

Leading Prop Trading Tech Firm, FPFX Technologies, LLC, terminates license of Funded Engineer (www.fundedengineer.com) over apparent scheme to defraud FPFX Tech and misrepresent payout figures to consumers.

A periodic audit conducted by FPFX Technologies, LLC (FPFX Tech) of the business activities of prop firm Funded Engineer, revealed what FPFX Tech believes to be a months-long scheme whereby Funded Engineer created fake trading accounts, bypassed AML/KYC safeguards, engaged in wash trading and generated fictitious payouts in order to inflate its payments activity, defrauding FPFX Tech and the public by representing payout figures in excess of reality as a way to lure more customers to their prop firm.

Boca Raton, Florida - February 7, 2024

Today, FPFX Tech has terminated its agreement with and all services provided to Funded Engineer after it has uncovered what FPFX Tech believes to be an elaborate scheme by Funded Engineer to defraud FPFX Tech and misrepresent payout figures to the public.

The apparent fraudulent scheme involved a series of actions undertaken by Funded Engineer personnel through the creation of fake trading accounts, bypassing of AML/KYC safeguards, wash trading and fictitious payouts.

Fake Accounts

Through the audit, FPFX Tech observed that Funded Engineer manually created what appear to be fake users in the admin portal of the technology. These users had no payment history or billing details, but were immediately given funded accounts, which is antithetical to the style of prop firm offered by Funded Engineer, which requires all traders to complete a challenge before receiving a funded account.

Bypassed AML/KYC

Before a trader receives a funded account, all Funded Engineer traders must complete AML/KYC checks. This is to protect both the prop firm and the broker partner from onboarding any traders under false pretenses or that would not be able to open a brokerage account directly. However, Funded Engineer manually overrode the AML/KYC system in approving these 'individuals' for funded accounts.

Wash Trading

It appears that Funded Engineer personnel then logged into the client terminal and traded in a simulated environment for the sole purpose of achieving a profit in the account. If the trading activity failed to do

so, Funded Engineer would simply create a new account and start over. PPFX Tech believes the trading activity served no purpose other than to defraud PPFX Tech and inflate Funded Engineer's payout statistics.

Fictitious Payouts

Based on PPFX Tech's audit, Funded Engineer seemingly never paid out any money on these fictitious accounts. Rather it approved the payouts in the system and pretended to pay them via crypto wallets and global payroll servicing companies. However, a review of blockchain activity yielded no such corresponding transactions to these wallets.

The audit revealed that Funded Engineer appears to have overstated its payouts by over \$2 million dollars, which was then promoted by one of its founders, Tristian Talbot on his X account, Trader T.

Justin Hertzberg, CEO of PPFX Tech, was quoted as saying, *"It is disheartening that a firm like Funded Engineer would engage in activity that would appear to defraud PPFX Tech, which was instrumental in Funded Engineer's rise within the prop space and, more importantly, to misrepresent material facts to unwitting traders simply looking for a trading opportunity. To ensure the growth and survival of the prop trading industry, good actors and ethical practices must prevail. We will continue to do our part to ensure licensees of our technology conduct themselves accordingly."*

PPFX Tech plans to file complaints with regulatory authorities as well as notify other related vendors who have their own independent AML/KYC obligations.

About PPFX Technologies, LLC

PPFX Technologies is the world's leading technology firm in the prop trading industry, supporting over 140 prop firms and over 2 million unique traders. Its Prop Trading Tech Kit is built-to-specification, end-to-end automation that supports the operation and administration of proprietary trading/funded account firms; including the ability to develop custom prop trading plans, automated account creation, account monitoring, risk monitoring, rules monitoring, auto liquidations and notifications, email notifications, discount codes, live streaming, certificates, trading contests, affiliate portals, leaderboards and a custom trader dashboard and admin CRM portal.