

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

**and**

**In the Matter of  
Options Rider  
and  
Option One (Aust) Pty Ltd.**

**Notice of First Appearance**

To: **Options Rider  
Option One (Aust) Pty Ltd.**

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 August 23, 2016 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated July 12, 2016, a copy of which is attached hereto.

The teleconference number is: [REDACTED]

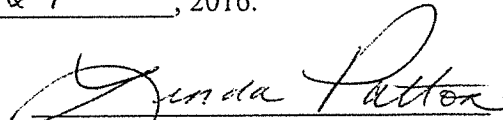
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TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

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 July 27, 2016.

  
Linda Patton  
Registrar

**For Delivery To:**

Options Rider  
Option One (Aust) Pty Ltd.

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](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, Options Rider, is either an operating name used by, and therefore, one and the same as Option One (Aust) Pty Ltd. (Option One), or alternatively, is an entity of unknown status or whereabouts, related to Option One.
2. The Respondent, Option One, is a corporate entity currently registered in Australia.

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

3. From in or around June 2015 and continuing to date, Option One (Aust) Pty Ltd. and/or Options Rider (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 June 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 June 2015 and continuing to date, the Respondents owned or maintained a website at [www.optionsrider.com](http://www.optionsrider.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:

“Options Rider is the World’s Market Leader in Binary options. Options Rider is the fastest and most efficient way to convert your financial decisions into substantial profits.

Options Rider is an innovative consumer trading company offering clients an easy and intuitive way to trade on leading financial markets – Forex, Commodities, Indices or Stocks. Since starting business, we have built a loyal base of customers by drawing upon our expertise to provide exceptional software through Tradesmarter and services for trading Options Rider.

Options Rider is a new and popular financial tool with many inherent advantages, and Options Rider’s unique offering enables traders to receive significant and predetermined payouts (70%-90%). Options Rider is straight forward to understand and rewarding to trade.

We provide a new trading experience built for capitalizing on market rate movements that are simple to use, yet provide the value and sophistication expected from a worldwide leader. We demonstrate our commitment to our traders by having a presence in all major global financial centers and employing an international workforce of trading experts.

Our trading platform is 100% web-based, allowing you to instantly trade from anywhere in the world without the need to either download or install any software. Options Rider, with our cutting edge technology offers speed and precision on an extensive variety of trading settlements.

While in the past, speculative trading involved a thorough understanding of financial markets and its complex financial terminology – Options Rider intuitive platform enables everyone to trade by benefiting from a radically simplified trading procedure.”;

d. On the Website, the Respondents described binary options as follows:

“Binary Options, sometimes called digital or fixed return options, are a simplified yet exciting method of trading the financial markets, based on a determination of whether the price of an asset will close ABOVE or BELOW the current price within a set time period. If our prediction is correct we profit on the trade and earn up to 85% of the value of the trade.”;

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;

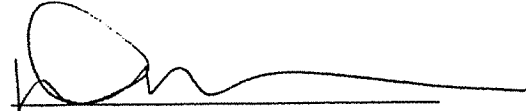
- f. Members of the public were able to sign up for a managed trading account with the Respondents through the Website, and invest in the offered binary options;
- g. The Respondents used the terms “options” and “trading” numerous times throughout the Website;
- h. In or around June 2015, Investor 1, a resident of Saskatchewan, visited the Website, entered his contact information and created a trading account;
- i. After Investor 1 created a managed trading account on the Website, an individual named Kimberly Zhu (Ms. Zhu), who identified herself as a Personal Concierge at Options Rider, emailed wire transfer instructions to Investor 1. Following receipt of Ms. Zhu’s email, Investor 1 wire transferred approximately \$5,163 CAD using the instructions provided by Ms. Zhu;
- j. On or around June 30, 2015, after Investor 1’s trading account was credited with his deposit, his managed trading account started to trade;
- k. Over the next few months, Investor 1’s trading account balance increased to over \$80,000;
- l. As a result of monetary penalties for taking money out during the first six months after opening a trading account, Investor 1 did not request to take any money out of his account during the first six months that his trading account was open;
- m. On or around November 9, 2015 Investor 1 requested to withdrawal money from his trading account using the protocols provided by the Respondents. Investor 1 did not receive a response from the Respondents’ to his withdrawal request;
- n. On or around December 3, 2015, Investor 1 again requested to withdrawal money from his trading account using the protocols provided by the Respondents. Investor 1 did not receive a response from the Respondents’ to his withdrawal request;
- o. To date, Investor 1 has not received any response from the Respondents to his withdrawal requests and has not been able to withdraw any of the funds from his trading account;
- p. In or around September 2015, Investor 2, a resident of Saskatchewan and the brother of Investor 1, visited the Website and opened a trading account, which was sponsored by Investor 1;
- q. After Investor 2 created a trading account on the Website, an individual named April Wang (Ms. Wang), who identified herself as a Personal Concierge at Options Rider, emailed wire transfer instructions to Investor 2. Following receipt

of Ms. Wang's email, Investor 2 wire transferred approximately \$4,228 CAD using the instructions provided by Ms. Wang;

- r. To date Investor 2 has not requested to take any money out of his account.
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 Investor 2, 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, including Investor 1 and Investor 2, on securities, 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 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;
    - 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 12 day of July, 2016.



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