

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11425 / June 29, 2026

SECURITIES EXCHANGE ACT OF 1934
Release No. 105803 / June 29, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22654

In the Matter of

NETRIOS LP LTD. AND
RED ACRE, LTD.,

Respondents.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Netrios LP Ltd. (“Netrios”) and Red Acre, Ltd. (“Red Acre”) (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have each submitted an Offer of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ that:

Summary

1. From at least 2019 until September 2025, Netrios offered and sold security-based swaps to U.S. retail investors without an effective registration statement with the Commission as to those security-based swaps and without effecting those transactions on a registered national securities exchange.

2. To offer and sell these products, Netrios created the technology and infrastructure for ready-to-operate online white-label brokerage platforms ("white-label brokers") that Netrios then sold to operators to operate under their own brand. The white-label brokers, including at least fifteen that were owned and operated primarily from within the United States, offered customers the ability to trade "contracts for differences" or "CFDs," based on stocks, commodities, and other assets. A CFD is an agreement to exchange the difference in value of an underlying asset between the time at which a CFD position is established and the time at which it is terminated. Because the values of the stock-based CFDs were based on a single security, including the value thereof, they qualified as security-based swaps under the federal securities laws. Red Acre, an affiliate of Netrios, provided know-your-customer ("KYC") verification, marketing, and other services that facilitated Netrios' offer and sale of the CFDs.

3. Netrios violated Section 5(e) of the Securities Act by offering and selling these security-based swaps to persons who were not eligible contract participants as defined in Section 1a(18) of the Commodity Exchange Act and without having a registration statement in effect with the Commission as to these security-based swaps. Netrios violated Section 6(l) of the Exchange Act because such transactions were not effected on a national securities exchange registered pursuant to Section 6(b) of the Exchange Act. In addition, Red Acre caused Netrios' violations of Section 5(e) of the Securities Act and Section 6(l) of the Exchange Act.

Respondents

4. **Netrios LP Ltd.** is a privately-owned entity incorporated in Saint Lucia that operated a remote-based business with employees in multiple locations outside the United States. In January 2024, it became the successor entity to Netrios Ltd., incorporated in the Commonwealth of Dominica. Netrios provided white-label trading platforms for online brokers that included website creation, back-office services, and the provision of liquidity, pricing, and order execution services. Netrios has not been registered with the Commission in any capacity and has never had any securities registered with the Commission.

¹ The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. **Red Acre, Ltd.** is an affiliate of Netrios and a privately-owned entity incorporated in the Republic of Malta with business operations in Malta. Red Acre provided KYC verification and marketing services to Netrios' white-label brokers and their customers. Red Acre has not been registered with the Commission in any capacity and has never had any securities registered with the Commission.

Facts

6. From at least 2019 until September 2025, Netrios and Red Acre, which were under common control, provided white-label trading platforms for the creation and operation of online brokers for trading CFDs. Netrios' white-label product allowed its partners to host an online brokerage under their own brand and offer CFDs. Netrios and Red Acre established relationships with individuals, many of whom were prominent traders or influencers residing in the United States, who served as owners and operators of the white-label brokers (the "white-label operators").

7. In exchange for an up-front fee, Netrios, with Red Acre's assistance, provided the white-label operators with ready-to-operate websites that the white-label operators branded with their own name, logo, and color scheme. The default language, terms, and CFDs offered for trading on these white-label broker websites was provided by Red Acre, including the legal terms and conditions. The websites for the white-label brokers then offered trading accounts directly to customers.

8. Netrios and Red Acre provided the necessary technological infrastructure and services for the operation of the white-label brokers. Netrios provided back-office systems, sub-licenses for a third-party trading application, pricing and liquidity for the trades, and custodial services for customer funds. In some instances, Netrios also introduced the white-label operators to service providers for the purpose of establishing overseas corporate entities for their businesses. For a monthly fee paid by the white-label operators, Red Acre provided KYC verification and customer support services such as assisting customers with registration, account deposits, or withdrawals, downloading or operating the requisite software for trading, and the resolution of customer complaints. Red Acre also provided marketing services to some of the white-label brokers, such as email and social media marketing campaigns.

9. Customers registered on the white-label brokers' websites and funded their trading accounts with Bitcoin or other crypto assets. While trading by customers in certain countries was restricted as part of the KYC process, U.S. residents were permitted to register and trade through the white-label brokers. In fact, U.S. residents made up the majority of customer accounts of certain white-label brokers. Aside from identity verification, customers were not required to provide other information during the KYC process, such as proof of total assets or amounts invested. Accordingly, there was no attempt to verify the status of customers as eligible contract participants.

