STRATEGIC WEALTH RECOVERY

Evidence • Whistleblowers •
Technical Intelligence
Civil Recovery Support

AFFECTED CUSTOMER INFORMATION • PRE-LITIGATION INVESTIGATIVE SUMMARY

KORVATO CIVIL FRAUD & CFTC REGULATORY EVIDENCE CASE DEVELOPMENT

A consolidated evidence initiative examining alleged deceptive performance marketing, offshore-broker steering, hidden economic conflicts, high-risk algorithm deployment, PAMM/copy-trading activity, discretionary account control, refund failures, customer-loss concealment, and potential violations of U.S. retail-forex rules.

THE OBJECTIVE	**Build one coordinated evidentiary record.** SWR is organizing affected-customer records, insider information, technical evidence, broker/payment trails, and public-source corroboration for evaluation by independent civil counsel and, where appropriate, submission to the CFTC through official reporting channels. The CFTC independently decides whether to investigate or pursue enforcement.

WHY THIS CASE IS BROADER THAN ORCA MARKETS

Orca Markets is one component of the investigation—not the entire theory. The larger inquiry is whether Korvato's sales, performance representations, broker relationships, software architecture, trading control, risk disclosures, customer support, and refund practices formed a repeating course of conduct that caused customers to pay substantial license fees and place capital at risk based on materially false, misleading, incomplete, or conflicted information.

The current record includes direct Korvato marketing, current Korvato risk disclosures, customer complaints, broker/onboarding evidence, a private development agreement assigning Korvato responsibility for sales/marketing/customer support, and SWR-reported insider evidence. Some of the most serious allegations—particularly deliberate track-record fabrication and covert manual trading control—must be authenticated through native files, server records, source code, broker audit logs, or sworn testimony before they should be stated publicly as proven facts.

NO PROMISE OF OUTCOME	SWR considers the fact pattern serious and suitable for coordinated civil and regulatory review. No consulting firm can ethically promise a court victory, CFTC action, restitution, or collectability. Independent counsel must evaluate authenticated evidence, jurisdiction, causation, damages, defenses, statutes of limitation, arbitration/forum clauses, and available assets.

EXECUTIVE THEORY OF THE CASE

The working civil-fraud theory is not simply that customers lost money trading. Trading losses alone do not prove fraud. The theory is that customers were allegedly induced to purchase expensive software licenses and fund retail-forex accounts through a series of representations, omissions, conflicts, and operational practices that—if authenticated—could be materially different from what customers were told.

1 **Performance was allegedly sold as safer and more consistent than the underlying risk justified**

Korvato publicly represented average monthly growth of 5–9% verified by FX Blue, consistent results in volatile markets, hands-off automation, and success without professional trading skills. SWR alleges internal evidence will show management knew certain live configurations could produce severe rapid drawdowns yet continued using short-term high-return results in sales/marketing. [P1]

2 **Customers were allegedly steered toward offshore retail-forex brokers under undisclosed economic incentives**

Public/customer evidence supports a meaningful Korvato-to-Orca onboarding relationship for at least some customers. Prior investigation identified an introducing-broker/revenue-sharing relationship as plausible but not yet proven from public records. Korvato's own current disclosure acknowledges that paid introducers can have undisclosed compensation conflicts and that OTC dealers may control prices/spreads. [F2][P2]

3 **The performance record itself is alleged to have been manipulated**

SWR reports possessing substantial non-public evidence that historical track records were made to appear longer, safer, and more consistent than actual trading. Public sources independently confirm that Korvato used FX Blue performance results in marketing; public evidence reviewed so far does not independently prove broker-side fabrication. This allegation requires forensic authentication. [P1][IP]

4 **Korvato allegedly crossed from software into regulated retail-forex conduct**

SWR alleges personnel and infrastructure could modify settings, open/close trades, influence customer trade decisions, promote PAMM/copy trading, and route customers to brokers. Under current CFTC rules, actual discretionary authority and solicitation—not a 'software company' label—can trigger CTA/IB registration questions. [P3]

5 **Known losses and customer problems were allegedly concealed while sales continued**

Public complaints and reviews report rapid drawdowns, extended refund delays, broker access/withdrawal problems, and failed communications. Trustpilot currently states that it removed fake reviews from Korvato's profile. That platform warning does not itself prove Korvato suppressed legitimate negative reviews; SWR's separate review-manipulation allegation must be proven with internal/platform records. [P4][P5]

WHAT MUST BE PROVED

The strongest case will connect **representation** → **knowledge** → **customer reliance** → **payment/funding** → **trading or custody event** → **loss** → **concealment/refund conduct**. For regulatory theories, the evidence should separately establish what Korvato and specific individuals actually did: who solicited, who gave instructions, who could alter accounts, who received broker compensation, which U.S. customers were involved, and what disclosures were delivered before account opening.

