



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
ZULUTOYS LIMITED, d/b/a RBOptions.com;)
JORDAN GATSBY; and JOSEPH WOLF,)
)
Respondents.) AP-16-18
)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through its Counsel John R. Phillips has alleged that Zulutoys Limited, d/b/a RBOptions.com, through Jordan Gatsby and Joseph Wolf (“Respondents”), offered and sold unregistered, non-exempt securities to Missouri investors, including to at least one elderly Missouri resident (“MR”), from at least July 2014 until the present. Specifically, Respondents offered a profit of “88%” which they “guaranteed” against any losses, through the trading of binary options on their platform. These binary options are all or nothing bets on the direction of the value of a particular security or commodity. Respondents have not granted MR withdrawal of the \$15,450 she initially invested. At all times relevant to this matter, Respondents have never been registered in Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent. 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 by Respondent.
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Sections 409.3-301, 409.4-401, 409.4-402, 409.5-501, 409.803, 409.808, and 409.810 RSMo (Cum. Supp. 2013).¹

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri

CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondents waive Respondents’ rights to a hearing with respect to this matter.
6. Respondents waives any right that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondents and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as

set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

12. Subject to all of the foregoing provisions, Respondents and the Enforcement Section agree that this Consent Order resolves all matters related to Zulutoys Limited, d/b/a RBOptions.com, Jordan Gatsby, and Joseph Wolf, that are under investigation or known by the Enforcement Section as of the date of the Order.

**COMMISSIONER’S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER**

I. FINDINGS OF FACT

A. Respondents and Related Parties

1. RBOptions.com (“RBOptions”) is a website that is purported to be owned by Zulutoys Limited (“Zulutoys”), Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.
2. Joseph Wolf (“Wolf”) is listed as the Canada & Europe Desk Manager on RBOptions website.
3. Jordan Gatsby (“Gatsby”) is purported to be a broker at RBOptions.
4. Michael Furlong was purported to be a Legal Officer for RBOptions Legal Department, 161 Bay Street, 26th Floor, Toronto, Canada M5J 2S1.
5. At all times relevant to this matter, Respondents have never been registered in Missouri as investment advisers, investment adviser representatives, broker-dealers, broker-dealer agents, and/or issuer agents.
6. 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/or sold by Respondents.
7. Upon information found in the National Futures Association’s BASIC database, at all times relevant to this matter, Respondents were not registered as any type of commodity merchant or Intermediary in connection with futures trading.²

C. Enforcement Section Investigation

² BASIC is the database where futures commission merchants or intermediaries must register in order to be considered registered with the Commodities Futures Trading Commission.

8. From in or around January 14, 2016 through March 31, 2016, the Enforcement Section was in contact with and received information from an 82 year-old Chesterfield, Missouri resident (“MR”). Information received from MR revealed the following:
- a. In or around July, 2014, MR decided to invest some of MR’s money and began researching companies online;
 - b. On or about July 22, 2014, after reviewing RBOptions’ website, MR contacted RBOptions via telephone at 647-846-8237 to discuss making an investment. During the telephone call Gatsby was assigned as MR’s broker;
 - c. Gatsby told MR “there was something happening the next week” and Gatsby could make MR “some good money”;
 - d. Gatsby told MR that RBOptions would match any investment amount made by MR, and that RBOptions would “cover any losses, if that happened”;
 - e. MR’s intention was to only invest \$250.00, which was the minimum amount one could invest with RBOptions, but Gatsby was “quite a talker” and persuaded MR to invest \$10,500;
 - f. MR used a credit card to invest the \$10,500;
 - g. Shortly after the initial investment and for reasons that are not clear, MR’s credit card was refunded for her initial investment;
 - h. Notwithstanding that MR had received a refund of her initial investment, in or around September, 2014, MR’s RBOptions account statement showed multiple \$5,000 trades, all of which had made \$3,800 in profit, except for one trade that lost \$750;
 - i. On or about November 17, 2014, MR invested another \$10,000 with RBOptions, via MR’s credit card;
 - j. A few weeks later MR’s had serious health issues and attempted to withdraw MR’s money;
 - k. MR contacted RBOptions via telephone and was told Gatsby no longer worked there and was assigned a new broker;
 - l. RBOptions switched MR to a total of six different brokers. MR asked each different broker to withdraw MR’s investment money, but they would not release MR’s funds;
 - m. Wolf was the last Broker assigned to MR;

- n. In or around January, 2015, MR discovered that RBOptions had withdrawn \$5,000 from MR's credit card without MR's authorization;
- o. MR has not been able to contact RBOptions via phone since early 2015;
- p. MR has requested a refund of all investment monies both via telephone and e-mail without success; and
- q. Including fees, MR has lost a total of \$15,450 investing with RBOptions.

