Guerard  
Chief of Enforcement

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/s/

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Financial Legal Examiner Supervisor

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