EVIDENCE DISCIPLINE	This packet uses four levels: **Verified/Public** = direct company or official source; **Corroborated Lead** = multiple independent customer/records indicators; **SWR Private Evidence** = insider/client material reported to exist but requiring authentication; **Discovery Target** = records likely held by Korvato, brokers, vendors, banks, or platforms.

ALLEGATION–EVIDENCE–LEGAL ISSUE MATRIX

This matrix is designed for victims, investigators, and counsel to understand where the case is already corroborated and where SWR's private evidence or formal discovery will be decisive.

ALLEGED CONDUCT	PUBLIC / CURRENT SUPPORT	PRIVATE / DISCOVERY PROOF	POTENTIAL ISSUE
1. Offshore-broker steering for compensation	Customer onboarding evidence; possible IB/revenue-share relationship; Korvato disclosure recognizes IB compensation/conflicts.	IB contracts, rebate/slippage/spread ledgers, BrokerTools tree, emails, payouts, tax/processor records.	Fraudulent omission; FDUTPA; potential IB registration / retail-forex anti-fraud.
2. U.S. customers sent to offshore / unverified brokers without meaningful warning	Korvato disclosures recognize OTC dealer insolvency/pricing risks; prior investigation found no clear authoritative Orca retail-forex license in reviewed record.	Customer-signed disclosures, onboarding recordings, KYC, broker registration status at time, sales scripts.	17 CFR 5.5 disclosure issues if Korvato was an IB; deceptive omission; registration analysis.
3. High-risk bot used to generate marketable returns despite known blowups	Korvato public 5–9% monthly/consistent-performance marketing; multiple loss complaints and martingale-style allegations.	Internal performance dashboards, risk logs, drawdown alerts, version/config history, management chats, sales chronology.	Fraud/FDUTPA; CTA advertising / CEA fraud if status and nexus established.
4. Fabricated / manipulated track record	Korvato publicly links FX Blue results and cites third-party verification; no public proof yet of deliberate fabrication.	Broker server audit logs, raw tick/trade history, API exports, admin corrections, source data, screenshots/hashes, insider testimony.	Core fraudulent inducement theory; 17 CFR 5.2 false record/statement; 4.41 if CTA/CPO.
5. High-pressure/deceptive sales of $10k–$20k+ licenses	Direct performance marketing; public complaints show substantial license amounts/refund disputes; Korvato private development agreement assigns sales/marketing role.	Call recordings, CRM notes, scripts, Zooms, proposals, invoices, payment links, guarantee language, rep compensation.	Fraudulent inducement; FDUTPA; contract/refund claims.
6. PAMM/copy trading + discretionary/manual account control	Korvato disclosure recognizes PAMM/introducing-broker context; current terms disclaim management.	API/server logs, source code, admin panels, credential flow, trade-origin tags, command logs, employee instructions.	CTA/CPO/IB/AP registration; 5.17 authorization; 5.2 anti-fraud.
7. Loss concealment, reviews, refunds and continuing sales	BBB/Trustpilot reports; Trustpilot platform warning about removed fake reviews.	Refund queue/ledger, chargeback files, review-platform correspondence, takedown requests, internal loss/escalation chats, CRM sales after known incidents.	Concealment/omission; FDUTPA; breach; evidence of knowledge/intent.

IMPORTANT DISTINCTION

A company can have strong disclaimers and still face liability if its actual sales conduct, performance records, compensation conflicts, or account control materially contradicted those disclosures. Conversely, a disclaimer is evidence Korvato may use defensively. The case therefore turns on **timing, delivery, contradiction, reliance, and actual conduct**—not on one webpage alone.

ALLEGATIONS 1–2: OFFSHORE BROKER STEERING, COMPENSATION & RISK DISCLOSURE

SWR’s first regulatory/civil track focuses on why particular brokers were presented to U.S. customers, what compensation Korvato or related persons received, whether the broker was legally permitted to serve those customers, and what the customer was told before funding.

1. Alleged steering to maximize trading-linked compensation

SWR allegation: Korvato intentionally directed or facilitated customers into Orca Markets and other offshore brokers because the economic arrangement could produce higher trading-volume, spread, markup, slippage-linked, or introducing-broker compensation. SWR further alleges the brokers were not subjected to due diligence commensurate with the custody and counterparty risks being placed on customers.

• **Public corroboration** — Prior investigation found the Korvato–Orca relationship materially closer than an entirely independent customer broker choice. Multiple customer accounts describe Korvato personnel/workflows presenting or coordinating Orca/PAMM onboarding. [F2]

• **Direct Korvato disclosure** — Korvato’s current disclosure reproduces warnings that OTC dealers may set their own prices and spreads and that paid introducers may have undisclosed compensation conflicts. It states solicitors for FCMs/RFEDs are required to register. [P2]

• **What remains to prove** — The exact compensation model—deposit rebate, per-lot rebate, spread markup, slippage arrangement, performance fee, referral fee, or other remuneration—requires authenticated agreements and money-flow records. Public evidence alone does not establish the user’s 'highest slippage fee' allegation. [DT]

2. Alleged onboarding of U.S. retail customers to offshore / unregistered brokers

SWR allegation: Korvato sold to U.S. customers and facilitated use of offshore retail-forex brokers without adequately communicating the legal/regulatory status, insolvency risk, customer-funds protections, dealer pricing discretion, withdrawal risk, and conflicts created by broker compensation.

