AFFECTED CUSTOMER INFORMATION - COORDINATED PRE-LITIGATION EVIDENCE PACKET

KORVATO CIVIL FRAUD ALLEGATIONS
CFTC ISSUES & ASSET RECOVERY
EVIDENCE PACKET

A coordinated victim and whistleblower evidence packet covering alleged fabricated performance, false AI claims, hidden broker economics, undisclosed account control, review manipulation, continued sales after known losses, and asset recovery.

SWR COORDINATED CASE-DEVELOPMENT CUTOFF
Evidence intake for coordinated counsel review and filing preparation

SEPTEMBER 30, 2026

RELATED CASE DEVELOPMENT

FanBasis: Award of Approximately $1.3 Million

Reflected in SWR case materials maintained for counsel; the certified record belongs in the legal exhibit set.

COORDINATED CLAIMANT GROUP

Dozens of Affected Customers Preserving Evidence

Sales, payment, broker, performance, loss, refund, and reliance records are being organized together.

INVESTIGATIVE SCOPE

Customer, Insider, Technical, Broker & Asset Evidence

Interlocking records are organized to test representations, control, money flow, knowledge, loss, and collectability.

PURPOSE. Build one coordinated evidentiary record for evaluation by independent civil counsel and, where appropriate, submission through official CFTC reporting channels.

EVIDENCE STANDARD. Public corroboration, SWR-confirmed records, private/whistleblower evidence, customer reports, and discovery targets are identified separately.

INTEGRATED EXECUTIVE SUMMARY

THE CASE IN ONE PAGE

This case is not based only on the fact that customers lost money. Trading losses can occur without fraud. The working theory is that customers paid substantial license fees and funded retail-forex accounts through a sales narrative that was allegedly materially different from the software, performance history, broker economics, account control, and known risk profile operating behind the scenes.

What customers were allegedly sold

- Advanced AI trading software presented as highly profitable, sophisticated, safe, and suitable for inexperienced users.
- A live, independently verified FX Blue history presented as genuine trading with real money.
- Hands-off software while customers supposedly retained control of their accounts.
- Positive reviews, strong marketing proof, broker confidence, and money-back assurances.

What SWR says the evidence shows

- **PRIVATE EVIDENCE** A demo or simulated MetaTrader account was allegedly made to appear live through broker-level access and then connected to FX Blue.
- **TECHNICAL ALLEGATION** The marketed "AI" allegedly contained no genuine AI model and was closer to a small rules-based Expert Advisor with dangerous recovery behavior.
- **SYSTEM CONTROL** WebSocket/API infrastructure allegedly allowed Korvato personnel to alter settings and open, close, or modify trades, including on non-PAMM accounts.
- **BROKER ECONOMICS** Korvato allegedly earned per-lot commissions and additional spread while customers absorbed higher costs and drawdowns.
- **KNOWLEDGE** Management allegedly continued selling after serious live losses, refund problems, and broker failures were known.

The central proof chain

Representation -> knowledge -> reliance -> payment and funding -> account or broker conduct -> loss -> concealment or refund failure.

Why speed matters

According to SWR's case records, FanBasis has obtained an **award of approximately $1.3 million**. Additional creditors, transfers, liens, sales, or movement of assets can make collection harder. Only counsel and a court can impose lawful preservation remedies.

SWR internal assessment

SWR believes the coordinated record presents a strong probability of supporting substantial civil and regulatory claims **if** the private technical, broker, payment, management, and insider evidence is authenticated and linked to each customer's reliance and loss. No recovery or outcome is guaranteed.

1. SELL	2. CONTROL	3. PROFIT	4. CONCEAL
AI, safety, verified results	**Brokers, PAMM, APIs**	**Multiple revenue streams**	**Selected proof and delays**
Passive-income positioning, refund assurances, and limited-risk framing.	Routing, risk settings, remote commands, and alleged discretionary intervention.	License fees, per-lot commissions, spread markups, and related payouts.	Selective performance, review manipulation, refunds, and continued sales.

ORIGINAL STRUCTURE, EXPANDED EVIDENCE THEORY

EXECUTIVE THEORY OF THE CASE

The working civil-fraud theory is not simply that customers lost money trading. The theory is that customers were allegedly induced to buy expensive software and fund retail-forex accounts through representations, omissions, conflicts, and operational practices that - if authenticated - were materially different from what customers were told.

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

Korvato publicly promoted 5-9% average monthly growth verified by FX Blue, consistent results, hands-off automation, and beginner accessibility. SWR alleges management knew certain configurations could produce severe rapid drawdowns yet continued using short-term high-return examples. P1/P6 IP

2 Customers were allegedly steered to offshore brokers under hidden economic incentives

The investigation examines whether preferred broker routing produced per-lot, spread, markup, referral, or related compensation that was not adequately disclosed and created incentives for more trading. IP DT

3 The promoted performance history is alleged to have been fabricated or selectively published

SWR reports evidence that broker-side MetaTrader access was used with an EnviFX-linked account to construct or alter a simulated history, connect it to FX Blue, and present it as live funded performance. Public technical sources show publication controls exist; they do not prove misuse. IP P14/P15

4 The product was allegedly misrepresented as advanced AI

Affected customers and insiders report claims involving AI and approximately 100,000 lines of code. SWR's technical allegation is that the deployed system had roughly 5,000 lines, no genuine model artifacts, and primarily deterministic rules and recovery logic. IP

5 Korvato allegedly crossed from software into regulated retail-forex conduct

SWR alleges PAMM use and WebSocket/API infrastructure allowed personnel to change risk, open or close trades, and intervene in non-PAMM accounts. Actual discretionary authority and solicitation - not the label "software company" - can raise CTA/IB/CPO and authorization questions. P3 IP

6 Known losses, review manipulation, refunds, and continued sales allegedly concealed the true risk

Trustpilot states it removed fake Korvato reviews. Customer complaints report severe losses, broker problems, and extended refund delays. SWR separately alleges fabricated Google/Trustpilot marketing and continued sales after management knew of repeated failures. P4/P5 IP

EVIDENCE DISCIPLINE

Verified/Public = direct company, court, platform, or official source; **SWR-Confirmed Record** = material maintained in SWR/counsel file; **Private Evidence** = insider/client material requiring authentication; **Customer Report** = witness lead requiring documents; **Discovery Target** = records likely held by companies, brokers, vendors, banks, or platforms.

