

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

and

**In the Matter of
Ouroboros Derivatives Trading Ltd.
anyoption
and
copyop**

Notice of First Appearance

To: **Ouroboros Derivatives Trading Ltd.**
anyoption
copyop

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 Wednesday, June 29, 2016 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated June 14, 2016, a copy of which is attached hereto.

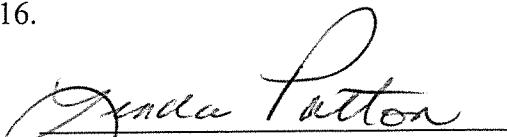
The teleconference number is: [REDACTED] Pass code: [REDACTED]

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 21, 2016.


Linda Patton
Registrar

For Delivery To:

Ouroboros Derivatives Trading Ltd.
anyoption
copyop

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, Ouroboros Derivatives Trading Ltd. (Ouroboros) is a corporate entity registered and licensed as an Investment Firm with the Cyprus Securities and Exchange Commission.
2. The Respondent, anyoption, is either an operating name used by, and therefore, one and the same as Ouroboros, or alternatively, is an entity of unknown status or whereabouts, related to Ouroboros.
3. The Respondent, copyop, is either an operating name used by, and therefore, one and the same as Ouroboros, or alternatively, is an entity of unknown status or whereabouts, related to Ouroboros.

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

4. From in or around January 2015 and continuing to date, Ouroboros, anyoption and/or copyop (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 January 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 January 2015 and continuing to date, the Respondents owned or maintained a website at www.anyoption.com (the anyoption Website);
- b. From in or around January 2015 and continuing to date, the Respondents owned or maintained a website at www.copyop.com (the copyop Website);
- c. The anyoption Website and the copyop Website provided online trading platforms, offering users the ability to trade binary options;
- d. The anyoption Website provided that the anyoption binary options trading platform is operated by Ouroboros;
- e. The copyop Website provided that the copyop binary options trading platform is operated by Ouroboros;
- f. On the anyoption Website, the Respondents stated:

“What are binary options?”

Binary options are a financial investment vehicle that enable investors to profit from the price fluctuations of stock market traded underlying assets.

Binary options get their name because the payoff is either all or nothing, meaning that an investor predicts correctly and receives up to 80% profit. If predicted incorrectly, the investor will lose their initial investment. At anyoption, you'll still receive a refund of part of your investment (up to 25%).

Binary options trading differs from traditional trading in that investors don't actually buy, and own physical stock, but rather speculate on the price of an asset - if its price will rise or fall within a certain time frame. Unlike, traditional trading binary option trades are fast, usually lasting between 5 and 10 minutes, which means investors don't have to wait to see a return on their investment.”;

- g. On the anyoption Website, the Respondents listed the following characteristics of trading binary options:

“What are the characteristics of trading binary options?”

Binary options offer unique and special characteristics over other forms of trading such as traditional trading or FOREX trading.

Binary options offers clarity for the investor; you have the ability to know how much money you will profit or lose in advance. You can also get very high returns in comparison to other forms of stock market trading while losses are always predetermined.

Short term investments - you don't have to wait for days, weeks or years to see a return on investment.

Low entry level costs – For as little as a €100.00 deposit, investors can begin trading and placing trades with just €25.00.

With binary option the potential losses are known prior to the trade commencing, allowing traders to develop protective investment strategies. Unlike leveraged products, the potential losses are predefined and capped, depending on the financial product, to the invested capital or a percentage of it.”;

h. On the copyop Website, the Respondents stated:

“At copyop, you can invest and trade on global markets’ options and make returns of up to 80% by predicting the price movement of underlying assets - commodities, indices, stocks and forex (currency pairs). The copyop platform, powered by anyoption™, is intuitively designed for anyone to trade and profit, regardless of prior experiences or knowledge in the financial markets. We provide you with everything needed to trade binary options successfully. Registration is Free.”;

i. On the copyop Website, the Respondents described the purpose of copyop as follows:

“Watch. Copy. Trade.

Socialize & copy the best traders in the world

copyop is the most innovative social trading platform, making binary options trading easier and more fun!

Simply see what the world's most successful traders do at any moment and copy their trades.

Watch

Follow the greatest traders and get alerts each time they trade

Copy

Copy the most successful binary options traders at the click of a button!

Trade

Let the pro's trade for you, or trade on your own and others can copy you”;

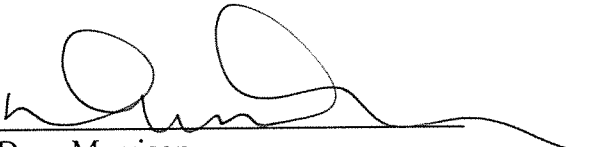
- j. The Respondents did not explain or discuss on either the anyoption Website or the copyop Website the mechanics of how trades were carried out, or how profits/losses were realized through favorable/unfavorable binary options;
- k. Members of the public were able to sign up for a trading account with the Respondents through the anyoption Website and the copyop Website, and invest in the offered binary options;
- l. The Respondents used the terms “investment” and “trading” numerous times

throughout the anyoption Website and the copyop Website;

- m. In or around August 2015, Investor 1, a resident of Saskatchewan, visited the anyoption Website, entered his contact information and created a trading account;
 - n. After Investor 1 visited the anyoption Website, an individual named [REDACTED], who identified himself as a representative of anyoption, contacted Investor 1 via telephone explaining how the trading account would work and provided an overview of the basics of binary options. Investor 1 informed [REDACTED] that he would think about investing with anyoption and will get back to him about depositing money into the trading account;
 - o. Following the telephone call, [REDACTED] contacted Investor 1 via email, offering that if Investor 1 deposited \$5,000 into his trading account, anyoption would match the amount invested, so that Investor 1 would have \$10,000 in his trading account;
 - p. On or around August 20, 2015, Investor 1 read an article in the Leaderpost newspaper warning Saskatchewan investors about dealing with binary options trading companies that are not registered to deal in the province;
 - q. On or around August 20, 2015, Investor 1 contacted the Securities Division, Financial and Consumer Affairs Authority of Saskatchewan (FCAA) to see if anyoption was registered to deal in Saskatchewan. Staff of the Securities Division, FCAA informed Investor 1 that anyoption was not registered to deal in the province;
 - r. Upon learning that anyoption was not registered to deal in the province, Investor 1 contacted [REDACTED] to inform him that he would not deposit any money into his trading account and that he no longer wanted to be contacted by [REDACTED]; and
 - s. From in or around January 2015 to in or around December 2015, there were approximately 92 individuals in Saskatchewan who had opened trading accounts with the Respondents.
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 in Saskatchewan, 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 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;
 - 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 14 day of June, 2016.



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