• **CFTC framework** — Under Part 5, an introducing broker is defined by soliciting or accepting orders from non-ECP retail customers in connection with retail forex; persons fitting relevant Part 5 categories are subject to registration. For an introduced account, an IB must furnish the specified risk disclosure before the account is opened. [P3]

• **Current Korvato disclosure is not proof of point-of-sale compliance** — Korvato’s disclosure—last updated July 29, 2025—contains substantial CFTC-style risk language. The investigation must establish whether each customer actually received and acknowledged the required disclosure *before* account opening, and whether sales statements contradicted or minimized it. [P2]

• **Orca licensing record** — The prior investigation did not locate a consistent authoritative retail-forex license for Orca in the sources reviewed and found conflicting jurisdictional representations. Counsel/regulators should confirm the exact legal entity, license, customer jurisdiction and dates through official records. [F2]

HIGH-VALUE EXHIBITS	IB/referral agreements; rebate and commission statements; lot-volume reports; broker price/spread schedules; BrokerTools master/sub-IB tree; account assignment reports; sales/onboarding recordings; proof of customer risk disclosures and acknowledgments; NFA/CFTC registration records; broker KYC; withdrawal escalation emails; bank/crypto payment flows.

ALLEGATION 3: HIGH-RISK BOT, KNOWN DRAWDOWNS & PERFORMANCE MARKETING

A poor trading system is not automatically fraudulent. The key issue is whether Korvato knew material risk characteristics or live failure patterns were inconsistent with how the product was being sold, yet continued using high-return periods, selective examples, or assurances to induce purchases.

What Korvato publicly represented

• **5–9% average monthly growth** — A Korvato article represented average monthly growth of 5–9%, stated it was verified by FX Blue, and described the system as capable of consistent returns even in volatile/downward markets. [P1]

• **Beginner / hands-off positioning** — The same marketing states no prior trading experience is necessary, algorithms can manage trades, and users can monitor profits rather than manually execute the strategy. [P1]

• **High-performance product positioning** — Korvato's home page describes Optimus AI as high-performance and positioned for users without prior trading experience, while separately disclaiming guaranteed outcomes. [P6]

What customers publicly report

Trustpilot and BBB contain multiple unverified customer reports of sharp drawdowns, alleged martingale-style behavior, substantial license fees, refund delays, and in some cases rapid losses. Examples include reports of losses exceeding $12,000 or $17,000 over very short periods and customers describing repeated doubling-down/overtrading behavior. These reports are **witness leads, not adjudicated facts**. [P4][P5]

What SWR says its private evidence can establish

• **Knowledge timeline** — When management first observed account blowups, dangerous recovery/martingale behavior, abnormal drawdown, or configuration-specific risk; who received the alerts; and what product/version was being sold at that time. [IP]

• **Marketing-selection process** — Whether unusually profitable/high-risk accounts were intentionally selected for screenshots, webinars, sales decks, or track-record presentations while losing accounts or drawdowns were omitted. [IP]

• **Risk-setting control** — Whether recommended/default risk settings were materially different from the settings used to create the marketed return history; whether sales personnel described the promoted settings as safe or conservative. [IP]

• **Continued sales after notice** — Whether customer acquisition continued after management had concrete internal knowledge of repeated severe losses, and whether those facts were disclosed to prospects. [IP]

FORENSIC TEST	Build a version-by-version matrix: **software build → strategy/risk setting → live accounts → maximum drawdown → recovery behavior → management knowledge date → marketing asset date → customer sale date.** If the same configuration repeatedly produced severe losses before later customers were sold on a materially different safety/performance story, that timeline can be highly probative of knowledge and intent.

ALLEGATION 4: FABRICATED OR MANIPULATED PERFORMANCE HISTORY

SWR allegation: Korvato used a broker relationship and/or broker-side administrative access to present trading histories that appeared longer, safer, and more consistent than the underlying actual trading—allegedly by removing losses, altering/adding profitable history, or otherwise presenting non-authentic performance as live historical proof.

PUBLIC EVIDENCE STATUS	Public evidence confirms that Korvato used FX Blue results and third-party-verification language in marketing. **The public record reviewed does not independently prove that the underlying broker history was fabricated.** That distinction is critical. The fraud allegation should be advanced only with authenticated technical/insider evidence.