OVERLAPPING PROOF CHANNELS

EIGHT INTERLOCKING EVIDENCE TRACKS

The value of a coordinated case is the overlap. Each track can corroborate the others and identify who made the representation, who knew the truth, who controlled the infrastructure, who received the money, and what each victim relied upon.

1 Fabricated or manipulated FX Blue track record
PRIVATE EVIDENCE Broker-level MetaTrader access allegedly built or altered a simulated account history and published it through FX Blue as live funded performance.

2 False AI and software-complexity claims
TECHNICAL EVIDENCE Victims were allegedly told the product used AI and approximately 100,000 lines of code. SWR alleges roughly 5,000 lines, no model artifacts, and rules-based logic.

3 PAMM, WebSocket, API, and discretionary control
SYSTEM LOGS Korvato allegedly could change settings and cause trades to open, close, or modify, including on accounts represented as customer-controlled and non-PAMM.

4 Hidden introducing-broker and spread revenue
BROKER/PAYMENT SWR alleges millions in per-lot commissions and additional spread markups, creating an undisclosed incentive for volume even when customers lost money.

5 Fabricated reviews and deceptive marketing proof
PUBLIC Trustpilot says fake Korvato reviews were removed. PRIVATE SWR alleges fabricated Google reviews, coordinated campaigns, and sales material designed to make the product appear safe.

6 Known losses, refund failures, and continued sales
CUSTOMER PATTERN Public complaints report rapid losses, five-figure fees, broker problems, and lengthy refund delays. Private records should show when management learned and what it sold afterward.

7 Management knowledge, insiders, and related parties
PRIVATE/RECORD Internal communications, investor records, management decisions, and related-entity evidence can identify who knew what, when, and who benefited.

8 FanBasis award, creditor pressure, and asset tracing
CASE RECORD The FanBasis matter, competing claims, payment flows, property, vehicles, vessels, and transfers are central to preservation and collectability.

FX BLUE	MT4/5	API	IB
Promoted performance record	Broker-side account and audit records	Remote commands and control path	Commissions, spread and volume economics

Important distinction: public technical capability does not prove Korvato used that capability improperly. The strongest case will connect a specific representation to authenticated logs, broker records, source code, money flow, management knowledge, customer reliance, and resulting loss.

WHERE THE CASE IS CORROBORATED AND WHERE DISCOVERY IS DECISIVE

ALLEGATION-EVIDENCE-LEGAL ISSUE MATRIX

This page preserves the original packet's matrix structure while incorporating the new whistleblower allegations. Each row separates current support from the records that must authenticate the claim.

1. Broker steering and hidden compensation	**Current support:** customer onboarding pattern; Korvato disclosure recognizes OTC pricing and introducer conflicts; SWR reports per-lot/ spread evidence.	**Decisive proof / issue:** IB contracts, sub-IB tree, markups, lot statements, payouts, bank records. Fraudulent omission; possible IB/ retail-forex registration issues.
2. Offshore brokers and inadequate warning	**Current support:** U.S. customer reports; Korvato's later risk language; broker access and withdrawal complaints.	**Decisive proof / issue:** sales recordings, signed disclosures, KYC, broker status and dates. Risk-disclosure and deceptive-omission analysis.
3. High-risk bot despite known blowups	**Current support:** 5-9% marketing, beginner positioning, public reports of severe drawdowns and recovery/martingale behavior.	**Decisive proof / issue:** version/config history, alerts, dashboards, management chats, marketing chronology. Fraud/FDUTPA and advertising issues.
4. Fabricated performance history	**Current support:** Korvato used FX Blue verification language. SWR alleges EnviFX-linked broker access and a demo/simulated account.	**Decisive proof / issue:** broker admin logs, account type, raw ledger, FX Blue history, market-data reconciliation, insider testimony. Core inducement and false-record theory.
5. False AI and code-complexity claims	**Current support:** Korvato publicly markets advanced AI. Customers/ insiders report approximately 100,000-line claims.	**Decisive proof / issue:** hashed repositories, build artifacts, model files, dependencies, expert code analysis. Material misrepresentation and knowledge.
6. PAMM/API discretionary control	**Current support:** SWR alleges PAMM use, remote commands, and intervention on non-PAMM accounts; public terms say users retain control.	**Decisive proof / issue:** API payloads, WebSocket logs, tokens, IPs, manager logs, POAs, magic IDs. CTA/CPO/IB/AP and authorization questions.
7. Reviews, refunds and continued sales	**Current support:** Trustpilot fake-review warning; BBB/Trustpilot complaint pattern; SWR alleges fabricated Google/marketing proof.	**Decisive proof / issue:** platform correspondence, vendors, review campaigns, refund ledger, CRM sales after known events. Concealment and intent.
8. Proceeds and asset movement	**Current support:** SWR case records identify a $1.3M FanBasis award and allege luxury spending and related-party transfers.	**Decisive proof / issue:** titles, deeds, wires, cards, merchant payouts, entities, nominees, transfer dates. Collection and preservation strategy, not proof of liability by itself.

WHAT MUST BE PROVED

Representation -> knowledge -> reliance -> payment/funding -> trading or custody event -> loss -> concealment/refund conduct. For regulatory theories, identify who solicited, who advised, who controlled accounts, who received broker compensation, which U.S. customers were involved, and what was disclosed before account opening.

