In the Matter of
The Securities Act, 1988

and

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

ORDER

WHEREAS, pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* (the FCAA Act), the Chairperson of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) has appointed a panel (the Hearing Panel) to hear this matter;

AND WHEREAS, by virtue of subsection 17(7) of the FCAA Act, a decision or action of the Hearing Panel in relation to this matter is a decision of the Authority;

AND WHEREAS Vision Financial Markets LLC (VFM) and the Director of the Securities Division (the Director) of the Authority have entered into a settlement agreement dated May 8, 2020 (the Settlement Agreement), the original of which is attached hereto as Schedule "A";

AND WHEREAS an application has been received by the Hearing Panel from staff of the Authority for an order that (i) VFM acted in a manner contrary to the public interest and shall pay an administrative penalty of $25,000; (ii) If the Director files a request for financial compensation pursuant to section 135.6 of the Act, a separate hearing will be held to deal with the issue of financial compensation.

AND WHEREAS pursuant to section 135.3 of the Act, proceedings may be disposed of by an agreement approved by the Authority, without the necessity of a hearing;

AND WHEREAS the Hearing Panel has approved the Settlement Agreement;

AND WHEREAS VFM has waived its right to a hearing on the merits in this matter, and has consented to the issuance of this Order;

AND WHEREAS the Hearing Panel is of the opinion that it is in the public interest to make this Order;

NOW IT IS HEREBY ORDERED THAT:

1. VFM acted in a manner contrary to the public interest;

2. The Settlement Agreement is approved;

3. Pursuant to clause 134(1)(f)(i) of the Act, VFM shall comply with Saskatchewan securities laws before trading in securities or derivatives in Saskatchewan, or soliciting or advertising or taking any action in furtherance of trades in securities or derivatives in Saskatchewan;

4. Pursuant to section 135.1 of the Act, VFM shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of $25,000; and

5. If the Director files a request for financial compensation pursuant to section 135.6 of the Act, a separate hearing will be held to deal with the issue of financial compensation.

DATED at Regina, Saskatchewan on 15th day of May 2020.

Peter Carton
Chairperson of the Hearing Panel
Financial and Consumer Affairs
Authority of Saskatchewan

RECEIVED
MAY 05 2020
FINANCIAL AND CONSUMER
AFFAIRS AUTHORITY OF SASKATCHEWAN
PENSIONS DIVISION

In the Matter of
The Securities Act, 1988

and

In the Matter of
Vision Financial Markets LLC
and
Cliff Krause

SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affair Authority of Saskatchewan (the Authority) filed an Amended Statement of Allegations of Staff of the Authority, dated April 29, 2020 (the Amended Statement of Allegations), with the Authority, in which it was alleged that Vision Financial Markets LLC (VFM) and Cliff Krause engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

AND WHEREAS VFM and the Director desire to dispose of the allegations against VFM, as contained in the Statement of Allegations, by way of agreement, as permitted by clauses 135.3(1)(a) & 135.3(1)(b) of the Act;

AND WHEREAS VFM and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, will be published on the Authority's website;

NOW THEREFORE in consideration of the mutual promises and covenants set forth herein, VFM and the Director hereby agree as follows:

1. The following admissions are made by VFM:

   (a) VFM is a limited liability company duly formed in 2006 in the State of Delaware, in the United States of America, with a registered office located in Wilmington, Delaware;

   (b) At all material times, VFM operated as a futures commission merchant, registered with the National Futures Association in the United States of America;

   (c) Commodities Market Edge Limited (CME), was, at all material times, known to VFM as a corporate entity, operating as a foreign introducing broker in the United States, dealing directly with clients, and utilizing VFM as its futures commission merchant;

   (d) The Respondent, Cliff Krause (Krause), at all material times, was known to VFM as an individual employee of CME;

(e) From in or around January 2013 to in or around February 2014 (the Relevant Time), VFM through CME and Krause acted as a dealer as defined in the Act by engaging in the business of trading in securities in Saskatchewan. The details of these activities include, but are not limited to, the following:

i. Upon receipt of documentation and information from CME, which included completed and signed account application forms, as well as various pieces of personal documentation, including copies of driver's licenses, relating to a number of Saskatchewan-resident individuals (the Investors), VFM opened trading accounts on behalf of the Investors,

ii. During the Relevant Time eight Saskatchewan-resident Investors wired funds, the sum total of which was at least CAD $138,000.00 and USD $151,000.00, to VFM's bank account, located in Chicago, Illinois, for the purpose of funding trading accounts with VFM,

iii. From time to time during the Relevant Time, VFM, upon instructions from Krause, utilized the funds held in the Investors' trading accounts to trade in securities on behalf of the Investors, and

iv. From time to time during the Relevant Time, VFM 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.