Why this allegation would be central if proven

A fabricated track record goes directly to the truth of a material performance representation. It can support an inference that the seller did not merely misunderstand future risk but allegedly created or used false historical evidence to induce reliance. In retail forex, 17 CFR 5.2 prohibits cheating/defrauding, false reports or statements, false records, and willful deception in connection with retail forex transactions. If Korvato or its principals were CTAs/CPOs or required to be registered, Part 4 advertising rules can add separate performance-advertising obligations. [P7][P8]

Technical authentication plan

1. **Preserve the marketing artifact**
   Original FX Blue/Myfxbook links, PDFs, screenshots, video frames, webinar recordings, decks and dates; capture hashes and source metadata.

2. **Identify the exact trading account**
   Broker, server name, login/account number, base currency, account type, start date, balance operations, investor credentials, and whether the account was real/demo.

3. **Acquire broker-native records**
   Full server trade ledger, order/deal IDs, deposits/credits, balance adjustments, corrections, deleted/voided records, administrator actions, audit logs, backups, and account-creation history.

4. **Reconcile independent market data**
   Compare execution timestamps/prices against independent tick history and liquidity conditions; flag impossible or economically implausible fills.

5. **Reconcile third-party verification**
   Obtain FX Blue/Myfxbook connection logs/API history and historical snapshots to determine when data changed and whether the feed was continuous.

6. **Tie changes to people and purpose**
   Identify who requested/implemented edits, who had credentials, who approved marketing, and whether the changed record was then used in a customer sale.

Evidence that would materially strengthen this count

Authenticated before/after account exports; broker admin audit records; screenshots with contemporaneous metadata; communications directing removal/addition of trades or balance operations; statements from broker/admin personnel; marketing decks containing the altered history; CRM records showing customers relied on the history; and payment records showing license purchases immediately after presentations.

ALLEGATION 5: DECEPTIVE SALES, HIGH-PRESSURE INDUCEMENT & LICENSE FEES

SWR alleges that the alleged performance narrative was delivered through high-pressure sales tactics and material omissions to induce customers to purchase software licenses commonly reported in the five-figure range.

Evidence already available or publicly visible

- **Korvato's contractual operating role** — A March 2024 private development agreement identifies Korvato as the primary distributor/promoter responsible for sales, promotion, marketing, client acquisition and customer support. This is a private source and should be used consistent with counsel's privilege/confidentiality strategy. [F1]
- **Direct performance marketing** — Korvato itself has publicly promoted 5–9% average monthly growth, third-party verification, consistent performance in volatile conditions, beginner accessibility, and a money-back guarantee. [P1]
- **Five-figure customer reports** — BBB/Trustpilot complaints include reported license amounts around $10,000–$15,000 and higher total economic losses. Those individual amounts remain customer allegations until supported by invoices/payment records. [P4][P5]

The customer-specific case should not rely on internet reviews for damages. Each claimant should produce the actual invoice, receipt, card/ACH/wire record, agreement, guarantee version, sales recording, and proof of reliance.

Fraudulent-inducement evidence map

ELEMENT / QUESTION	BEST EVIDENCE
What material fact was represented?	Track record, monthly-return claim, risk level, broker safety/regulation, refund guarantee, hands-off nature, account control, historical drawdown.
Was it false or misleading when made?	Raw trading history, broker status, internal performance/risk records, contradictory statements, API/control logs, refund ledger.
Who knew, and when?	Executive/manager chats, CRM escalations, loss dashboards, sales QA, refund queues, developer/vendor communications.
Was reliance intended?	Scripts, calls, webinars, decks, urgency/closing language, rep compensation, follow-up cadence, objections handling.
Did the customer actually rely?	Customer declaration, contemporaneous messages, purchase timing, payment record, notes identifying why they bought.
What loss resulted?	License fee + recoverable trading/custody losses and other damages as counsel can legally trace and prove.

FLORIDA CIVIL THEORY	Florida's fraudulent-misrepresentation instruction focuses on an intentional false statement of material fact, knowledge of falsity (or lack of knowledge of truth), intent that the claimant rely, actual reliance, and resulting loss. FDUTPA separately declares unfair/deceptive practices in trade or commerce unlawful and permits actual-damages claims by persons who suffered loss from a violation. Counsel must determine the correct causes of action and venue for each claimant. [P9][P10]

ALLEGATION 6: PAMM / COPY TRADING, ADVICE & DISCRETIONARY ACCOUNT CONTROL

This is potentially one of the most important CFTC issues because the legal analysis turns on **what Korvato actually did**, not on whether its contracts called it 'software.'