ALLEGATIONS 1-2, EXPANDED

HIDDEN BROKER ECONOMICS AND CUSTOMER COST

This track focuses on why particular brokers were presented to U.S. customers, what compensation Korvato or related persons received, whether extra spread or account-group markups increased customer cost, and what the customer was told before funding.

SWR allegation: trading volume generated revenue even when customers lost

SWR reports possessing evidence that Korvato received substantial introducing-broker commissions tied to volume and benefited from additional spread or account-group markups. SWR alleges this produced revenue from every lot traded while extra transaction cost increased drawdown and reduced customers' ability to recover. Exact totals must be established with broker-native ledgers and money-flow records.

A
Customer funds account
Customer pays license and deposits with a preferred broker.

B
Software trades volume
Recovery-style behavior can generate repeated lots and costs.

C
Broker pays introducer
Per-lot, referral, markup, spread, or related compensation.

D
Customer absorbs cost
Spread, slippage and commissions reduce equity and increase drawdown.

E
Conflict allegedly hidden
More trading can increase revenue even when net customer results decline.

Public and current support

- Korvato's own risk disclosure acknowledges that OTC dealers may control prices and spreads and that paid introducers can have compensation conflicts. P2
- Customer accounts describe Korvato workflows presenting or coordinating preferred broker and PAMM onboarding. F2
- Public complaints describe broker access, withdrawal, and custody problems. These are witness leads, not findings. P4/P5

High-value broker exhibits

- IB, referral, sub-IB, and revenue-share contracts
- Per-lot commission and rebate statements
- Broker group, spread and markup schedules
- BrokerTools or equivalent master tree
- Account assignment and risk-group records
- Tax forms, wires, cards, wallets, and bank deposits
- Benchmark spreads versus customer execution
- Customer disclosures and onboarding recordings

Why the conflict matters

A disclosed software license creates one revenue stream. Undisclosed trading-linked compensation can create a second, potentially contrary incentive: a company may benefit from volume and spread even if a customer loses. The issue is whether that conflict was material, known, and omitted or contradicted during the sale.

Regulatory questions

- Did Korvato solicit or accept retail-forex orders as an introducing broker?
- Were required risk disclosures delivered before account opening?
- Did oral sales claims minimize or contradict the disclosures?
- Did compensation and broker selection create a material omitted conflict?

Proof discipline: the public record supports an investigation of broker conflicts but does not by itself prove the alleged commission total, specific spread markup, or causation of each customer's drawdown. Those points require authenticated contracts, statements, account-group records, and expert comparison.

ALLEGATION 3 AND SOFTWARE REPRESENTATION

ALLEGED FALSE AI CLAIMS AND KNOWN-RISK PERFORMANCE MARKETING

A poor trading system is not automatically fraudulent. The key issue is whether Korvato knew the product's actual architecture, live failure pattern, and risk profile were inconsistent with the sales story, yet continued using selected high-return periods or technical claims to induce purchases.

What was publicly marketed

- "Advanced AI" and high-performance algorithmic trading technology. P6
- 5-9% average monthly growth and FX Blue verification. P1
- Consistent returns, hands-off operation, and beginner accessibility. P1/P6
- Customer and insider reports of sales claims involving approximately 100,000 lines of code. IP

What SWR's technical evidence allegedly shows

- Approximately 5,000 lines in the deployed core rather than the scale represented to victims.
- No genuine trained model, model weights, feature pipeline, or adaptive learning system.
- Primarily deterministic entry, recovery, money-management, and remote-control logic.
- WebSocket/API components that may be more important to account control than any claimed AI.

REPRESENTATION	DECISIVE TECHNICAL PROOF
Advanced AI system	Source repository, dependencies, model files, training data, inference runtime, build artifacts.
Approximately 100,000 lines	Hashed repository at the relevant sales date; generated-code exclusions; independent line count.
Highly profitable and safe	Full live account population, drawdown distribution, configuration history, loss alerts.
Customer-controlled software	WebSocket/API commands, tokens, IPs, admin logs, trade-origin tags, account permissions.
Genuine learning/ adaptation	Versioned model updates, retraining jobs, model registry, feature store, evaluation records.

Why line count alone is not the case

A small program can be sophisticated and a large program can be poor. The material issue is whether the deployed product actually used the AI architecture represented, whether management knew what was deployed, and whether the technical story was important to customers' decision to pay.

Knowledge and performance timeline to build

BUILD	LIVE RESULT	KNOWLEDGE	SALE
Code and configuration	**Actual account behavior**	**Management notice**	**Later marketing**
Version, settings, risk, recovery logic and remote-control capability.	Maximum drawdown, blowups, lot expansion, broker and custody incidents.	Alerts, escalations, dashboards, developer chats, refund and support queues.	Webinars, decks, scripts, AI claims, safety claims, and customer purchase date.

FORENSIC TEST

Build a version-by-version matrix: **software build -> risk setting -> live accounts -> maximum drawdown -> recovery behavior -> management knowledge date -> marketing asset date -> customer sale date.** Repeated severe losses before later sales can be highly probative if the later safety and performance story was materially different.

ALLEGATION 4, EXPANDED TECHNICAL PATH

FX BLUE + ENVIFX: THE ALLEGED FABRICATION PATH

SWR's whistleblower theory is specific: a broker relationship and MetaTrader broker-side or administrative access allegedly allowed a simulated account history to be constructed or altered, connected to FX Blue, and presented in sales as a live account trading real money.

1
EnviFX / broker access
SWR alleges control or cooperation at the broker level. Public sources independently show an EnviFX marketing-director association for Tyler Mackechnie, not beneficial ownership.

2
MetaTrader master/ admin
Account creation, group settings, balance operations, history and audit records exist on the broker side.

