



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF)
)
GLENRIDGE CAPITAL,) Case No. AP-18-13
)
Respondent.)

**FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING RESTITUTION,
CIVIL PENALTIES, AND COSTS**

Now on the 5th day of November, 2018, the Missouri Commissioner of Securities (“the Commissioner”), having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On July 18, 2018, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (the “Enforcement Section”), through Enforcement Counsel Derek Green, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed.
2. On July 18, 2018, the Enforcement Section sent, via registered U.S. mail, a copy of the Petition to Respondent’s last known address at 3rd Floor, Ulysses House, Foley Street, Mountjoy, Dublin 1, Ireland.
3. On July 25, 2018, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (the “Order”).
4. On July 25, 2018, the Missouri Securities Office Manager sent, via registered U.S. mail, return receipt requested, a copy of the Order, and Notice of Right to Request a Hearing to Respondent’s last known address.
5. The mail receipt card for Respondent was not returned.
6. On or around July 25, 2018, a copy of the order was made available to the general public on the Missouri Secretary of State’s website.¹

¹ <https://www.sos.mo.gov/CMSImages/Securities/AP-18-13.pdf>

7. Based on information received on September 11, 2018, by the Enforcement Section, Greymountain Management, Ltd. is being liquidated in Ireland and can neither confirm nor deny if they own or manage Respondent.
8. On September 27, 2018, the Commissioner was served pursuant to Section 409.6-611(b)² by providing a copy of the process to the Office of the Commissioner.
9. On September 27, 2018, the Office of the Commissioner sent, via registered U.S. mail, return receipt requested, a Notice of the Service and a copy of the process to Respondent's last known address.
10. On September 27, 2018, the Enforcement Section filed an Affidavit of Compliance with Section 409.6-611 demonstrating that the Enforcement Section had exercised reasonable steps to give notice to Respondent and that substitute service on the Commissioner was justified.
11. On October 29, 2018, the Enforcement Section submitted a Motion for Final Order.
12. Respondent failed to request a hearing within the time allowed by Section 409.6-604.
13. The Commissioner has not ordered a hearing in this matter pursuant to Section 409.6-604.
14. To date, Respondent has failed to respond to the Motion for Final Order.

II. FINDINGS OF FACT

A. Introduction

15. From April 2015 through October 2016, two Missouri residents ("MR1" and "MR2") invested a total of approximately \$170,000.00 in unregistered, non-exempt securities through Glenridge Capital. Glenridge Capital was a purported binary option company operating out of the Republic of Ireland. MR1 and MR2's accounts purportedly grew to \$300,000 and \$794,000, respectively. MR1 has not been able to withdraw MR1's investments or purported returns, while MR2 has only received \$17,500 in returns. As of June 7, 2018, Glenridge Capital's website was no longer available.

B. Respondents and Related Parties

16. Glenridge Capital is a binary options trading company that, upon information and belief, is owned and/or managed by Greymountain Management, Ltd. and has a last known address of 3rd Floor, Ulysses House, Foley Street, Mountjoy, Dublin 1, Ireland.

² Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

17. Glenridge Capital has never been registered in Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent.
18. A check of the National Futures Association's BASIC database indicates that at all times relevant to this matter, Glenridge Capital was not registered as any type of commodity merchant or intermediary in connection with futures trading.³

C. Missouri Resident 1

19. On or about April 21, 2015, a 78-year-old Chesterfield, Missouri resident ("MR1") signed up online for income from completing "paid surveys".
20. Shortly thereafter, MR1 received a call from Glenridge Capital soliciting MR1 to invest in binary options.
21. The caller, who identified himself as Ryan Daniels ("Daniels"), promised that an initial investment of \$20,000 would be matched by Glenridge Capital and that MR1 could expect very good returns.
22. Daniels told MR1 that a \$10,000 investment would be worth \$150,000 in six or fewer months.
23. Daniels told MR1 that he had 17 years of trading experience through investment bankers.
24. Daniels has never been registered in Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent.
25. Daniels told MR1 that the investment was risk free.
26. After MR1 told Daniels he did not have \$10,000 to invest, Daniels told MR1 that MR1 could invest using a credit card and that MR1 could pay off the credit card within one or two months.
27. Daniels assisted MR1 with opening an account with Glenridge Capital that included, among other things, a requirement MR1 email a copy of MR1's driver's license.
28. Daniels encouraged MR1 to invest at least \$20,000 and again promised good returns.
29. On or about April 21, 2015, MR1 made an initial investment of \$20,000 with Glenridge Capital via credit card.

³ BASIC is the database where futures commission merchants or intermediaries must register in order to be considered registered with the Commodities Futures Trading Commission.