SWR's alleged facts

• **PAMM/copy-trading promotion** — Customers were allegedly encouraged or onboarded into PAMM/copy-trading arrangements connected to Korvato's strategies or broker relationships. [IP/F2]

• **Trading advice** — SWR alleges personnel advised customers regarding trades, settings, risk, or when/how the system should trade beyond purely technical software support. [IP]

• **Remote/manual control** — SWR alleges custom APIs and administrative infrastructure allowed Korvato personnel to alter risk/settings and manually cause positions to be opened, closed, or modified in customer accounts. [IP]

• **Customer-facing disclaimer conflict** — Korvato's current public materials say users maintain control and that Korvato does not offer financial advice; if authenticated logs show undisclosed discretionary control, that contradiction would be important. [P1][P2]

CFTC classification questions

Commodity Trading Advisor (CTA): For retail forex under Part 5, a CTA includes a person who exercises discretionary trading authority, or obtains written authorization to exercise discretionary authority, over a non-ECP customer's retail-forex account. Part 5 requires registration for persons fitting that definition, subject to applicable exclusions/exemptions. [P3]

Introducing Broker (IB): Part 5 defines an IB for retail forex as a person who solicits or accepts orders from non-ECP customers in connection with retail-forex transactions. Registration obligations depend on the actual conduct and status. [P3]

Commodity Pool Operator (CPO): A PAMM or pooled structure can raise CPO issues depending on whether customer funds are combined/pooled and who operates, solicits, or controls the pool. A PAMM label alone does not decide the question.

Specific authorization: Part 5 also contains authorization-to-trade requirements for RFEDs, FCMs, IBs and associated persons. If employees or systems manually caused transactions outside the customer's specific authorization, counsel should map the facts against those rules. [P3]

Digital evidence that can prove or disprove control

SYSTEM	RECORDS TO PRESERVE	WHAT IT CAN SHOW
Korvato application/API	API gateway logs, command payloads, tokens, IPs, user IDs, timestamps, admin panel logs, audit trails.	Who changed settings or issued trade commands; whether control was customer-initiated or staff/admin-initiated.
MT4/MT5 / broker	Manager/admin logs, deal/order origin, magic IDs/comments, server logs, account permissions, POAs.	Trade origin and authorization path; broker-side account control.
Cloud infrastructure	AWS/Azure/GCP logs, deployments, secrets, database audit logs, source repositories, CI/CD history.	Which code/version enabled remote control and who deployed/used it.
Customer communications	Calls, emails, SMS, support tickets, onboarding instructions, risk-setting recommendations.	Whether personnel gave trade-specific or discretionary instructions and how customers understood control.

WHY SILVER STAR LIVE IS RELEVANT

In the CFTC's Silver Star Live matter, the court record described a marketed automated retail-forex system that exercised discretionary authority over customer accounts; the defendants were not registered in the relevant capacities. The case is a useful regulatory comparison—not proof that Korvato violated the same laws. The factual overlap must be established independently. [P11]

ALLEGATION 7: LOSS CONCEALMENT, REVIEW INTEGRITY, REFUNDS & CONTINUED SALES

The post-sale timeline can be as important as the original sales pitch because it can show when management learned of failures, what it told existing customers, what it told new prospects, and whether refund/complaint handling was used to suppress or delay disclosure.

Publicly visible customer-problem pattern

• **Refund delays/nonpayment** — BBB and Trustpilot contain multiple reports of refund requests remaining unresolved for months, including customers who state they requested refunds within advertised/extended guarantee periods. [P4][P5]

• **Rapid trading losses** — Trustpilot contains multiple reports of substantial short-duration losses and larger drawdowns after initial gains. These remain unverified consumer reports until tied to broker statements. [P4]

• **Orca access/withdrawal problems** — BBB complaints describe account/broker access issues near late November 2025 and a Korvato response acknowledging Orca issues and inability to contact the broker in at least one complaint narrative. [P5]

• **Trustpilot integrity warning** — Trustpilot currently states Korvato's rating is unavailable due to a breach of guidelines and that it removed a number of fake reviews for the company. [P4]

What the public record does NOT establish

The Trustpilot warning does **not**, by itself, prove that Korvato removed legitimate negative reviews, bought positive reviews, coerced customers, or caused Trustpilot to suppress criticism. Those are separate allegations requiring platform correspondence, internal instructions, vendor invoices, review-generation campaigns, refund-for-removal messages, or sworn testimony.

Knowledge-and-concealment timeline to build

1. **First known severe loss**
   Identify the earliest internal notice of a bot/account blowup and recipients.

2. **First known broker/withdrawal problem**
   Identify withdrawal complaints, liquidity concerns, outage notices, and escalation dates.

3. **Marketing/sales activity after notice**
   List every webinar, campaign, sales script version, closed deal, and performance screenshot used after those dates.

4. **Refund/chargeback response**
   Map customer requests, internal approval/denial, queue status, processor disputes, guarantees, and communications.

5. **Review/reputation response**
   Preserve review-platform messages, takedown requests, incentive programs, customer outreach, PR scripts, and any internal directives concerning negative reviews.

6. **Disclosure to new prospects**
   Determine whether new buyers were told about known material loss patterns, broker access problems, refund backlog, or material changes to the bot.