3
Demo/simulated account
The underlying account was allegedly not funded with genuine live capital.

4
Selected history
Losses allegedly removed or favorable trades/history added or reconstructed.

5
FX Blue publication
The supplied account data then appeared as a polished third-party performance profile.

What SWR says happened

- Losses were allegedly omitted, profitable orders added, balance operations changed, or the apparent start date extended.
- The account used to market Korvato was allegedly not a genuine live, funded account.
- The published FX Blue profile was then used in webinars, decks, screenshots, and sales calls to persuade customers.
- Korvato, EnviFX-related personnel, or persons with broker access allegedly knew the record did not represent authentic live performance.

What public technical sources establish - and do not establish

FX Blue's official documentation shows its publisher can set a start date, omit earlier activity, and exclude instruments or magic numbers; its trade-copying tools can operate between demo and live accounts. MetaQuotes states broker APIs can integrate the platform with proprietary trading, CRM, and post-trade systems. **These capabilities do not prove Korvato or EnviFX misused them.** P14-P16

Forensic proof plan

1. **Preserve the artifact:** original links, PDFs, videos, decks, metadata, and hashes.
2. **Identify the account:** broker, server, login, currency, account type, start date, and balance operations.
3. **Acquire broker-native records:** order/ deal ledger, manager actions, corrections, deleted/voided records, backups.
4. **Reconcile market data:** compare timestamps and prices against independent ticks and liquidity.
5. **Obtain FX Blue history:** connection logs, verification method, snapshots, identifiers, and change history.
6. **Tie action to people:** credentials, IPs, communications, approvals, marketing use, and customer reliance.

Ownership caution: SWR alleges EnviFX was owned or controlled by Tyler Mackechnie. The public sources reviewed independently establish an EnviFX marketing-director association but do not establish beneficial ownership. Ownership/control should be authenticated through formation documents, banking, MetaQuotes licensing, server agreements, administrator lists, and testimony.

ALLEGATION 6, EXPANDED WEBSOCKET/API EVIDENCE

UNDISCLOSED TRADING CONTROL AND CFTC QUESTIONS

This is potentially one of the most important regulatory tracks because the analysis turns on what Korvato actually did - not on whether its contract called the product "software."

SWR's alleged facts

- **PAMM/copy trading:** customers were allegedly encouraged or onboarded into structures connected to Korvato strategies or broker relationships.
- **Trading advice:** personnel allegedly advised customers regarding settings, risk, trades, or when/how the system should operate.
- **Remote/manual control:** WebSocket APIs and administrative infrastructure allegedly allowed settings to change and positions to open, close, or modify.
- **Non-PAMM accounts:** SWR alleges intervention also occurred where customers were told the account was not managed or centrally controlled.
- **Disclaimer conflict:** public materials say users maintain control; authenticated remote-control logs would be highly material.

Potential CFTC classification questions

- **CTA:** did a person exercise or obtain authority to exercise discretionary trading over retail-forex accounts?
- **IB:** did a person solicit or accept retail-forex customer orders or broker onboarding?
- **CPO:** did a PAMM or pooled structure combine funds or centralized allocation/control?
- **Authorization:** were transactions specifically authorized within the scope of 17 CFR 5.17?
- **Advertising:** was performance actual, simulated, reconstructed, or manipulated?

SYSTEM	RECORDS TO PRESERVE	WHAT IT CAN SHOW
Korvato app / API	Gateway logs, WebSocket payloads, tokens, IPs, user IDs, timestamps, admin audit trails.	Who issued commands; whether customer or staff initiated.
MT4/MT5 / broker	Manager/admin logs, order/deal origin, magic IDs, server logs, permissions, POAs.	Trade origin, account control, authorization path.
Cloud infrastructure	AWS/Azure/GCP logs, deployments, secrets, database audit, CI/CD, repositories.	Which code/version enabled control and who deployed it.
Customer communications	Calls, emails, SMS, support tickets, onboarding and risk recommendations.	What advice was given and how customers understood control.
PAMM manager	Allocation records, fee flows, manager IDs, pool agreements, trade master/sub-account mapping.	Who controlled pooled or copied transactions and who was paid.

Why Silver Star Live is relevant

In the CFTC's Silver Star Live matter, an automated retail-forex system exercised discretionary authority, the operators were not registered in the relevant capacities, and the court ordered approximately **$3.91 million in restitution** plus penalties. It is a regulatory analogy, not proof that Korvato committed the same violations. P11/P12

CORE CONTROL QUESTION

Can authenticated logs show that a Korvato user, service account, API, or broker administrator caused a specific transaction or risk-setting change without the customer's contemporaneous direction or legally sufficient authorization? If yes, counsel can map that conduct to registration, disclosure, authorization, and anti-fraud rules.

ALLEGATIONS 5 AND 7

THE SALES MACHINE, REVIEW PROOF AND KNOWLEDGE TIMELINE

The post-sale timeline can be as important as the original pitch because it can show when management learned of failures, what existing customers were told, what new prospects were told, and whether refunds or reputation management delayed disclosure.

Publicly visible pattern

- Korvato publicly promoted advanced AI, 5-9% average monthly growth, FX Blue verification, consistent performance, and beginner accessibility. P1/P6
- Trustpilot currently states that it removed a number of fake reviews for Korvato. P4
- BBB and Trustpilot contain customer reports of five-figure fees, rapid drawdowns, broker problems, unreturned funds, and months-long refund delays. P4/P5

What SWR separately alleges

- Positive Trustpilot and Google proof was fabricated, commissioned, or coordinated.
- Marketing materials selectively presented safe and profitable outcomes while omitting loss patterns.
- Sales continued after management received concrete notice of major drawdowns, broker failures, or refund backlog.
- Refund and complaint handling was used to delay escalation while new customers were still sold.

Fraudulent-inducement evidence map

What was represented?	Track record, monthly returns, risk level, AI, broker safety, refund guarantee, hands-off control.
Was it false when made?	Raw history, source code, model artifacts, broker status, API/control logs, internal loss records.
Who knew and when?	Executive chats, CRM escalations, dashboards, refund queues, developer and vendor messages.
Was reliance intended?	Scripts, calls, webinars, decks, urgency language, rep compensation, objections handling.
Did the customer rely?	Declarations, contemporaneous texts/emails, purchase timing, notes, invoice and payment records.
What loss resulted?	License fees, subscriptions, trading loss, inaccessible broker funds, and other provable damages.

