

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

**and**

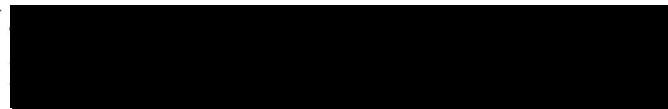
**In the Matter of  
**Zulutoys Limited  
and  
RBOptions****

**Notice of First Appearance**

To:

**Zulutoys Limited  
RBOptions**

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on Friday, November 6, 2015 at 1:00 p.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated October 30, 2015, a copy of which is attached hereto.

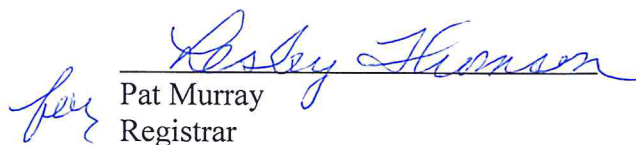


TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

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 Panel of the Authority may set hearing dates in the above matter without further notice to you;

AND FURTHER TAKE NOTICE that any order made by the Authority 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 November 3, 2015.

  
Pat Murray  
Registrar

**For Delivery To:**

Zulutoys Limited and RBOptions

Via Email: [cs@rboptions.com](mailto:cs@rboptions.com)  
[accounting@rboptions.com](mailto:accounting@rboptions.com)  
[compliance@rboptions.com](mailto:compliance@rboptions.com)  
[broker@rboptions.com](mailto:broker@rboptions.com)

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**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](http://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, Zulutoys Limited (Zulutoys) is a registered corporate entity with the Marshall Islands Maritime and Corporate Administrators, with a head office located in Marshall Islands.
2. The Respondent, RBOptions, is either an operating name used by, and therefore, one and the same as Zulutoys, or alternatively, is an entity of unknown status or whereabouts, related to Zulutoys.

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

3. From in or around July 2015 to in or around September 2015, Zulutoys and/or RBOptions (collectively, the Respondents) acted as dealers by engaging in the business of trading in securities or exchange contracts or holding themselves out as engaging in the business of trading in securities or exchange contracts in Saskatchewan. The details of such activities include, but are not limited to, the following:
  - a. From in or around July 2015 to in or around September 2015, the Respondents owned or maintained a website at [www.rboptions.com](http://www.rboptions.com) (the Website);
  - b. The Website indicated that the Respondents were offering “non-delivery options

trading services”. Through the Website, the Respondents offered cash-settled put options and call options, referred to as ‘binary options’, for purchase by users of the Website. 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’;

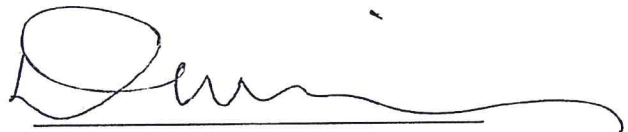
- c. On the Website, the Respondents explained the investment model as follows:

A binary option, meaning an option of either 0 or 1, is a quick method of trading in which the trader has only two available options. The trader invests a certain amount of money and decides whether he believes the asset’s price will rise or fall during a predetermined time frame. If the trader is correct, he immediately receives the amount he invested, with the addition of his earned profit. If he turns out to be wrong, the invested amount will be lost;

- d. Through the Website, the Respondents provided a simplistic, user-friendly interface, accessible to members of the general public. The Respondents did not explain or discuss the mechanics of how trades were carried out, or profit realized through an ‘in the money’ option;
- e. On the Website, the Respondents advised, “Binary options are one of the easiest ways to trade. They enable a trader to earn high returns in short time frames, and therefore, have become very popular among traders from all over the world.”;
- f. In or around July 2015, Investor 1, a resident of Saskatchewan, visited the Website and watched a video presentation which stated that he could turn only a few thousand dollars into a million dollars in a very short amount of time by trading in ‘binary options’ with the Respondents;
- g. Through the Website, the Respondents took Investor 1’s contact information, in order to facilitate the opening of a trading account for Investor 1; and
- h. On or about July 9, 2015, the Respondents contacted Investor 1 via telephone. During the course of the telephone call with the Respondents, Investor 1 approved a charge to his personal credit card of USD\$ 1,500.00 to fund his trading account, the purpose being to trade in ‘binary options’ using the Respondents’ services.
4. In carrying out the acts indicated in paragraph 3, above, the Respondents engaged in actions, or held themselves out as engaging in actions in furtherance of trades in securities or exchange contracts with or on behalf of Investor 1, and as such, acted as ‘dealers’ as defined in the Act.
5. Neither of the Respondents has 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. Investor 1 subsequently decided not to pursue any trading of securities or exchange contracts with or through the Respondents. Investor 1 sought a refund of his USD \$1,500 from the Respondents. When the Respondents failed to return his funds, Investor 1 sought, and received, a return of his funds through his credit card company.
7. 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 exchange contracts in Saskatchewan;
  - c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities or exchange contracts for and on behalf of residents of Saskatchewan;
  - d. 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 \$5,000; and
  - e. Pursuant to section 161 of the Act, the Respondents shall pay the costs of or relating to this hearing in this matter.

DATED at Regina, Saskatchewan, this 30 day of October, 2015.



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