30. Following the initial investment on April 21, 2015, MR1 was continually called and emailed by Daniels and other representatives of Glenridge Capital and solicited to invest additional capital with Glenridge Capital.
31. In the following weeks, MR1 invested an additional \$50,000.
32. Between on or about April 21, 2015 and on or about November 3, 2016, Daniels managed MR1's Glenridge Capital account.
33. Between on or about November 3, 2016 and on or about April 19, 2017, Tim Roth ("Roth") managed MR1's Glenridge Capital account.
34. On or about April 19, 2017, Glenridge Capital charged \$10,000 to MR1's credit card without MR1's knowledge or consent. MR1 had \$8,000 of the charges withdrawn after contacting MR1's credit card company.
35. Between on or about April 19, 2017 to on or about May 10, 2017, Frank Born ("Born") managed MR1's Glenridge Capital account.
36. On or about May 10, 2017, a Glenridge Capital representative told MR1 that MR1's account was no longer being managed.
37. MR1 never conducted any trades in binary options and relied on Daniels, Roth, Daniels, and other Glenridge Capital representatives to trade on MR1's behalf to achieve the purported returns.
38. MR1 received account statements from Glenridge Capital via email. The account statements purported that MR1's account value grew to \$300,000.
39. MR1 has attempted to withdraw MR1's investment several times, but, to date, MR1 has not received any returns on MR1's initial investment or MR1's initial investment itself.
40. MR1 has attempted to contact Glenridge Capital by phone and email on multiple occasions. MR1 has not received a response from Glenridge and, as of June 7, 2018, the phone number and website for Glenridge Capital were no longer available.

D. Missouri Resident 2

41. On or about September of 2016, a 57-year-old Lebanon, Missouri resident ("MR2") began researching binary options online.
42. Shortly thereafter, MR2 received a call from Glenridge Capital soliciting MR2 to invest in binary options.
43. The caller, who identified himself as Victor Manders ("Manders"), told MR2 that the investment was risk free, that Glenridge Capital would add "bonus money" to MR2's

account to increase its trading ability, and that MR2 would get his funds back within six to eight weeks.

44. The caller promised MR2 an 80% return on his investment.
45. The caller assisted MR2 with opening an account with Glenridge Capital that included, among other things, a requirement MR2 email a copy of MR2's driver's license.
46. On or about October 11, 2016, MR2 invested \$25,000 with Glenridge Capital.
47. Over approximately the next 60 days, MR2 invested an additional \$75,751 with Glenridge Capital.
48. During this time, MR2 was reassigned from Manders to Roth.
49. MR2 never conducted any trades in binary options and relied on Glenridge Capital representatives to trade on MR2's behalf to achieve the purported returns.
50. MR2 received account statements from Glenridge Capital via email. The account statements purported that MR2's account value grew to \$794,000.
51. On or about August 18, 2017, MR2 had \$17,500 of MR2's invested funds returned.
52. Since August 18, 2017, MR2 has not had any more of MR2's funds returned.
53. Since August 18, 2017, MR2 has attempted to contact Glenridge Capital by phone on multiple occasions. MR2 has not received a response from Glenridge and, as of June 7, 2018, the phone number and website for Glenridge Capital were no longer available.

E. Enforcement Section's Communications with Glenridge Capital

54. On August 2, 2017, the Enforcement Section mailed a target letter to Glenridge Capital at 3rd Floor, Ulysses House, Foley Street, Mountjoy, Dublin 1, Ireland and has not received any response.
55. On August 31, 2017, the Enforcement Section emailed a target letter to Glenridge Capital at support@glenridgecapital.com, as well as mailed another target letter to 3rd Floor, Ulysses House, Foley Street, Mountjoy, Dublin 1, Ireland. The Enforcement Section has not received any response.
56. As of July 18, 2018, the Enforcement Section has not received any response or communication from Glenridge Capital.

III. CONCLUSIONS OF LAW

57. Because Respondent failed to request a hearing within the time allowed by Section 409.6-604, and because the Commissioner never ordered such a hearing, the Order issued on July 25, 2018, against Respondent became **FINAL** by operation of law.

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

58. **THE COMMISSIONER CONCLUDES** that Respondent violated Section 409.3-301 when Respondent offered and sold unregistered, non-exempt securities in the state of Missouri to investors when Respondent offered and sold binary options to MR1 and MR2 in exchange for money from MR1 and MR2, respectively.
59. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26).
60. The investments Respondent offered and sold are either binary options deriving whatever value may have existed from an underlying asset, or a commodity or foreign currency. The investments that Respondent offered and sold constitute securities, as that term is defined in Section 409.1-102(28).
61. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by Respondent.
62. Respondent offered and sold a security in Missouri without the security being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.
63. At the time Respondent engaged in the conduct set forth above, MR1 was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
64. Respondent offered and sold unregistered securities in violation of Section 409.3-301 and engaged in an illegal act, practice, or course of business and such conduct is therefore subject to the Commissioner’s authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

65. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent violated Section 409.4-401(a) when Respondent transacted business as an unregistered, non-exempt broker-dealer in the state of Missouri by engaging in the business of effecting transactions in securities for the account of others
66. These activities constitute transacting business as a broker-dealer in the state of Missouri under Section 409.1-102(4).