Review allegation proof targets

- Review vendor and reputation-management invoices
- Platform warnings, appeals, account/device patterns
- Employee instructions and CRM campaigns
- Incentives or refund-for-removal communications
- Original testimonial image files and metadata

Knowledge-and-concealment chronology

1. First severe loss
Earliest internal notice, recipients, account, build, setting, and response.

2. Broker or withdrawal problem
Liquidity concerns, outage notices, access complaints, and escalation dates.

3. Later sales activity
Every campaign, webinar, script, closed deal, and performance asset after notice.

4. Refund response
Request date, guarantee version, approvals, denials, queue status, and processor dispute.

5. Reputation response
Takedown requests, review campaigns, incentives, and directives about criticism.

6. Disclosure to new buyers
Whether known loss, custody, refund, or product changes were disclosed.

SWR-CONFIRMED CASE RECORD AND PUBLIC COMPLAINT CONTEXT

FANBASIS v. KORVATO: $1.3 MILLION AWARD

$1.3M

APPROXIMATE AWARD

According to case materials maintained by SWR for counsel review, FanBasis obtained an award of approximately $1.3 million involving Korvato and related parties.

The certified award or order and the current docket should accompany the counsel and regulator version of this packet.

Publicly indexed case context

FanBasis Inc. v. Korvato LLC et al., Broward County case CACE26006902, was filed April 27, 2026. The public complaint summary alleges that defendants generated approximately **$4.9 million** in revenue from July through December 2025, withdrew nearly **$3.95 million**, and left FanBasis exposed to chargebacks and refunds. Publicly indexed defendants include Korvato LLC, Amit Fridman, Michael Walding, Ortal Atias, and Zac Segal a/k/a Aviel Sabag, among others. P17

What the award does not automatically do

- It does not automatically compensate Korvato software customers.
- It does not eliminate individual reliance, causation, contract, arbitration, and damages issues.
- It does not prove every separate whistleblower allegation in this packet.
- It does not guarantee that assets remain available or collectible.

Why the award matters to affected customers

- **Independent commercial exposure:** another creditor has already advanced substantial claims involving Korvato-linked merchant revenue and withdrawals.
- **Potential discovery value:** payment processor, merchant, guarantee, payout, and related-entity records may reveal additional evidence.
- **Creditor competition:** judgments, liens, settlements, transfers, insolvency, and other claims can reduce what remains collectible.
- **Asset-preservation urgency:** counsel should evaluate lawful preservation, injunction, attachment, fraudulent-transfer, and post-judgment remedies.

SWR COORDINATED FILING-PREPARATION CUTOFF

SEPTEMBER 30, 2026

Customer evidence must be received in time for coordinated counsel review and filing preparation. This is not a universal statute-of-limitations deadline; individual deadlines may expire sooner.

Time-sensitive recovery workstream

1. Preserve value
Identify cash, merchant reserves, processor balances, wallets, and liquid accounts.

2. Trace assets
Map companies, vehicles, boats, property, travel, transfers, and nominees.

3. Link conduct
Connect specific revenue and transfers to customer payments, broker income, and merchant proceeds.

4. Seek lawful remedies
Only counsel and a court can impose freezes, attachments, injunctions, or turnover orders.

Record classification: the $1.3 million amount is presented as an SWR-confirmed case record based on materials maintained for counsel. Public web indexing independently supports the case filing and complaint allegations but did not provide the complete certified award order in the sources used for this public-facing edition.

ROLES, KNOWLEDGE, CONTROL AND COLLECTABILITY

KEY PEOPLE, RELATED ENTITIES AND ASSET TRACING

A recovery case must separate public party records from private allegations and then follow the money. Lifestyle is not proof of fraud. Ownership records, payment sources, transfer dates, control, and source of funds are what matter.

Amit Fridman

KORVATO PRINCIPAL / PUBLIC CASE DEFENDANT

Publicly indexed in the FanBasis action. SWR alleges central involvement in sales, management, broker economics, and known-risk decisions. Foreign residence and international assets, if verified, affect service, preservation, and collection.

Michael Walding

KORVATO-RELATED PRINCIPAL / PUBLIC CASE DEFENDANT

Publicly indexed in FanBasis. A separate federal case, Hanc & Brubaker Holdings v. NXT LVL Services, involved allegations that Walding and owned entities fraudulently procured consulting fees. That case is a litigation-history lead, not a finding of Korvato fraud. P18

Yosef Martin

EARLY INVESTOR / KNOWLEDGE ALLEGATION

SWR alleges Martin invested early, learned of major losses and proposed misconduct, failed to intervene, and exited with profit. Public material supports a business association with Fridman; investment, knowledge, and distributions require cap-table and communication proof.

Tyler Mackechnie / EnviFX

BROKER-RELATIONSHIP AND TECHNICAL LEAD

SWR alleges ownership or control of EnviFX and participation in the track-record mechanism. Public sources establish an EnviFX marketing-director association, not beneficial ownership. Broker licensing, servers, admin accounts, banking, and communications are decisive.

Ortal Atias; Zac Segal / Aviel Sabag

PUBLICLY INDEXED FANBASIS DEFENDANTS

Their exact roles, guarantees, entity relationships, payment access, and receipt of proceeds should be determined from the complaint, merchant records, corporate documents, and discovery.

