

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

and

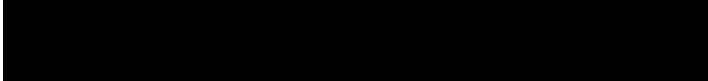
**In the Matter of
RTG Direct Trading Group Ltd.
and
RTG Direct Trading Limited**

Notice of First Appearance

To:

**RTG Direct Trading Group Ltd.
RTG Direct Trading Limited**

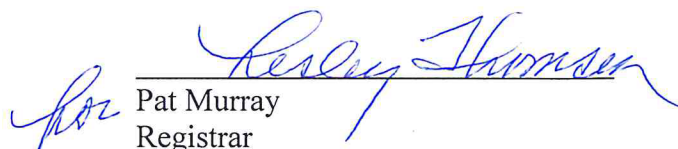
TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on Friday, November 6, 2015 at 1:30 p.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations, dated November 2, 2015, a copy of which is attached hereto.



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 November 3, 2015.


Pat Murray
Registrar



For Delivery To:

RTG Direct Trading Group Ltd.
RTG Direct Trading Limited

Via Email: support@rtgtrading.com

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.

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

and

**In the Matter of
RTG Direct Trading Group Ltd.
and
RTG Direct Trading Limited**

**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, RTG Direct Trading Group Ltd., is a registered corporate entity with the Marshall Islands Maritime and Corporate Administrators, with a head office located in Marshall Islands.
2. The Respondent, RTG Direct Trading Limited is either an operating name used by, and therefore, one and the same as RTG Direct Trading Group Ltd., or alternatively, is an entity of unknown status or whereabouts, related to RTG Direct Trading Group Ltd.

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

3. From in or around April 2015 to in or around September 2015, RTG Direct Trading Group Ltd. and/or RTG Direct Trading Limited (collectively, the Respondents) acted as dealers by engaging in the business of trading in securities or exchange contracts or holding themselves out as engaging in the business of trading in securities or exchange contracts in Saskatchewan. The details of such activities include, but are not limited to, the following:

The Website

- a. From in or around April 2015 to in or around September 2015, the Respondents owned or maintained a website at rtgtrading.com (the Website);

- b. The Website provided an online trading platform, offering users the ability to trade “binary options”;
- c. The Website’s home page displayed a logo, with a “thumbs-up” picture in a gold seal, and the words “0 Risk Trading” and “RISK FREE”;
- d. The Website explains “binary options” as being “options that pay a pre-determined, fixed amount, depending on whether or not an event occurs at the time the option expires...Like traditional options, binary options are based on an underlying asset such as currencies, stocks or commodities. But unlike a contract for difference (CFD) or spread bet, a binary option does not require margins or stops and you know exactly how much you stand to gain or lose from the outset.”;
- e. The Website indicated that the Respondents’ “sole responsibility and endeavor is to facilitate trading and provide information and articles deemed useful.”;
- f. The Respondents offered users of the Website, upon the acceptance of certain terms and conditions, access to the Website to “execut[e] transactions inside or within RTG DIRECT TRADING GROUP LTD.”;
- g. Through the Website, the Respondents provided a simplistic, user-friendly interface, accessible to members of the general public. The Respondents did not explain or discuss the mechanics of how trades were carried out, or profit realized through trading in binary options on the Website;
- h. On the Website, the Respondents advised, “The beauty of our systems allows one to point and own the asset, the integrity of spreads are the tightest in the industry, giving you the best price of entry and exit in fast markets.”;

Investor 1

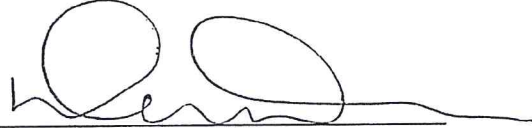
- i. In or around April 2015, Investor 1, a resident of Saskatchewan, visited the Website and was then called the next day at home by someone claiming to be associated with the Respondents. The caller gave Investor 1 information on how to trade in binary options, and convinced him to create an account;
- j. After getting off the phone, Investor 1 created an account on the Website. To do so, he provided his contact information, a copy of his driver's license, a copy of his credit card, and a copy of a utility bill in his name, showing his address;
- k. Investor 1 began by depositing a small sum of money (\$1,000) into his trading account with the Respondents. This sum appeared to be making substantial profits, and as such, Investor 1 was enticed to deposit additional sums. This pattern repeated itself a number of times, and over a period of months, Investor 1 approved a total of over \$75,000 in charges to his personal credit card, all of which was deposited into his trading account with the Respondents, for the

purpose of trading in binary options using the Respondents' services;

- l. In or around June 2015 Investor 1 sought to withdraw some of the funds from his trading account with the Respondents. Investor 1 made many attempts over the months that followed to withdraw funds from his account. At one point in or around July 2015, the Respondents refunded \$10,000 to Investor 1's personal credit card, however, this amount was re-charged the following week; and
 - m. In or around late July 2015, the Respondents advised Investor 1 that if he would sign a liquidity agreement and provide an additional \$20,000, they would return all of his money on September 28, 2015.
4. In carrying out the acts indicated in paragraph 3, above, the Respondents engaged in actions, or held themselves out as engaging in actions in furtherance of trades in securities or exchange contracts with or on behalf of Investor 1, and as such, acted as 'dealers' as defined in the Act.
 5. 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.
 6. To date, Investor 1 has not received any of his money back, and has not sent in the requested \$20,000.
 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 or exchange contracts 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 \$25,000;
 - 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' contraventions 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 2 day of November, 2015.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

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