

**In the Matter of
The Securities Act, 1988, SS 1988-89, c S-42.2
(the *Act*)**

and

**In the Matter of
Colmex Pro Limited
(the Respondent)**

ORDER

(Pursuant to Section 135.1 of *The Securities Act, 1988* (the *Act*))

WHEREAS pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* (the FCAA Act), the Chairperson of the Authority has appointed a panel (the Hearing Panel) to hear this matter;

AND WHEREAS by virtue of section 17(7) of the FCAA Act, a decision or action of the Hearing Panel in relation to this matter is a decision of the Authority;

AND WHEREAS Colmex Pro Limited (the Respondent) and the Director of the Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) have entered into a settlement agreement (the Settlement Agreement) dated September 13, 2018 the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Hearing Panel from Staff of the Authority for an order that:

1. The Respondent shall not trade in any securities or derivatives in Saskatchewan without first becoming registered as a dealer under the *Act*;
2. The Respondent shall not give advice respecting securities or derivatives in Saskatchewan without first becoming registered as an adviser under the *Act*;
3. The Respondent shall block access to the Website by blocking access to all users with an IP address from Saskatchewan, all users who declare that they live in Saskatchewan or are acting on behalf of a person who lives in Saskatchewan, and by indicating on the Website that the services offered by the Website are not available to clients living in Saskatchewan; and
4. The Respondent shall pay an administrative penalty of \$10,000.00 CAD.

AND WHEREAS pursuant to section 135.3 of the *Act*, proceedings may be disposed by an agreement approved by the Authority, without the necessity of a hearing;

AND WHEREAS the Hearing Panel has approved the Settlement Agreement;

AND WHEREAS the Respondent has waived its right to a hearing in this matter as well as its right to any appeal with respect to this matter, and has consented to the issuance of this Order;

AND WHEREAS the Hearing Panel is of the opinion that it is in the public interest to make this Order;

AND WHEREAS the Respondent has already paid the administrative penalty of \$10,000.00 CAD;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The Respondent shall not trade in any securities or derivatives in Saskatchewan without first becoming registered as a dealer under the *Act*;
2. The Respondent shall not give advice respecting securities or derivatives in Saskatchewan without first becoming registered as an adviser under the *Act*; and
3. The Respondent shall block access to the Website by blocking access to all users with an IP address from Saskatchewan, all users who declare that they live in Saskatchewan or are acting on behalf of a person who lives in Saskatchewan, and by indicating on the Website that the services offered by the Website are not available to clients living in Saskatchewan.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 19th day of October, 2018.



Gordon Hamilton
Chairperson of the Hearing Panel
Financial and Consumer Affairs
Authority of Saskatchewan

APPENDIX A

SERIAL NO. 75-2018

AUTHENTICATION OF SIGNATURE OF PERSON SIGNING ON BEHALF OF A BODY CORPORATE OR IN THE NAME OF ANOTHER PERSON

I the undersigned [REDACTED], Notary at [REDACTED], Israel, hereby certify that on 07 August, 2018, appeared before me at my office, **Mr. Itai Loewenstein** whose identity was proved to me by Passport No. [REDACTED] issued by the state of [REDACTED], and signed at his own free will the attached document marked A' (the document overleaf) namely: a Settlement Agreement on behalf of **Colmex Pro Limited**.

and I certify that, with respect of the above to sign on behalf of the **Colmex Pro Limited**, there has been produced to me the Company's incorporation documents.

In witness whereof, I hereby authenticate the signature of the above, by my own signature and seal this 07 August, 2018.

Notary Fee 195 NIS including VAT.

[REDACTED]

Notary's Seal





Financial and
Consumer
Affairs Authority

**In the Matter of
The Securities Act, 1988, SS 1988-89, c S-42.2
(the *Act*)**

and

**In the Matter of
Colmex Pro Limited
(the Respondent)**

SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) issued a Statement of Allegations of Staff of the Authority, dated May 18, 2018 (the Statement of Allegations), with the Authority, in which it was alleged that Colmex Pro Limited (the Respondent) engaged in specific activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the *Act*);

AND WHEREAS the Respondent and the Director desire to dispose of the allegations against the Respondent, as contained in the Statement of Allegations, by way of agreement, as permitted by section 135.3 of the *Act*;

AND WHEREAS the Respondent and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, will be published on the Authority's website;

NOW THEREFORE in consideration of the mutual promises and covenants set forth herein, the Respondent and the Director hereby agree as follows:

1. The following facts are admitted by the Respondent:
 - a. The Respondent, Colmex Pro Limited (Colmex Pro) owns, operates, and maintains an online platform located at <https://www.colmexpro.com> (the Website) which facilitates the trading of foreign exchange (FOREX) and Contracts for Difference (CFDs). Colmex Pro's main office is located at the following address: [REDACTED]

Cyprus



- b. In or around September 2016, a Saskatchewan resident (the Investor) created a trading account with the Respondent.
- c. The Respondent accepted the following monetary transfers from the Investor for the purpose of facilitating trading on the Website:

September 17, 2016	\$250.00 USD
November 1, 2016	\$1,000.00 USD
November 22, 2016	\$750.00 USD
November 24, 2016	\$3,000.00 USD
November 27, 2016	\$750.00 USD
November 30, 2016	\$2,000.00 USD