Timothy Aballo - identity linkage to confirm

KORVATO REPRESENTATIVE IN A PUBLIC CUSTOMER AGREEMENT

A publicly available signed Korvato software agreement identifies Timothy Aballo as a Korvato AI representative. The record does not establish that he is the same "Tim" referenced in SWR's internal narrative or a FanBasis defendant. Any role, knowledge, or liability must be authenticated. P21

Luxury spending allegedly funded by Korvato proceeds

- Yachts, boats, or marine expenses
- Lamborghinis and other luxury vehicles
- Mansions and high-value real property
- International luxury travel and VIP events
- Designer or high-value personal purchases
- Transfers to relatives, insiders, related entities, or nominees

These are tracing leads. Photographs or social media do not establish title, beneficial ownership, purchase date, or source of funds.

The six-step asset proof chain

1. **Identify:** entity, account, vehicle, vessel, property, wallet, merchant reserve.
2. **Title:** beneficial owner, nominee, insider, trust, related company, or foreign entity.
3. **Funding:** processor payout, bank wire, card, crypto wallet, broker commission, or distribution.
4. **Timing:** purchase or transfer date versus customer receipts, chargebacks, refunds, and known losses.
5. **Control:** possession, insurance, maintenance, registration, storage, use, and payment of expenses.
6. **Remedy:** attachment, injunction, fraudulent-transfer, lien, turnover, or enforcement analysis by counsel.

Important: prior lawsuits, wealth, travel, nationality, or spending do not prove liability. Their relevance is limited to knowledge, credibility, entity relationships, tracing proceeds, transfer analysis, and collectability - all subject to authenticated records and counsel review.

ISSUE SPOTTING, NOT A PLEADING

POTENTIAL CIVIL CLAIMS AND DAMAGES DEVELOPMENT

Independent counsel should select claims only after reviewing each customer's contract, forum/arbitration terms, 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 track record, AI/code claims, safety/performance claims, broker status, account-control story, or refund representations used to induce purchase and funding.	Specific statement, speaker/date, falsity, knowledge, intended and actual reliance, causation, and loss.
Fraudulent concealment / omission	Known blowups, compensation conflicts, broker risks, remote authority, refund backlog, or material failures allegedly withheld while selling.	Counsel must establish a legally actionable omission, duty, or misleading context.
FDUTPA / deceptive practices	Unfair or deceptive marketing, review proof, material omissions, misleading guarantees, customer/refund practices, and hidden economics.	Florida statutory elements, actual damages, causation, exclusions, and fee exposure.
Breach of contract / refund guarantee	Failure to provide promised software, support, service, or refund obligations.	Exact contract and guarantee version, conditions, performance, timing, chargebacks, forum clauses.
Rescission / restitution / unjust enrichment	Return of license consideration or benefits retained where agreement is voidable, rescinded, or no adequate contract remedy exists.	Often alternative remedies; availability depends on contract and jurisdiction.
Civil conspiracy / aiding and abetting / enhanced claims	Coordinated conduct among principals, broker actors, vendors, investors, or related entities, if required knowledge and agreement are proven.	High pleading and proof risk; person-by-person evidence required.
Fraudulent transfer / collection remedies	Transfers to related entities or insiders after liabilities arose or while refunds and creditor claims accumulated.	Title, value, timing, consideration, insolvency, intent badges, jurisdiction, and traceability.
Punitive damages, if legally supported	Admissible evidence of intentional misconduct or gross negligence.	Florida procedural and evidentiary requirements; should not be promised or pled casually.

Damages schedule for each customer

- Software and license fees
- Subscriptions, VPS, platform, or support fees
- Documented broker deposits
- Withdrawals actually received
- Realized trading losses tied to challenged conduct
- Inaccessible broker balances
- Refunds and chargebacks already received
- Other damages counsel determines recoverable

Avoid simply adding all market losses without causation analysis.

Why a coordinated case can be stronger

Common scripts, identical performance exhibits, the same broker-routing workflow, shared APIs, repeated risk patterns, centralized review/refund practices, and common management communications can transform isolated complaints into a pattern that is easier to test and prove.

Individual reliance and damages still require customer-by-customer evidence.

SWR ASSESSMENT The combined fact pattern may provide a compelling evidentiary posture and a strong probability of viable claims if the critical private records are authenticated. Litigation outcome, collectability, arbitration, defenses, and legal damages remain for independent counsel and the court.

ACTUAL CONDUCT, NOT LABELS

CFTC REGULATORY ISSUE MAP

The CFTC framework can be highly relevant because the product involves leveraged retail forex. The correct question is not whether Korvato called itself a software company; it is whether 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 or records, and willful deception in connection with retail forex.	Alleged fake track record, false AI/safety claims, hidden broker conflicts, misleading loss/refund communications.
17 CFR 5.1(e), 5.3 - CTA	Retail-forex discretionary authority can make a person a CTA for Part 5 purposes; registration applies absent a valid exclusion/exemption.	Whether personnel or APIs changed settings or caused trades without trade-by-trade customer direction.
17 CFR 5.1(f), 5.3 - IB	Soliciting or accepting retail-forex customer orders can create IB status and registration obligations.	Preferred broker scripts, onboarding, referral codes, compensation, customer orders, and sales calls.
17 CFR 5.5 - risk disclosure	Introduced retail-forex accounts require specified risk disclosure before account opening by the regulated or required party.	What each U.S. customer received, date/signature, broker status, and whether oral claims contradicted it.
17 CFR 5.17 - authorization	Transactions must be specifically authorized within the rule's scope for RFEDs, FCMs, IBs, and APs.	Manual opens/closes, WebSocket/API commands, remote intervention, permissions, POAs, and consent.
17 CFR 4.41 - CTA/CPO advertising	Prohibits fraudulent/deceptive advertising and imposes conditions on simulated or hypothetical performance.	Whether history was actual, simulated, reconstructed, or manipulated; disclosures and testimonials.
CEA Section 4o / 7 U.S.C. 6o	Anti-fraud and misrepresentation provisions for CTAs/ CPOs and associated persons.	Classification plus evidence of deceptive device, course of business, or material misrepresentation.
CPO / pooled-account issues	Operation or solicitation of a pool can trigger registration, disclosure, allocation, and custody obligations.	Actual PAMM architecture, manager authority, pooling, allocation, custody, fees, and agreements.