CORE QUESTION FOR FRAUD / OMISSION	Once management had concrete knowledge of a material adverse fact, did later sales communications create a materially misleading picture by saying something false, omitting a fact that had to be disclosed in context, or presenting selected performance in a way that distorted the total mix of information?

POTENTIAL CIVIL CLAIM FRAMEWORK FOR INDEPENDENT COUNSEL

This is issue-spotting, not a pleading or legal conclusion. The law firm should select claims only after reviewing each client's contract, forum/arbitration provisions, state of residence, point-of-sale facts, evidence, damages, and limitation periods.

POTENTIAL CLAIM / REMEDY	FACT PATTERN THAT COULD SUPPORT IT	KEY PROOF / LIMITATION
Fraudulent misrepresentation / inducement	False material track record, false risk/safety claims, false broker/regulatory representations, false guarantee/refund representations used to induce purchase/funding.	Specific statement, speaker/date, falsity, knowledge, intended reliance, actual reliance, causation and loss.
Fraudulent concealment / omission	Known bot blowups, compensation conflicts, broker risks, control authority, refund backlog, or material failures allegedly withheld while selling.	Counsel must establish a legally actionable omission/duty/context; mere silence is not automatically fraud.
Negligent misrepresentation (alternative)	Material information supplied without reasonable care when seller may not have known it was true.	State-specific elements and economic-loss doctrine issues require counsel review.
FDUTPA	Unfair/deceptive marketing, material omissions, misleading guarantees, performance representations, customer/refund practices in trade/commerce.	Florida §§501.204/501.211; actual damages and causation; statutory exclusions and fee exposure should be analyzed.
Breach of contract / refund guarantee	Failure to honor written license, service, support, or refund obligations.	Exact contract version, performance, conditions precedent, refund window, chargebacks, limitation/forum clauses.
Rescission / restitution / unjust-enrichment theories	Return of license consideration or benefits retained where agreement is rescinded/voidable or no adequate contract remedy exists.	Often alternative remedies; availability depends on contract and jurisdiction.
Punitive damages (if legally supported)	Intentional misconduct or gross negligence supported by admissible evidence.	Florida has procedural/evidentiary requirements; should not be promised or pled casually.
Civil theft / conspiracy / other enhanced claims	Only if evidence establishes the required specific intent/agreement and statutory prerequisites.	High pleading/proof risks; counsel should evaluate independently rather than assume applicability.

DAMAGES DEVELOPMENT

Each customer's loss schedule should separately identify: **(a)** software/license fees; **(b)** recurring subscriptions/VPS/platform fees; **(c)** documented broker deposits; **(d)** withdrawals actually received; **(e)** realized trading losses allegedly caused by the challenged conduct; **(f)** inaccessible broker balances; **(g)** refunded/charged-back amounts; and **(h)** other damages that counsel determines are legally recoverable. Avoid simply adding all market losses without a causation analysis.

WHY A COORDINATED CASE CAN BE STRONGER	Common sales scripts, identical performance exhibits, the same broker-routing workflow, common APIs, repeated loss patterns, shared refund practices, and centralized management communications can transform isolated customer complaints into a pattern that is easier to test and prove. Individual reliance and damages still need customer-by-customer proof.

CFTC REGULATORY ISSUE MAP

The CFTC framework can be highly relevant because Korvato's product involves leveraged retail forex. The correct question is not whether Korvato called itself a software company; it is whether the actual conduct fits regulated categories or anti-fraud provisions.

RULE / THEORY	WHAT IT GENERALLY ADDRESSES	KORVATO FACTS TO TEST
17 CFR 5.2(b) — retail-forex anti-fraud	Cheating/defrauding, false reports/statements/records, or willful deception in connection with retail-forex transactions.	Alleged fake track record, false safety/performance claims, hidden broker conflicts, misleading loss/refund communications.
17 CFR 5.1(e), 5.3 — CTA	Retail-forex discretionary trading authority can make a person a CTA for Part 5 purposes; registration requirements apply absent valid exclusion/exemption.	Whether Korvato/personnel/API could change settings or cause trades without trade-by-trade customer direction.
17 CFR 5.1(f), 5.3 — IB	Soliciting/accepting retail-forex customer orders can create IB status/registration obligations.	Broker onboarding, solicitation, preferred broker scripts, IB letter, referral codes, compensation, customer orders.
17 CFR 5.5 — risk disclosure	Introduced retail-forex accounts require specified risk disclosure before account opening by the regulated/required party.	What disclosure each U.S. customer received, date/signature, broker status, whether oral sales contradicted disclosure.
17 CFR 5.17 — authorization to trade	Transactions must be specifically authorized within the rule's scope for RFEDs/FCMs/IBs/APs.	Manual opens/closes, remote intervention, API commands, account permissions, POAs and customer consent.
17 CFR 4.41 — CTA/CPO advertising	Prohibits fraudulent/deceptive advertising by CTAs/CPOs/principals and imposes conditions on simulated/hypothetical performance.	Whether marketed history was actual, simulated, reconstructed or manipulated; disclosures shown with performance; testimonial use.
CEA §4o / 7 U.S.C. §6o	Anti-fraud/misrepresentation provisions for CTAs/CPOs and associated persons.	Depends on classification and evidence of deceptive device/course of business involving clients/prospects.
CPO / pooled-account issues	Pool operation/solicitation can trigger separate registration/disclosure obligations.	Actual PAMM architecture: pooled ownership, manager authority, fee flows, allocation, custody and customer agreements.

