

In the Matter of
The Securities Act, 1988, SS 1988-89, c S-42.2
(the Act)

-and-

In the Matter of
Coperstone Limited
Coperstone Partners Limited
Chad Neuburger
and
Randall Silverman
(the Respondents)

Statement of Allegations

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

The Respondents

1. Coperstone Limited holds itself out as being licensed and regulated to operate an online platform to facilitate the trading of FOREX and Contracts for Difference (CFDs). Coperstone Limited's online trading platform is located at [REDACTED] (the Website) and is accessible by Saskatchewan residents as of the date of these allegations.
2. Coperstone Limited is owned and operated by Coperstone Partners Limited, located at [REDACTED] [REDACTED], London, United Kingdom, [REDACTED].
3. Chad Neuburger is the owner and company secretary of Coperstone Partners Limited.
4. Randall Silverman is a "Broker Strategy Analyst [sic]" employed by Coperstone Limited.

Contraventions of Section 27(2) of the Act

5. The Respondents acted as 'dealers' by engaging in, or holding themselves out as engaging in, the business of trading in securities or derivatives in Saskatchewan without being registered to do so.
6. The Respondents acted as 'advisers' by engaging in, or holding themselves out as engaging in, the business of advising on securities or derivatives in Saskatchewan without being registered to do so.
7. The details of such activities are as follows:

The Website

- a. The Respondents own, operate, and maintain the Website;
- b. The Website is an online trading platform that offers residents of Saskatchewan the ability to trade in securities or derivatives;

The Investor

- c. On or about October 26, 2017 a resident of Saskatchewan (the Investor) opened an account (the Account) with the Respondents and provided a copy of his driver's license and a credit card statement;
 - d. On or about October 26, 2017 the Investor transferred \$10,000.00 USD to the Respondents *via* wire transfer;
 - e. The Respondents provided the Investor with instructions on how to install and use MT4, which is the trading platform provided by the Website (the MT4 Trading Platform);
 - f. After opening his account, the Investor was contacted by a representative of the Respondents named Randall Silverman;
 - g. The Investor interacted with Mr. Silverman by email and phone;
 - h. The Investor, either on his own behalf or through Mr. Silverman, bought and sold securities or derivatives on the MT4 Trading Platform based on advice received from Mr. Silverman;
 - i. Mr. Silverman subsequently informed the Investor that he needed to transfer additional funds to the Account in order to make money;
 - j. On November 9, 2017 the Investor transferred an additional \$10,000.00 USD to the Respondents *via* wire transfer;
 - k. Mr. Silverman continued to provide investment advice to the Investor by giving direction as to what securities or derivatives to buy or sell; and
 - l. The trades completed by Mr. Silverman and the Investor began to lose money, thereby depleting the Account.
8. In carrying out the acts indicated in paragraph 7, above, the Respondents engaged in the business of, or held themselves out as engaging in, the business of trading in securities or derivatives on behalf of the Investor, and as such, acted as 'dealers' as defined in the *Act*.
 9. The Respondents have never been registered as 'dealers' as required by the *Act*, and therefore the Respondents contravened section 27(2)(a) of the *Act*.
 10. In carrying out the acts indicated in paragraph 7, above, the Respondents engaged in, or

held themselves out as engaging in, the business of advising on securities or derivatives in Saskatchewan, and as such acted as 'advisers' as defined in the *Act*.

11. The Respondents have never been registered as 'advisers' as required by the *Act*, and therefore the Respondents contravened section 27(2)(b) of the *Act*.
12. Based on the above, Staff of FCAA will ask the hearing 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 the Respondents;
 - b. Pursuant to section 134(1)(c) of the *Act*, the Respondents shall cease advising with respect to any securities and derivatives in Saskatchewan.
 - c. Pursuant to section 134(1)(d) of the *Act*, the Respondents shall cease trading in securities and derivatives in Saskatchewan;
 - d. Pursuant to section 134(1)(d.1) of the *Act*, the Respondents shall cease acquiring securities and derivatives for and on behalf of residents of 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 \$25,000.00;
 - 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 a hearing in this matter.

DATED at the City of Regina, in the Province of Saskatchewan, this 27 day of July, 2018.



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