Total Deposits: \$7,750.00 USD

- d. The Investor was contacted by an Account Manager, who helped her learn the trading platform, explained FOREX trading, and gave advice to assist in the Investor's use of the platform;
- e. The Investor traded FOREX and CFDs through the Website with her trading account;
- f. In carrying out the acts indicated in paragraphs 1a to 1e, above, the Respondent engaged in the business of, or held itself out as engaging in the business of trading in securities or derivatives on behalf of the Investor, and as such, acted as a 'dealer' as defined in the *Act*. The Respondent has never been registered as a 'dealer' as required by the *Act*, and therefore the Respondent has contravened section 27(2)(a) of the *Act*.
2. The Respondent agrees that all of the facts set out in paragraph 1 above are true and that to the best of its knowledge, information, and belief, there are no material facts related to these matters that are not set out in paragraph 1 above. In addition, the Respondent says that it is licensed to offer the services offered on its Website by the Cyprus Securities and Exchange Commission and that it did not market its services in a manner targeting Saskatchewan residents.
3. The Respondent hereby waives its right to a hearing in these matters as well as its right to any appeal with respect to these matters, except for any hearing (or subsequent appeal) seeking an order for financial compensation pursuant to section 135.6 of the *Act*.
4. The Respondent and the Director hereby consent to the issuance of an order by the Authority in substantially the form attached hereto as Appendix "A", ordering that:
- a. The Respondent shall not trade in any securities or derivatives in Saskatchewan without first becoming registered as a dealer under the *Act*;
- b. The Respondent shall not give advice respecting securities or derivatives in Saskatchewan without first becoming registered as an adviser under the *Act*;



- c. The Respondent shall block access to the Website by blocking access to all users with an IP address from Saskatchewan, all users who declare that they live in Saskatchewan or are acting on behalf of a person who lives in Saskatchewan, and by indicating on the Website that the services offered by the Website are not available to clients living in Saskatchewan; and
- d. The Respondent shall pay an administrative penalty of \$10,000.00 CAD.
5. Based upon the facts contained herein, the Director hereby agrees that the sanctions set out in paragraph 4, above, are the only sanctions that the Director will seek to have the Authority impose upon the Respondent with respect to the matters set out in paragraph 1 herein and the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any matter not set out herein or in the Statement of Allegations, or any new information or complaint brought to the Director's attention against the Respondent.
6. Nothing in this Settlement Agreement shall prohibit any claimant from applying for financial compensation pursuant to section 135.6 of the *Act*, nor shall it prohibit the Director from requesting that the Authority make an order that a claimant be paid compensation for financial loss.
7. The terms of the Settlement Agreement shall be treated as confidential by the Respondent and the Director until approved by the Authority, and may not be disclosed to any person except with the consent of the Respondent and the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.
8. If this Settlement Agreement is not approved by the Authority, this Settlement Agreement and all discussions and negotiations between the Director and the Respondent will be without prejudice and the Director and the Respondent will each be entitled to all available proceedings, remedies, and challenges, including proceeding to a hearing of the allegations in the Statement of Allegations.
9. The Respondent hereby affirms that it has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.
10. The Respondent is aware that this Settlement Agreement may form the basis for parallel orders in other jurisdictions in Canada, and that the securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent.
11. This Settlement Agreement may be signed in one or more counterparts, which together shall constitute a binding agreement.
12. An electronic copy of any signature shall be effective as an original signature.
13. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.
14. The Respondent hereby acknowledges that it has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:
- a. It has obtained such independent legal advice and is satisfied with the same, prior to



executing this Settlement Agreement, or

- b. It has willingly chosen not to obtain such advice prior to executing this Settlement Agreement.

IN WITNESS WHEREOF

Colmex Pro Limited has executed this Settlement Agreement at [REDACTED], Cyprus, this 7 day of August, 2018.

SIGNED, SEALED AND DELIVERED
in the presence of:

Name:

Per:

Title:

In signing this Settlement Agreement, I certify that I have the authority to bind Colmex Pro Limited.

The Director has executed this Settlement Agreement at the City of Regina, in the Province of Saskatchewan, this 13 day of September, 2018.

SIGNED, SEALED AND DELIVERED
in the presence of:

Name:

Dean Murrison,
Director, Securities Division



1. Wohnort/Residence/Domicile

11. Wohnort/Residence/Domicile

11. Wohnort/Residence/Domicile

12. Größe/Height/Taille

13. Augenfarbe/Colour of eyes/Couleur des yeux

14. Geburtsort/Place of birth/Lieu de naissance
Rakadas Naam/et pseudonym/Nom de relation ou pseudonyme

15. Geburtsort/Place of birth/Lieu de naissance

Typ/Type/Type

Kode/Code/Code

Pass-Nr./Passport No./Passport N°

1. Name/Surname/Nom

2. Vorname/Given names/Prénoms

3. Staatsangehörigkeit/Nationality/Nationalité

4. Geburtstag/Date of birth/Date de naissance

5. Geschlecht/Sex/Sexe

6. Geburtsort/Place of birth/Lieu de naissance

7. Ausstellungsdatum/Date of issue/Date de délivrance

8. Gültig bis/Date of expiry/Date d'expiration

10. Unterschrift der Inhaber/Des Inhabers - Signature of bearer - Signature de la titulaire/du titulaire