Silver Star Live - analogy, not conclusion

CFTC and court records describe an automated retail-forex product that exercised discretionary authority, trading advice and unregistered activity. The court ultimately ordered approximately $3.91 million in restitution plus civil penalties. The analogy shows regulators can look through the word software to actual control, solicitation, and representations. P11/P12

CFTC decides independently

SWR can organize, preserve, and explain evidence. Affected individuals or counsel can submit a Form TCR. The CFTC independently decides whether to open, expand, decline, or pursue an enforcement matter. No private firm can promise an investigation, restitution, or a whistleblower award. P13

REGULATOR-READY QUESTION

For each alleged violation, identify the actor, date, U.S. customer, broker, account, communication, system record, payment flow, and exhibit. Distinguish direct evidence from inference and identify third-party records that can independently prove or disprove the allegation.

FROM SCATTERED RECORDS TO AN AUDITABLE CASE FILE

EVIDENCE PRESERVATION, DISCOVERY AND SUBMISSION ARCHITECTURE

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

CUSTODIAN	PRIORITY RECORDS	WHY IT MATTERS
Korvato / related entities	Sales CRM, recordings, scripts, performance dashboards, source code, model artifacts, API logs, broker agreements, commission ledgers, refund queue, support and review communications.	Representations, knowledge, account control, compensation, concealment, and damages.
EnviFX / Orca / other brokers	KYC, account types, full ledgers, order/deal history, manager/admin logs, group settings, IB tree, PAMM records, price/spread history, withdrawals, bank/wallet records.	Broker status, execution, fabrication allegations, account control, compensation, and fund tracing.
MetaQuotes / CRM / cloud vendors	Licenses, tenants, administrator accounts, servers, APIs, support tickets, IP logs, keys, deployment and audit history.	Who controlled infrastructure and when.
FX Blue / performance platforms	Connection history, account identifiers, verification method, historical snapshots, publication settings, changes, and timestamps.	Authenticity, continuity, and selectivity of promoted performance.
Processors / banks / exchanges	Merchant sales, reserves, refunds, chargebacks, payout accounts, cards, wires, wallets, related accounts, and guarantees.	Customer payments, FanBasis exposure, refunds, broker income, and assets.
Customers / insiders / former workers	Native emails/chats, recordings, screenshots, agreements, decks, declarations, trade exports, credentials, source files, and firsthand technical knowledge.	Reliance, loss, common representations, internal instructions, and whistleblower evidence.

Recommended counsel and CFTC package

1. **Executive chronology**
Actors, dates, products, U.S. customers, broker routes, representations, control and losses.

2. **Violation and civil-claim matrix**
Each allegation linked to a specific exhibit, evidence class, open question, and legal issue.

3. **Master exhibit index**
Custodian, original filename, date obtained, hash, description, privilege/confidentiality status, relevance.

4. **Technical memorandum**
Architecture, code review, remote control, track-record authentication, broker and spread evidence.

5. **Victim declarations and loss schedules**
Customer-specific reliance, exact statements, payments, account events, refunds, and damages.

6. **Whistleblower declarations**
Firsthand knowledge, role, access, dates, corroboration, documents, and limits of memory.

7. **Asset and proceeds memorandum**
Merchant revenue, broker compensation, transfers, title, beneficial ownership, and preservation targets.

8. **Open records request list**
Precisely identify third-party documents that can prove or disprove each allegation.

Preservation rule: do not crop, re-save, rename destructively, edit, or forward only screenshots when a native file exists. Preserve original devices and accounts where possible. Record who supplied each item, when it was received, and a cryptographic hash. Counsel should direct litigation holds, subpoenas, confidentiality, privilege, and public release.

PROPOSED LITIGATION | CUSTOMER PARTICIPATION

HOW AFFECTED CUSTOMERS CAN PARTICIPATE

NO SWR FEE IS REQUIRED TO BE PART OF A CLASS ACTION

Victims do not need to pay SWR the $499 upfront fee, or purchase any SWR service, to be part of a class action for which they qualify. Submit evidence through no-fee intake or contact independent counsel directly. Counsel decides representation; the court determines class certification and the class definition. Any required claims process and deadlines still apply.

OPTIONAL PRIORITY PROCESSING

$499

ONE-TIME ADMINISTRATION, PROCESSING & DOCUMENT FEE

With hundreds of customers to assist, this optional fee funds staff time to prioritize your file in **SWR's internal processing queue.**

1. Organize the documents and information you provide.
2. Follow up with you on missing records and details.
3. Finalize your administrative evidence packet and transmit it to independent counsel for review, with your authorization.
4. Confirm transmission and follow up to request acknowledgment of receipt.

Processing requires complete information. Priority applies only to SWR's work, not counsel's review or acceptance.

HOW THE $499 FEE IS USED

The fee pays SWR's staff salaries, administration, records organization, document processing, software, secure storage, communications and operating expenses. It is not a legal retainer or payment for law-firm acceptance or admission to a lawsuit.

All-in $499 for this service. No additional SWR document fee or recovery percentage. Attorney fees and litigation costs are separate and governed by counsel's terms and/or applicable court orders.

25% SUPPORT FOR SHARED CASE COSTS

SWR contributes 25% of proceeds from these fees to common investigation, case development and, where permitted and accepted, legal-support costs. This supports shared case expenses, not a customer charitable donation or a promise to cover all legal costs.

WHAT TO PROVIDE AT INTAKE

- Identity and contact details; purchase date and exact product/license.
- Amounts paid, payment records, guarantees and contracts.
- Sales representative, recordings, promises, claims, decks and screenshots.
- Broker, server, account number, deposits, withdrawals and balances.
- PAMM/algorithm, risk settings, and key trade/loss and access dates.
- Refund requests, chargebacks, and all related emails, texts, tickets and files.