67. At all times relevant to this matter, Respondent was not registered as a broker-dealer either with the Securities and Exchange Commission or with the State of Missouri.
68. Respondent transacted business in Missouri without being registered or exempt from registration as a broker-dealer in violation of Section 409.4-401(a).
69. At the time Respondent engaged in the conduct set forth above, MR1 was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
70. Respondent's action in violation of Section 409.4-401(a) constitutes an illegal act, practice, or course of business, and such conduct is therefore subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making an Untrue Statement, Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security

71. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent violated Section 409.5-501, when, in connection with the offer, sale or purchase of a security, Respondent made an untrue statement of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
 - a. Respondent would match MR1's initial investment of \$20,000;
 - b. Respondent would add "bonus money" to MR2's account to increase its trading ability;
 - c. that MR1 could expect "very good returns";
 - d. that MR2 would get his funds back within six to eight weeks;
 - e. that a \$10,000 investment from MR1 would be worth \$150,000 in six or fewer months;
 - f. that MR2 would receive an 80% return on his investment;
 - g. the investment was risk free; and
 - h. that MR1 could pay off MR1's credit card within one or two months.
72. These statements, in light of the circumstances under which they were made, were misleading statements because Respondent, omitted to disclose the following material facts that could impact the return and the viability of MR1 and MR2's investments:
 - a. that Respondent was not registered to offer and/or sell securities in the state of

Missouri; and

- b. that the investments offered and sold to MR1 and MR2 were not registered or exempt from registration.
73. In connection with the offer, sale or purchase of securities as described above, Respondent engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by, among other things:
 - a. soliciting MR1 and MR2 to invest in binary options and promising a good return;
 - b. sending MR account statements purporting the account value to have a growth \$300,000 by January 13, 2017, and then a value of only \$14,646.65 on January 27, 2017;
 - c. charging \$10,000 to MR1's credit card without MR's knowledge or consent; and
 - d. failing to disclose that the investments offered and sold to MR1 and MR2 were not registered or exempt from registration.
74. MR1 invested a total of approximately \$70,000 in binary options with MR1 receiving no returns on MR1's investments.
75. MR2 invested a total of approximately \$100,751 in binary options with MR2 receiving \$17,500 in returns on MR2's investments.
76. At the time Respondent engaged in the conduct set forth above, MR1 was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
77. Respondent made untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in violation of Section 409.5-501, and engaged in an illegal act, practice, or course of business, and such conduct is therefore subject to the Commissioner's authority under Section 409.6-604.
78. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. *See* Section 409.6-605(b).

IV. ORDER

NOW, THEREFORE, it is hereby ordered that Respondent, its agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301, by offering or selling any securities as defined by Section 409.1-102(28), in and/or from the state of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-401(a), by transacting business as an unregistered broker-dealer; and
- C. Section 409.5-501, by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.3-301, when at least one of these violations was committed against an elderly person. This amount shall be made payable to the state of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.4-401(a), when at least one of these violations was committed against an elderly person. This amount shall be made payable to the state of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.5-501, when at least one of these violations was committed against an elderly person. This amount shall be made payable to the state of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent shall pay restitution in the amount of \$155,251.00 and interest at the rate of 8% per annum for violations of Sections 409.3-301, 409.4-401, and 409.5-501. As of October 29, 2018, this amount in total is \$185,469.73. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to MR. This amount shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri, 65102, within 30 days from the date of this Final Order.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(e), Respondent shall pay \$1,720 in actual costs for investigation into, and the proceedings associated with, this matter. This amount shall be made payable to the Investor Education and Protection Fund and shall be sent to the Missouri Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days of the date of this Final Order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 5th DAY OF NOVEMBER, 2018.



JOHN R. ASHCROFT
SECRETARY OF STATE



DAVID M. MINNICK
COMMISSIONER OF SECURITIES

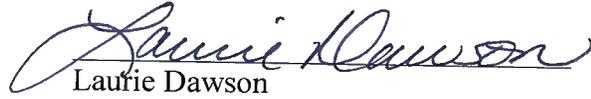
CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of November, 2018, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution, Civil Penalties, and Costs in the above styled case was **mailed by registered U.S. mail to:**

Glenridge Capital
c/o Greymountain Management, Ltd.
3rd Floor
Ulysses House
Foley Street
Mountjoy
Dublin 1
Ireland

And hand delivered to:

Derek Green, Enforcement Counsel
Securities Division
Missouri Secretary of State's Office
600 West Main Street, Room 229
Jefferson City, Missouri 65101


Laurie Dawson
Securities Office Manager