SILVER STAR LIVE — ANALOGY, NOT A CONCLUSION

In the Silver Star Live enforcement matter, CFTC/court records describe an automated retail-forex product that exercised discretionary authority over customer accounts, marketing of the system to customers, trading advice, and unregistered activity. A federal court ultimately ordered approximately $3.91 million in restitution and substantial civil monetary penalties. The analogy is useful because it shows the CFTC can look through the word *software* to the actual control, solicitation and representations. It does not prove Korvato committed the same violations. [P11][P12]

CFTC DECIDES INDEPENDENTLY	SWR can organize and preserve evidence; affected individuals or counsel can submit a Form TCR. The CFTC's Division of Enforcement decides whether to open, expand, or decline an investigation and whether to bring an enforcement action. No private firm can promise CFTC action or a whistleblower award.

EVIDENCE PRESERVATION, DISCOVERY & CFTC SUBMISSION ARCHITECTURE

The quality of the case will be determined by the authenticity, chronology and cross-corroboration of the evidence. SWR's core value is converting scattered records and insider knowledge into a structured record that counsel and regulators can audit.

Priority custodians and records

CUSTODIAN	PRIORITY RECORDS	WHY IT MATTERS
Korvato / related entities	Sales CRM, recordings, scripts, performance dashboards, source code, API logs, broker agreements, commission/rebate ledgers, refund queue, support/escalation communications, review-platform communications.	Knowledge, intent, sales representations, account control, compensation, concealment and damages.
Brokers / Orca / other offshore brokers	KYC, account ledgers, order/deal history, manager/admin logs, IB tree, PAMM manager records, price/spread history, withdrawal logs, bank/wallet records.	Broker status, custody, execution, manipulation allegations, referral economics and fund tracing.
MetaQuotes / CRM / infrastructure vendors	License/customer records, admin accounts, server logs, tenant ownership, API keys, audit history, support tickets.	Who controlled MT4/MT5/CRM infrastructure and when.
FX Blue / Myfxbook / performance platforms	Connection history, account identifiers, snapshots, verification method, data changes, timestamps.	Authenticity and continuity of promoted performance records.
Payment processors / banks / exchanges	Merchant sales, refunds, chargebacks, payout accounts, reserves, wires, wallets and linked accounts.	Customer payments, refund practices, broker/IB compensation, potential asset tracing.
Customers / insiders / former workers	Native emails/chats, recordings, screenshots, agreements, sales decks, declarations, statements, trade exports, firsthand technical knowledge.	Reliance, loss, common representations, internal instructions and whistleblower-quality evidence.

Recommended CFTC Form TCR package

1. **Executive narrative**
   A concise chronology of suspected CEA/CFTC violations, identifying actors, dates, products, U.S. retail customers, broker routes and the conduct alleged.

2. **Violation matrix**
   For each alleged violation, cite the specific evidence exhibit and distinguish first-hand knowledge, direct records, public corroboration and inference.

3. **Master exhibit index**
   Number every native file; record source/custodian, date obtained, original filename, hash, short description and relevance.

4. **Technical memorandum**
   Explain architecture, discretionary-control mechanism, performance-record authentication, risk configuration and broker/API evidence in regulator-readable language.

5. **Victim declarations / loss schedules**
   Use customer-specific facts and documents rather than generalized claims; separate license loss, trading loss and inaccessible broker funds.

6. **Whistleblower declaration**
   Eligible individuals should identify what information comes from independent knowledge or analysis and preserve their own original-source evidence.

7. **Open questions / requested records**
   Tell regulators exactly which third-party records could prove or disprove the allegations—server logs, IB contracts, bank records, admin history, etc.

The CFTC's current Form TCR expressly contemplates reports involving fraud after funds are deposited, refusal to return funds, and firms/persons that should be registered but are not. Eligible individuals may seek whistleblower protections/awards by filing through the official program; SWR as a consulting entity should not represent itself as the CFTC or as an enforcement partner. [P13]

HOW AFFECTED CUSTOMERS CAN PARTICIPATE

Affected customers strengthen the case by preserving their own evidence and allowing it to be compared with other customers' timelines. Participation in SWR's investigation does not automatically create an attorney-client relationship or guarantee that a law firm will accept a case.

What to provide at intake

Identity/contact • purchase date • exact product/license • amount paid • sales representative • promises/claims relied on • guarantee terms • broker and account number • amount deposited • algorithm/PAMM used • risk setting • key loss dates • withdrawals • refund request dates • amount still owed • chargebacks • all supporting files.