DO NOT DELETE OR ALTER EVIDENCE

Keep original messages, recordings, videos, agreements and reports. Export broker and payment records now. Preserve devices and accounts securely; write a dated chronology while memories are fresh. Do not reveal confidential witnesses or SWR's strategy to suspected actors.

$0 | FREE CFTC EVIDENCE SUPPORT

With your authorization, SWR can organize the evidence you provide and submit a package through the CFTC's official Form TCR channel, or explain the steps so you can submit directly.

CFTC-only assistance does not include legal representation or guarantee CFTC action or recovery. This free option is separate from no-fee civil-case intake.

SWR COORDINATED INTAKE TARGET

SEPTEMBER 30, 2026

An internal preparation target, not a court deadline or a guarantee of filing. Individual legal deadlines may expire earlier. Submit promptly, whether or not you pay.

PRIORITY PROCESSING IS NOT PAYMENT PRIORITY

The $499 fee does not guarantee law-firm acceptance, representation, a lawsuit filing, class membership, recovery or payment before other eligible claimants. Payment eligibility, amounts and timing follow the governing settlement, judgment and claims-administration process, not SWR's processing queue.

NOT IN THE FIRST SUBMISSION? A LATER CLAIM MAY STILL BE POSSIBLE

Missing SWR's initial batch does not by itself decide your eligibility. A court-authorized process may allow eligible class members to submit claims after a settlement or judgment, subject to the class definition, proof requirements and deadlines. **There is no guaranteed period to add people after money is recovered or distributed.** Submit information now and contact counsel promptly; do not wait for a recovery or assume late claims will be accepted.

PUBLIC SOURCES CORROBORATE DISCRETE PROPOSITIONS

SOURCE REGISTER AND EVIDENTIARY NOTES

Public sources below are used to corroborate limited propositions - not to convert private allegations into adjudicated facts. Customer reviews are witness leads. SWR/private evidence should be authenticated, preserved in native form, hashed where appropriate, and reviewed with counsel before public dissemination.

P1 - Korvato company article. Public 5-9% average monthly growth, FX Blue verification, consistent-return and beginner-accessibility representations.

P2 - Korvato disclosure. OTC pricing/spread discretion, paid-introducer conflicts, risk language, and registration warnings.

P3 - 17 CFR Part 5, eCFR. Retail-forex definitions, registration, risk disclosure, anti-fraud, and authorization provisions.

P4 - Trustpilot Korvato profile. Platform statement that a number of fake reviews were removed; customer reviews remain unverified reports.

P5 - Better Business Bureau Korvato complaints. Customer reports involving license fees, refund requests, broker access, and communications.

P6 - Korvato home page. Advanced AI, Optimus AI, high-performance, beginner-oriented product positioning, and disclaimers.

P7 - 17 CFR 5.2. Prohibited cheating, false reports/statements/records, and willful deception in retail forex.

P8 - 17 CFR 4.41. CTA/CPO advertising and simulated/hypothetical performance conditions.

P9/P10 - Florida jury instructions and FDUTPA statutes. Fraudulent misrepresentation framework and deceptive-practice remedies.

P11/P12 - CFTC Silver Star Live complaint and judgment. Automated forex system, discretionary authority, unregistered conduct, and approximately $3.91M restitution.

P13 - CFTC Form TCR / Whistleblower Program. Official reporting path; the CFTC independently determines whether to investigate or enforce.

P14/P15 - FX Blue Publisher documentation. Publication start dates, excluded activity/instruments/magic numbers, and control over which trades are published.

P16 - FX Blue trade-copy documentation. Technical capability to copy between demo and real-money MetaTrader accounts.

P17 - FanBasis Inc. v. Korvato LLC et al., public docket summary. Broward case CACE26006902, filing date, public parties, and complaint allegations concerning revenue and withdrawals.

P18 - Hanc & Brubaker Holdings v. NXT LVL Services. Public federal case involving fraud allegations against Michael Walding and related entities; not a Korvato liability finding.

P19 - MetaQuotes broker platform materials. Broker APIs and integration with proprietary trading, CRM, and post-trade systems.

P20 - Public EnviFX association source. Tyler Mackechnie identified as EnviFX Marketing Director; does not independently prove ownership.

P21 - Public Korvato software purchase agreement. A signed customer agreement identifies Timothy Aballo as a Korvato AI representative; it does not establish a role in FanBasis or prove misconduct.

F1/F2 - Private development agreement and prior SWR Orca/Korvato report. Sales/support role, onboarding relationship, unresolved economic and ownership questions.

SWR-R1 - FanBasis award record. Award of approximately $1.3 million based on case materials maintained by SWR for counsel review; the certified order should be included in the non-public legal exhibit set.

IP - SWR private/whistleblower evidence. Track-record fabrication, AI/source-code review, PAMM/API control, broker commissions/spread, review campaigns, management knowledge, investor knowledge, and asset tracing.

Legal and evidentiary notice

Strategic Wealth Recovery is an investigative consulting firm, not a law firm. This packet is an investigative case-development summary, not legal advice, a filed complaint, a judicial finding as to every allegation, or a representation that any person has been convicted or adjudged liable for fraud. SWR does not guarantee litigation, settlement, CFTC action, restitution, whistleblower awards, asset recovery, or any percentage outcome. Independent counsel must determine legal claims, defendants, venue, arbitration, admissibility, causation, damages, ethics, asset remedies, and strategy. Allegations labeled private, whistleblower, customer-reported, or discovery target must be authenticated before being presented as proven fact. The CFTC is not affiliated with SWR and independently determines whether information warrants investigation or enforcement.

Prepared: August 19, 2026
Public-source review: August 19, 2026
Intended use: affected-customer education, coordinated evidence intake, and counsel/regulator preparation.

Optimized single integrated edition.
This document preserves the original case structure while integrating the expanded whistleblower, technical, FanBasis, and asset-recovery material into one cohesive packet.