

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
Titan Trade
and
Titan Trade Solutions Limited**

**STATEMENT OF ALLEGATIONS
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN**

Staff of Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

The Respondents

1. The Respondent, Titan Trade, is either an operating name used by, and therefore, one and the same as Titan Trade Solutions Limited, or alternatively, is an entity of unknown status or whereabouts, related to Titan Trade Solutions Limited.
2. The Respondent, Titan Trade Solutions Limited, is a corporate entity currently registered in the United Kingdom.

Contraventions of section 27(2) of *The Securities Act, 1988* (the Act)

3. From in or around August 2015 and continuing to date, Titan Trade and Titan Trade Solutions Limited (collectively, the Respondents) acted as dealers by engaging in the business of trading in securities or derivatives or holding themselves out as engaging in the business of trading in securities or derivatives in Saskatchewan. Further, from in or around August 2015 and continuing to date, the Respondents acted as advisers in Saskatchewan by engaging in the business of advising the public on securities or derivatives or holding themselves out as engaging in the business of advising the public on securities or derivatives. The details of such activities include, but are not limited to, the following:
 - a. From in or around August 2015 and continuing to date, the Respondents owned or

maintained a website at www.titantrade.com (the Website);

- b. The Website provided an online trading platform, offering users the ability to trade binary options;
- c. The Respondents stated as follows on the Website:

“About Binary options

With relative ease and no financial degree required anyone can make a profit.

Simply put – In binary options you select an asset to trade on, select the length of the trading period, the amount you wish to invest and just wait things out. If you’ve done your work correctly, profits will materialize in your account in no time.”;

- d. The Respondents did not explain or discuss the mechanics of how trades were carried out, or how profits/losses were realized through favorable/unfavorable binary options;
- e. Members of the public were able to sign up for a trading account with the Respondents through the Website, and invest in the offered binary options;
- f. The Respondents used the terms “options”, “trading”, and “investor” numerous times throughout the Website;
- g. In or around August 2015, Investor 1, a resident of Saskatchewan, received an email solicitation that directed her to the Website;
- h. Shortly after visiting the Website, Investor 1 opened a trading account on the Website by sending in personal information, including a copy of her passport, driver’s licence, and credit card, and deposited \$250.00 USD into her trading account;
- i. Investor 1 subsequently received a phone call from an account manager at Titan Trade who convinced her to deposit another \$19,750.00 USD into her trading account by telling her that in order for him to coach her she would need to deposit additional money;
- j. Within a few days Investor 1’s account started doing really well, which prompted Investor 1 to make two additional deposits of \$5,000.00 USD each via credit card;
- k. In or around September 2015 Investor 1’s account manager at Titan Trade convinced her to deposit another \$5,000.00 USD into her trading account as he told her that he had a sure thing for her to place a trade on;
- l. In or around September 2015 Investor 1 attempted to withdraw funds from her trading account, but the Respondents’ denied her request on grounds that her money was always tied to current trades;

- m. In or around October 2015, Investor 1 was contacted by a different account manager at Titan Trade who convinced her to deposit an additional \$3,800.00 USD into her trading account, via credit card;
 - n. In or around November 2015 Investor 1 attempted to withdraw funds from her trading account, but the Respondents' told her that she would need to send them \$7,420 USD to cover taxes on the money in her trading account before any money could be withdrawn;
 - o. On advice from her account manager at ISeeBinary, another binary options company Investor 1 invested with, Investor 1 refused to send the Respondents' money to cover the taxes and shortly thereafter Investor 1 lost all contact with the Respondents' as they would not take her calls or respond to her Skype messages; and
 - p. In total, over a three month period from August 2015 to October 2015, Investor 1 deposited \$38,800 USD into her trading account with the Respondents.
4. In carrying out the acts indicated in paragraph 3, above, the Respondents engaged in, or held themselves out as engaging in, the business of trading in securities or derivatives with or on behalf of Investor 1, and as such, acted as 'dealers' as defined in the act.
 5. None of the Respondents have ever been registered as a 'dealer' as required by the Act, and therefore, the Respondents have contravened clause 27(2)(a) of the Act.
 6. In carrying out the acts indicated in paragraph 3, above, the Respondents engaged in, or held themselves out as engaging in, the business of advising the public on securities or derivatives, and as such, acted as an 'adviser' as defined in the Act.
 7. None of the Respondents have ever been registered as an 'adviser' as required by the Act, and therefore, the Respondents have contravened clause 27(2)(b) of the Act.
 8. Based on the above, Staff of FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:
 - a. Pursuant to subsection 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to the Respondents;
 - b. Pursuant to subsection 134(1)(d) of the Act, the Respondents shall cease trading any securities and derivatives in Saskatchewan;
 - c. Pursuant so subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities and derivatives for and on behalf of residents of Saskatchewan;
 - d. Pursuant to subsection 134(1)(e) of the Act, the Respondents shall cease giving

advice respecting securities, trades, and derivatives in Saskatchewan;

- e. Pursuant to section 135.1 of the Act, the Respondents shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$25,000;
- f. Pursuant to section 135.6 of the Act, the Respondents shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of the Respondents' contraventions of the Act, in an amount to be determined; and
- g. Pursuant to section 161 of the Act, the Respondents shall pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, this 19 day of January, 2017.



Dean Murrison
Director,
Securities Division
Financial and Consumer Affairs Authority of
Saskatchewan