

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

and

**In the Matter of
Latin Clearing Corporation
and
Andrew Berger**

Notice of First Appearance

To:
**Latin Clearing Corporation
Andrew Berger**

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 October 27, 2015 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated September 24, 2015, a copy of which is attached hereto.


The teleconference number is: 

Pass code: 

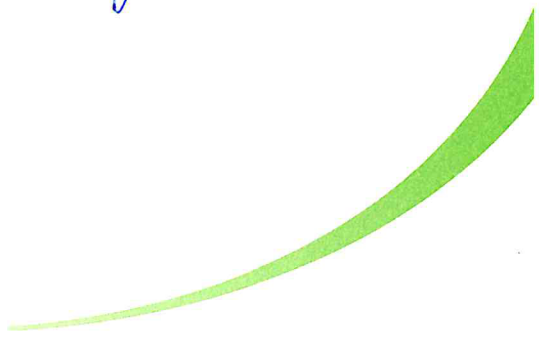
TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

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;

DATED at Regina, Saskatchewan on September 30, 2015.



Pat Murray
Registrar



For Delivery To:

Latin Clearing Corporation
Andrew Berger

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, Latin Clearing Corporation (LCC), purports to be a privately owned and managed international clearing company located in Panama.
2. The Respondent, Andrew Berger (Berger), is an individual of unknown residence or whereabouts. At all material times, Berger held himself out as an agent and broker for LCC.

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

3. In or around June 2013, Investor 1, a resident of Saskatchewan, was referred to Berger and LCC (collectively, the Respondents) by a personal friend. Investor 1 phoned Berger to discuss the possibility of investing in futures contracts, through LCC.
4. From in or around June 2013 to in or around October 2013, the Respondents traded in securities on behalf of Investor 1 through an account with LCC. The details of such activities include, but are not limited to, the following:
 - a. Via email, LCC provided Investor 1 with documents to open a trading account with LLC, and Berger provided banking instructions so that Investor 1 could deposit funds into a trading account with LCC. Investor 1 was advised that if he

deposited between \$50,000 - \$100,000 into his account, LCC would match his deposit, dollar for dollar. He was also advised as to how profits in his account would be shared, and given a schedule for when withdrawals could be made;

- b. In June 2013 Investor 1 signed the necessary documents and returned them to LCC. A trading account was then opened for Investor 1 at LCC;
 - c. Investor 1 attempted, on June 11, 2013, pursuant to instructions received from Berger, to send USD\$100,000 to the Respondents at an account with Banco de Costa Rica. The funds were held up by the intermediary bank in the transaction, and were eventually sent back to Investor 1;
 - d. In or around August 2013, per new instructions received from Berger, Investor 1 wired USD\$100,000, in two separate tranches of USD\$50,000 each, to an account in the name of Gravy Clearing International Ltd., for deposit into his trading account at LCC. These funds appeared to have been received into the account as intended;
 - e. From time to time between June 2013 and October 2013, Investor 1 received Trading Statements from the Respondents indicating activity within Investor 1's trading account. The statements indicated that Investor 1's account was being used to buy and sell various futures contracts in commodities such as gold, silver, and crude oil. By October 17, 2013, the account showed a balance of USD\$335,287.50;
 - f. Given the substantial returns being shown in his account with LCC, in September 2013 Investor 1 discussed the possibility of opening a second account with Berger. Without having definitive instructions to do so, Berger opened a second account for Investor 1 and demanded that he send more money to fund it. When Investor 1 sought to use some of the funds shown to be in his initial account to fund the subsequent account, the relationship with the Respondents broke down;
 - g. The Respondents refused to allow Investor 1 to transfer any funds from his initial trading account. The Respondents also told Investor 1 that, due to his failure to provide the additional funds requested to fund the subsequent account, the initial account was then frozen; and
 - h. From September 2013 to September 2014, Investor 1 demanded a return of his initial USD\$100,000 from the Respondents on numerous occasions, but has not received any return of funds. Investor 1 last heard from the Respondents in 2013.
5. In carrying out the acts indicated in paragraph 4, above, the Respondents engaged in actions in furtherance of trades in securities and also bought and sold securities on behalf of Investor 1, and as such, engaged in the business of trading securities.
 6. 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.

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 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 \$50,000;
 - e. 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' contravention of the Act, in an amount to be determined; and
 - f. 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 24th day of September, 2015.



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