SWR INVESTIGATIVE PARTICIPATION OPTIONS

SWR UPFRONT INVESTIGATIVE FEE	PROPOSED INDEPENDENT COUNSEL CONTINGENCY IF RECOVERY	POSITIONING
$500	**25% of recovery**	Lowest upfront investigative cost
$1,000	**15% of recovery**	Lower proposed contingency
$2,000	**5% of recovery**	Lowest proposed contingency

FEE STRUCTURE DISCLOSURE	The percentages above are **proposed law-firm contingency concepts only** and are not fees paid to SWR. A law firm must independently determine whether it can accept the matter and what lawful fee/cost arrangement applies. Any attorney fee, contingency percentage, costs, scope of representation and responsibility for expenses must be stated in a separate written attorney-client agreement. The final terms may be different or unavailable.

SWR'S COST COMMITMENT

SWR intends to allocate **25% of the consulting fees it collects from this initiative** toward common investigation and case-development expenses and, where ethically permitted and accepted by independent counsel, to help offset certain legal costs. The objective is to reduce victims' out-of-pocket burden while building the strongest evidence record practical.

This is not a guarantee that all legal fees or expenses will be covered. Court filing fees, experts, discovery, subpoenas, depositions, forensic work, travel or other expenses may remain. Any obligation of a represented client should be disclosed in the applicable attorney-client agreement.

FOREIGN RESIDENCE / ASSET CONSIDERATIONS

The nationality, lifestyle or personal spending of an executive does **not** prove fraud and should not be used as inflammatory evidence. If an executive resides abroad or assets are located internationally, that can matter to service of process, jurisdiction, asset preservation, judgment enforcement and collection. Those facts should be verified through reliable records and handled by counsel as an enforcement/collectability issue, not as proof of liability.

SOURCE REGISTER & EVIDENTIARY NOTES

Public sources below are used to corroborate discrete propositions—not to convert allegations into adjudicated facts. Customer reviews and complaints are witness leads. Private/insider material should be authenticated, preserved in native form, hashed where appropriate, and reviewed with counsel before public dissemination.

ID	SOURCE / USE
P1	Korvato direct company article, “What is Algorithmic Trading? A Beginner’s Guide to Profitable Automation” — claims include 5–9% average monthly growth verified by FX Blue, consistent returns, beginner accessibility and money-back guarantee.
P2	Korvato direct company Disclosure, last updated July 29, 2025 — CFTC-style OTC forex risk statement; dealer pricing/spread discretion; paid-introducer compensation conflicts; registration warning; no-guarantee language.
P3	17 CFR Part 5 (eCFR) — retail-forex definitions, registration, risk disclosure and authorization-to-trade provisions, including §§5.1, 5.2, 5.3, 5.5 and 5.17.
P4	Trustpilot Korvato profile/reviews — platform currently states rating unavailable due to breach of guidelines and that fake reviews were removed; individual loss/refund accounts are unverified witness reports.
P5	Better Business Bureau Korvato complaints/reviews — customer reports concerning licenses, refund requests, Orca onboarding/access and communications; BBB does not adjudicate truth of submissions.
P6	Korvato direct company home page — FX Blue performance link, high-performance/Optimus AI positioning and current disclaimers.
P7	17 CFR §5.2 — prohibition on cheating/defrauding, false reports/statements/records, and willful deception in retail forex.
P8	17 CFR §4.41 — advertising rules for CPOs/CTAs/principals, including fraudulent/deceptive advertising and simulated/hypothetical performance conditions.
P9	Florida Standard Jury Instructions in Civil Cases, 409.7 — fraudulent misrepresentation framework.
P10	Florida Statutes §§501.204 and 501.211 — FDUTPA unlawful acts and individual remedies.
P11	CFTC / federal-court Silver Star Live record — automated retail-forex system, discretionary trading authority and registration/fraud findings used here only as an analogy.
P12	CFTC Release 8417-21 — Silver Star Live restitution order totaling approximately $3.91 million plus civil monetary penalties.
P13	CFTC Submit a Tip / Form TCR / Whistleblower Program — official path for potential CEA violations; CFTC independently determines whether to investigate/enforce.
F1	Private March 2024 Korvato development agreement — identifies Korvato’s sales, promotion, marketing, client acquisition and support responsibilities. Use subject to counsel/confidentiality review.
F2	SWR’s August 4, 2026 Orca Markets/Korvato investigative report — corroborated onboarding relationship; possible economic relationship; unresolved ownership/knowledge; priority discovery targets.
IP	SWR-reported insider/private evidence concerning performance-history fabrication, risk knowledge, account control, compensation and internal conduct. Specific exhibits must be authenticated before public or court use.

Prepared for affected-customer education and coordinated evidence intake. Counsel/regulator version should contain the authenticated exhibit index and supporting native records.