

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

and

**In the Matter of
BigOption
Big Markets MU Ltd
and
Mahmud Akberali Kanji**

Notice of First Appearance

To: **BigOption
Big Markets MU Ltd
Mahmud Akberali Kanji**

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Hearing Panel) via teleconference on June 16, 2016 at 1:30 p.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated May 27, 2016, a copy of which is attached hereto.

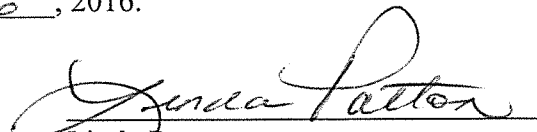
The teleconference number is: [REDACTED] Pass code: [REDACTED]

TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the conference call will proceed in your absence and the Hearing Panel may set hearing dates in the above matter without further notice to you;


AND FURTHER TAKE NOTICE that any order made by the Hearing Panel may form the basis for a parallel order in another jurisdiction in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in other jurisdictions automatically, without further notice to you. If an order is made or a settlement is reached in relation to the matters set out in the Statement of Allegations attached hereto, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

DATED at Regina, Saskatchewan on June 6, 2016.


Linda Patton
Registrar

For Delivery To:

BigOption
Big Markets MU Ltd
Mahmud Akberali Kanji

Via Email: 

Note: Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at www.fcaa.gov.sk.ca.

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**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, Big Markets MU Ltd (Big Markets) is a corporate entity currently registered in the United Kingdom and formerly registered in the country of Anguilla.
2. The Respondent, BigOption, is either an operating name used by, and therefore, one and the same as Big Markets, or alternatively, is an entity of unknown status or whereabouts, related to Big Markets.
3. The Respondent, Mahmud Akberali Kanji (Kanji), is an individual of unknown residence or whereabouts. Kanji is the sole director of Big Markets.

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

4. From in or around October 2015 and continuing through to the date of this Statement of Allegations, Big Markets, BigOption and/or Kanji (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 October 2015 and continuing through to the date of this Statement of Allegations, the Respondents acted as advisers 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:

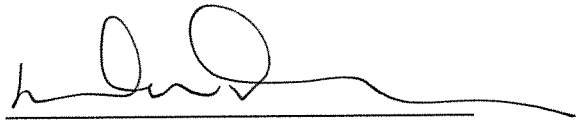
- a. From in or around October 2015 and continuing through to the date of this Statement of Allegations, the Respondents owned or maintained a website at www.bigoption.com (the Website);
- b. The Website provided an online trading platform, offering users the ability to trade binary options;
- c. The Respondents stated, on the Website:

“Available since 2008, binary options (also known as digital options) are becoming more and more popular. Classic binary options are easy and simple to understand and trade, no matter if you are a novice or an expert trader. BigOption provides traders with a wide variety of assets to trade on including commodities, stocks, currencies and indices. Binary options only require someone to speculate over the direction of the price of an asset. For example, a trader will click on Call if he believes the asset will rise or on Put if he believes the asset price will go down.”;
- d. On the Website, the Respondents listed the following benefits of trading in Classic Binary options with BigOption:
 - Up to 85% return on investment per trade
 - Controlled Risk – You know the potential return of investment, as well as the amount you could lose before you start trading
 - Punctuality – Binary Options trading is available 24 hours a day, 7 days a week. Trade anytime, take advantage of opportunities, and earn big!;
- e. 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;
- f. 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;
- g. The Respondents used the terms “investment” and “trading” numerous times throughout the Website;
- h. In or around October 2015, Investor 1, a resident of Saskatchewan, visited the Website, entered his contact information and created a trading account;

- i. After Investor 1 visited the Website, an individual named [REDACTED], who identified himself as Executive Account Manager at BigOption (the Account Manager), contacted Investor 1 via email explaining how the trading account would work and seeking additional documents from Investor 1 in order to finish setting up the trading account. Following receipt of the Respondents' email, Investor 1 provided the Respondents, via email, copies of his passport, driver's license, both sides of his credit card, and a utility bill in his name;
 - j. After opening a trading account with the Respondents, Investor 1 approved a charge to his personal credit card of \$250.00 to fund his trading account, the purpose being to trade in "binary options" using the Respondents' services;
 - k. Investor 1 was then contacted via telephone by the Account Manager. The Account Manager tried to convince Investor 1 to deposit more money into his trading account. After Investor 1 refused to deposit more money, the Account Manager offered to deposit \$150 of his own money into Investor 1's trading account and offered his services in assisting Investor 1 with his trading account;
 - l. Investor 1 accepted the Account Manager's offer, placed an option trade, and won;
 - m. Following this win, the Account Manager convinced Investor 1 to deposit \$5,000 from Investor 1's personal credit card into his trading account;
 - n. On advice from his Account Manager, Investor 1 agreed to place \$5,000 on a trade that was all but guaranteed; and
 - o. Investor 1 lost the trade, thereby losing all \$5,000 that he had deposited into his account.
5. In carrying out the acts indicated in paragraph 4, 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.
 6. 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.
 7. In carrying out the acts indicated in paragraph 4, above, the Respondents engaged in, or held themselves out as engaging in, the business of advising the public, as well as Investor 1, on securities, and as such, acted as an 'adviser' as defined in the Act.
 8. 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.
 9. 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 in any securities or derivatives in Saskatchewan;
- c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities or derivatives for and on behalf of residents of Saskatchewan;
- d. Pursuant to clause 134(1)(e) of the Act, the Respondents shall cease giving advice respecting securities, trades or 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; and
- f. 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 27 day of May, 2016.



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