

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

**and**

**In the Matter of  
Vision Financial Markets LLC  
and  
Cliff Krause**

**Notice of First Appearance**

To:

**Vision Financial Markets LLC  
Cliff Krause**

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 May 8, 2019 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated January 31, 2019, a copy of which is attached hereto.

The teleconference number is: [REDACTED]

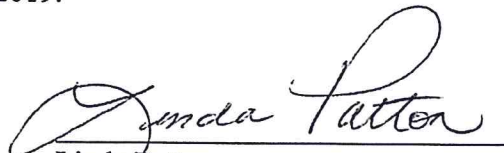
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TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

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 Panel of the Authority may set hearing dates in the above matter without further notice to you;

AND FURTHER TAKE NOTICE that any order made by the Authority 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 March 7, 2019.

  
Linda Patton  
Registrar

**For Delivery To:**

**Vision Financial Markets LLC**

**Cliff Krause**

Registered Address:



Office Address:



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, Vision Financial Markets LLC (Vision) is a limited liability company duly formed in 2006 in the State of ██████████, in the United States of America, with a registered office located in ██████████, ██████████. At all material times, Vision operated as a futures commission merchant, registered with the National Futures Association in the United States of America.
2. Cliff Krause (Krause) is an individual of unknown residence or whereabouts who, at all material times, held himself out as an employee and agent of Commodities Market Edge Limited (a related party, as set out below).

**Related Party**

3. Commodities Market Edge Limited (CME), was, at all material times, a private company limited by shares, registered with the Government of ██████████, with a registered office located in ██████████, ██████████. At all material times, CME operated as a foreign introducing broker, dealing directly with clients, and utilizing Vision as its futures commission merchant. CME was dissolved in or around 2015.
4. At all material times, Krause held himself out as an employee of CME.

**Contraventions of subsection 27(2) of *The Securities Act, 1988* (the Act) (as was in force at the Relevant Time)**

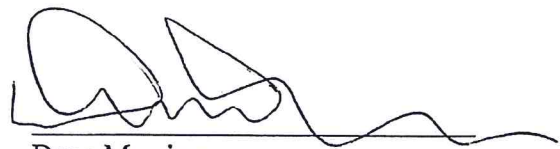
5. From in or around January 2013 to in or around February 2014 (the Relevant Time), Vision and Krause (collectively, the “Respondents”) acted as dealers as defined in the Act by engaging in the business of trading in securities or holding themselves out as engaging in the business of trading in securities in Saskatchewan.
6. During the Relevant Time Krause acted as an adviser as defined in the Act by engaging in the business of advising another as to the buying and selling of securities in Saskatchewan.
7. The details of these activities include, but are not limited to, the following:
  - a. During the Relevant Time Krause contacted residents of Saskatchewan (the Investors) on multiple occasions via telephone, holding himself out as being a broker or adviser employed by CME, and advised the Investors to invest in various securities, including options to buy or sell commodities and options on currencies;
  - b. In order to trade in the proposed securities Krause advised the Investors who did not yet hold accounts at Vision that they needed to open accounts with Vision, and as such, he provided these Investors with documentation and information necessary to do so;
  - c. The Investors, per instructions received from Krause, completed, signed and returned to CME, the documentation provided by Krause, along with various pieces of personal documentation, including copies of their driver’s licenses, in order to open trading accounts with Vision;
  - d. CME, in turn, provided the documentation and information to Vision, and Vision opened trading accounts on behalf of the Investors;
  - e. As a result of information received from Krause, during the Relevant Time the following Saskatchewan-resident Investors wired, at a minimum, the following sums of money to Vision’s bank account, located in ██████████, ██████████, for the purpose of funding trading accounts with Vision:
    - i. Investor 1, approximately CAD \$67,324.88;
    - ii. Investor 2, approximately CAD \$15,376.66;
    - iii. Investor 3, approximately CAD \$5,200.00;
    - iv. Investor 4, approximately CAD \$50,155.00;



- v. Investor 5, approximately USD \$4,982.00
  - vi. Investor 6, approximately USD \$2,985.00;
  - vii. Investor 7, approximately USD \$138,926.00; and
  - viii. Investor 8, approximately USD \$4,990.00.
- f. With accounts set up at Vision to trade on behalf of the Investors, Krause advised the Investors over the telephone, as to the buying and selling of particular securities, such as put options or call options on commodities, using these funds;
  - g. Krause, upon receiving confirmation from the Investors of their instructions to carry out the advised trades, instructed Vision to carry out the proposed trades on behalf of the Investors;
  - h. Vision, upon receiving instructions from Krause, utilized the funds held in the Investors' trading accounts to trade in securities on behalf of the Investors;
  - i. From time to time during the Relevant Time, Vision provided written statements to the Investors indicating the details of the trading activities carried out with the funds in the Investors' accounts. These documents indicated that the Investors' accounts had been used to trade in various securities, including, but not limited to, options on cattle, options on lean hogs, and futures contracts on the Japanese Yen; and
  - j. CME was paid commissions by Vision for trades conducted on behalf of the Investors through Vision's accounts.
8. In carrying out the acts indicated in paragraph 7, above, the Respondents have engaged in the business of trading in securities in Saskatchewan by transferring or selling securities for valuable consideration to investors located in Saskatchewan, or by engaging in actions, solicitations or conduct in furtherance of such sales or transfers of securities in Saskatchewan, and therefore have acted as 'dealers' as defined in the Act.
9. Neither of the Respondents has ever been registered as a dealer or as a representative of a registered dealer as required by the Act, and therefore, each of the Respondents has contravened clause 27(2)(a) of the Act.
10. In carrying out the acts indicated in paragraph 7, above, Krause has engaged in the business of advising another as to the investing in or the buying or selling of securities, and therefore has acted as and 'adviser' as defined in the Act.
11. Krause has never been registered as a representative of a registered adviser as required by the Act, and therefore Krause has contravened clause 27(2)(b) of the Act.

12. 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 clause 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to Vision;
  - b. Pursuant to subsection 134(1)(d) of the Act, Vision shall cease trading in securities or derivatives in Saskatchewan;
  - c. Pursuant to subsection 134(1)(d.1) of the Act, Vision shall cease acquiring securities or derivatives for and on behalf of residents of Saskatchewan;
  - d. Pursuant to section 135.1 of the Act, Vision shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$25,000;
  - e. Pursuant to section 135.1 of the Act, Cliff Krause 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 Respondent's contraventions of the Act, in amounts 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 Regina, Saskatchewan, this 21 day of January, 2019.



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