10. After registration, customers were directed to download a third-party application where they could enter trades. Netrios populated pricing from a third-party feed and trading

account information on the third-party application, and profit and loss information from the trading activity was fed back to Netrios' servers, where customer account balances on the white-label brokers' websites were adjusted accordingly. Netrios received and executed orders and maintained records of the transactions. Netrios controlled the customers' trading data and identity information and determined the access white-label operators had to that information.

11. The white-label brokers' websites offered CFD trading based on a variety of financial assets, including stocks traded on U.S. and European exchanges, foreign currency exchange, crypto assets, broad-based equity indices, such as the Nasdaq-100, and commodities. This allowed customers to speculate on the price of the underlying asset without taking ownership of that asset—the asset was not bought, sold, or custodied anywhere. When trading the CFDs, customers selected whether they wanted to take a long or short position. Customers who purchased a “long” CFD profited if the price of the corresponding asset increased and incurred a loss if it decreased. Customers who purchased a “short” CFD profited if the price of the corresponding asset decreased and incurred a loss if it increased. Customers were offered significant leverage for these trades with large potential upside, but also significant downside.

12. Netrios provided the white-label brokers with the CFDs, which were marketed on the white-label brokers' websites and available for trading. Netrios provided liquidity for the trades and assumed the risk of profit or loss on the trades. Netrios assessed its risk exposure from the CFD positions across its portfolio of white-label brokers, and engaged in additional hedging activity to mitigate risk of loss.

13. There were no registration statements in effect as to these CFDs offered by Netrios. The CFD trading offered by Netrios did not occur on registered national securities exchanges.

14. Customers were charged a commission per trade, which was collected by Netrios on behalf of the white-label brokers. Netrios shared a portion of these commissions. Netrios and the white-label brokers also shared activity fees for “swaps” (i.e., when a customer held a trade open past market close) and “spreads” on the trading activity (i.e., the difference between the buying and the selling price).

15. Between 2019 and 2025, Netrios facilitated the creation and operation of at least fifteen white-label brokers that were primarily owned or operated within the United States, and whose websites were publicly available to anyone in the United States. These white-label brokers were not registered in any capacity with the Commission.

16. In September 2025, Netrios ceased offering services to the white-label brokers and ceased to offer security-based swaps through the white-label brokers.

Violations

17. The CFDs based on stocks offered by Netrios were security-based swaps as defined by the federal securities laws. The Securities Act and the Exchange Act define a “security-based swap” in relevant part as any agreement, contract, or transaction that is a swap, as defined in

Section 1a of the Commodity Exchange Act, and is based on a single security or a narrow-based security index, including any interest therein or on the value thereof. *See* 15 U.S.C § 77b(a)(17); 15 U.S.C. § 78c(a)(68).

18. Netrios and Red Acre made use of interstate commerce by promoting the offer and sale of CFDs on publicly available websites and made use of interstate commerce in effectuating trades in the CFDs.

19. As a result of the conduct described above, Netrios violated Section 5(e) of the Securities Act and Section 6(I) of the Exchange Act, by directly or indirectly, making use of the means or instruments of transportation or communication in interstate commerce or of the mails, to offer to sell, offer to buy or purchase or sell, a security-based swap to persons who are not eligible contract participants as defined in Section 1a(18) of the Commodity Exchange Act, without an effective registration statement as to those security-based swaps and without such transaction being effected on a national securities exchange registered pursuant to Section 6(b) of the Exchange Act. In totality, Netrios engaged in these violations by providing the white-label brokers with the CFDs, creating the technological infrastructure for the trades, determining the CFDs that could be traded, providing liquidity, pricing, and order execution services, assuming the risk for the trades, and handling customers funds.

20. As a result of the conduct described above, Red Acre caused Netrios' violations of Section 5(e) of the Securities Act and Section 6(I) of the Exchange Act. In totality, Red Acre engaged in this violation through its provision of KYC verification services that did not verify whether the customers were eligible contract participants and marketing services for the white-label brokers. Red Acre thus knew or should have known that this conduct would cause Netrios' violations.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

A. Respondents cease and desist from committing or causing any violations and any future violations of Section 5(e) of the Securities Act and Section 6(I) of the Exchange Act.

B. Netrios shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$1,750,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

C. Red Acre shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$750,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Netrios and Red Acre as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Laura D'Allaird, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary