

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

and

**In the Matter of
UFCG Ltd.
(also known as United Financial Commodity Group and United FCG)**

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

To: UFCG Ltd.

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

RESPONDENT

1. The Respondent, UFCG Ltd. (also known as United Financial Commodity Group and United FCG) (collectively, **UFCG**) is a business corporation located in [REDACTED].

FACTS

2. The factual foundation of this Statement of Allegations is inclusive of, but not limited to, the facts stated herein.

The Website

3. The Respondent owns, operates, and maintains a website located at www.unitedfcg.com (**Website**).
4. The Website is an online trading platform that offers residents of Saskatchewan the ability to trade in securities or derivatives.

The Investor

5. A representative of UFCG telephoned a resident of Saskatchewan (**Investor**) in or around November, 2018 for the purpose of soliciting securities or derivatives transactions and to offer advice in relation to securities or derivatives transactions.
6. From in or around November, 2018 to in or around December, 2018 (**Relevant Time**), UFCG accepted investment funds totaling approximately \$117,995.21 **CND** from the Investor in the following amounts and on the following dates (or thereabout):

\$3,000.00	EUR	(\$4,536.60	CND)	November 29, 2018
\$45,540.00	EUR	(\$76,980.21	CND)	December 6, 2018
\$28,000.00	USD	(\$37,478.40	CND)	December 14, 2018

7. UFCG represented to the Investor that his investment funds were used to purchase oil options.
8. UFCG provided the Investor with one or more account managers. These account managers provided advice to the Investor on investing in securities or derivatives, and traded securities or derivatives on his behalf.
9. UFCG created a trading account for the Investor on the Website. The Investor was able to log into his account and view the trades being made on his behalf by his account manager(s).
10. Since investing through UFCG, the Investor has been unable to contact UFCG, and has not been able to withdraw any of his investment funds.
11. UFCG is not registered as a “dealer” or “adviser” in Saskatchewan pursuant to the Act.

CONTRAVENTIONS OF THE ACT

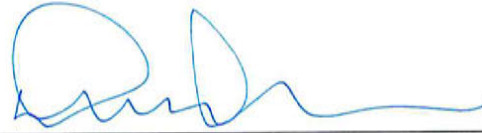
12. During the Relevant Time, UFCG acted as a dealer as defined in paragraph 2(1)(m) of *The Securities Act, 1988 (Act)* by engaging in or holding itself out as engaging in the business of trading in securities or derivatives as principal or agent without being registered to do so in contravention of paragraph 27(2)(a) of the Act.
13. During the Relevant Time, UFCG acted as an adviser as defined in paragraph 2(1)(a.1) of the Act by engaging in or holding itself out as engaging in the business of advising another as to the investing in or the buying or selling of securities or derivatives without being registered to do so in contravention of paragraph 27(2)(b) of the Act.

ORDERS SOUGHT

14. Based on the above, FCAA Staff ask a panel of the FCAA appointed pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act (Panel)* to consider whether it is in the public interest to make the following orders:
 - a. Pursuant to section 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to UFCG, permanently;
 - b. Pursuant to section 134(1)(c) of the Act, UFCG shall cease advising with respect to any securities and derivatives in Saskatchewan, permanently;

- c. Pursuant to section 134(1)(d) of the Act, UFCG shall cease trading in securities and derivatives in Saskatchewan, permanently;
- d. Pursuant to section 134(1)(d.1) of the Act, UFCG shall cease acquiring securities and derivatives for and on behalf of residents of Saskatchewan, permanently;
- e. Pursuant to section 135.1 of the Act, UFCG shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan in the amount of \$25,000.00;
- f. Pursuant to section 135.6 of the Act, UFCG shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of UFCG contraventions of the Act, in an amount to be determined; and
- g. Pursuant to section 161 of the Act, UFCG shall pay the costs of or relating to a hearing in this matter.

DATED at Regina, Saskatchewan, this 20 day of February, 2020.



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