(f) At no time did VFM inquire into the registration status in Saskatchewan of Krause or CME, despite knowingly accepting funds from, and opening accounts for, various residents of Saskatchewan;

(g) In carrying out the acts indicated in clause (e), above, VFM engaged in actions, solicitations or conduct in furtherance of such sales or transfers of securities in Saskatchewan;

(h) VFM has never been registered as a dealer or as a representative of a registered dealer as required by the Act;

(i) VFM acted contrary to the public interest by not inquiring into the registration status in Saskatchewan of Krause or CME, despite knowingly accepting funds from, and opening accounts for, various residents of Saskatchewan.

2. VFM represents to the Director that:

(a) During the investigation by staff of the Authority, VFM responded to all requests for information and produced documents as requested,

(b) VFM did not specifically or directly market to, target, or initiate contact with Saskatchewan residents,

(c) Despite not being a registrant in Saskatchewan, VFM did take steps to attempt to protect the Investors' interests while trading with VFM, namely,

i. After reviewing the trades being conducted in the above-mentioned Investors' accounts as per instructions received from Krause, VFM became concerned that the trading activities may not have been appropriate for the Investors' and took steps to reduce the sum of commissions which it would pay to CME on trades in the Investors' accounts by 75%, with the ultimatum that if CME did not agree to this change, VFM would terminate its relationship with CME; and

ii. When CME continued to engage in trading activities that VFM believed may not have been appropriate for the Investors, VFM terminated its agreement with CME, and took steps to liquidate the Investors' accounts

(d) VFM confirms that it does not presently have any client accounts for individuals or companies located in Saskatchewan, and it undertakes to not open any client accounts in the future for individuals or companies located in Saskatchewan except in compliance with Saskatchewan securities laws.

3. The Director has not made any allegations that VFM has committed any violations of those section of the Act that prohibit fraudulent, manipulative or deceptive conduct.

4. VFM hereby waives its right to a hearing on the merits of the matters dealt with herein.

5. VFM is not aware of any material facts relating to these matters that are not set out in said paragraph 1.

6. VFM hereby gives the following undertakings to the Director, which must, in accordance with section 55.15 of the act, be complied with:

(a) VFM will not trade in securities or derivatives in Saskatchewan without first complying with Saskatchewan securities laws; and

(b) VFM will not solicit or advertise or take any actions in furtherance of trades in securities or derivatives in Saskatchewan without first complying with Saskatchewan securities laws.

7. VFM and the Director hereby consent to the issuance of an order by the Authority, in substantially the form attached hereto as Appendix "A".

8. Based upon the facts and undertakings contained herein, subject to paragraph 9 below, the Director hereby agrees that the sanctions set out in Appendix "A" are the only sanctions the Director will seek to have the Authority impose upon VFM with respect to the matters set out in the Statement of Allegations, provided that nothing shall prohibit

the Director from considering or dealing with any matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against VFM.

9. Nothing in this Settlement Agreement shall prohibit any claimant from applying for financial compensation, pursuant to section 135.6 of the Act, nor shall it prohibit the Director from requesting that the Authority make an order that a claimant be paid compensation for financial loss.

10. The terms of this Settlement Agreement shall be treated as confidential by VFM and the Director, and may not be disclosed to any person except with the consent of the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.

11. VFM hereby affirms that it has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.

12. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.

13. An electronic or facsimile copy of any signature shall be as effective as an original signature.

14. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.

15. VFM hereby acknowledges that it has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:

    (a) it has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement; or

    (b) it has willingly chosen not to obtain such advice prior to executing this Settlement Agreement.

16. This Settlement Agreement, and any referenced appendices constitutes the entire agreement between VFM and the Director in connection with the allegations set forth in the Statement of Allegations.

IN WITNESS WHEREOF

Vision Financial Markets LLC has executed this Settlement Agreement at Stamford, Connecticut, this 1 day of May, 2020.

SIGNED in the presence of:)
[redacted])
)
)
)
Name:

[redacted]
Per:
Name: Howard Rothman
Title: President

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 8 day of May, 2020.

SIGNED in the presence of:)
[redacted])
)
)
)
Name: SONNE ULDENGST

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

Appendix "A"

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DATED at Regina, Saskatchewan on May 2020.

_____

Peter Carton
Chairperson of the Hearing Panel
Financial and Consumer Affairs
Authority of Saskatchewan