D. Bank Records

- 9. A review of MR's bank records confirms MR's expenditures of \$15,450 with RBOptions.

E. RBOptions.com

- 10. As of March 31, 2016, RBOptions's website states and/or contains the following:
 - a. "The website is owned by Zulutoys Limited in Marshall Islands...";
 - b. "The clearing services with respect to the website and the Company [Zulutoys] are provided by RB Secured Processing LTD. UK company number 09872729...";
 - c. "Call us +1-647-846-8231";
 - d. "RBOptions offers over 100 tradable assets including Forex, Stocks, Commodities and Indices.";
 - e. "Keep up to date with Market movement and indicators with RBOptions' daily market review.";
 - f. "At the heart of RBOptions' core values are honesty and straight forward trading experience. We believe any trader should have immediate access to any invested funds. That's why RBOptions is the *only* binary options broker to offer *same day* withdrawal approvals! Once your account is verified (See compliance policy here) you will receive your funds as early as 24 hours (with Skrill) after a withdrawal request was submitted. No hassle. No questions asked. This is the RBOptions Guarantee.";
 - g. "RBOptions is proud to be the first and ONLY binary options broker to GUARANTEE same day withdrawal approvals!";
 - h. "After the economic crises of recent years, we feel that transparent pricing, straight forward trading, and responsible financial handling is of the utmost

importance. That's why we've assembled a team of uncompromisingly professional traders, investors, and financial gurus to offer the highest level of trading experience. You never have to worry about any thing [sic] other than your trades. We take care of the rest.”;

- i. “RBOptions offers the highest paying platform in the industry - Up to 88% profit per successful trade, where most broker[sic] out there fall behind with a 70% payout average. Additionally, RBOptions offers an exclusive Stop-Loss feature allowing you to sell your position before expiry to cap potential losses if your understanding of the market had changed mid-trade.”;
 - j. “All traders at RBOptions will have access to 24/7 live chat support from our customer service team. For customers wishing to trade in higher volumes, a 24/7 dedicated management team is available, consisting of 2 senior brokers and a dedicated customer service representative to ensure your inquiries and trading requirements are met 24/7.”;
 - k. A “USA Toll Free” phone number of 866-443-4797;
 - l. A world map depicting RBOption’s locations under the “Contact Us” tab. The map has dots over what appear to be New York and Toronto in North America;
 - m. “All personal information and financial transactions are secured by a cutting edge 256 Bit SSL Encryption. The same used in leading financial institutions such as HSBC, J.P. Morgan Chase and TD Waterhouse.”; and
 - n. An investigator from the Enforcement Section, clicked on the “Open Account” button at RBOptions.com and the following message was displayed; “Unfortunately RBOptions does not accept registration or traders from your country of residence.”
11. On February 5, 2016, the Enforcement Section sent a letter of inquiry to Respondent RBOptions via US Post Office international mail and e-mail. The letter requested a claim of exemption from registration or exception from definition upon which Respondents relied in offering unregistered securities in the State of Missouri. The letter also requested additional information about offers to any other Missouri residents.
12. Between February 5, 2016 and March 24, 2016, the Enforcement Section was in contact with RBOptions via e-mail, in regards to its letter of inquiry, and an incomplete response received from RBOptions. RBOption’s initial response and the subsequent e-mails transpired as follows:
- a. On February 5, 2016, the Enforcement Section received an e-mail from the “Compliance Department” at compliance@rboptions.com, stating a reference number had been created to track our inquiry, ticket number 39173;

- b. On February 8, 2016, the Enforcement Section received an e-mail from the “Legal Department” at legal@rboptions.com, stating “...that for the last 12 months RBOptions trading as Zulu Toys has not accepted, and still does not accept, any clients from Missouri and the USA as a whole. . . All USA IPs are blocked and USA customers cannot open up trading accounts. . . Further we have no customers that are resident [sic] of Missouri.” The e-mail was written by Michael Furlong, Legal Officer at RBOptions. The e-mail listed RBOptions’ legal department as having an address of 161 Bay Street, 26th Floor, Toronto, Canada;
- c. On February 8, 2016, the Enforcement Section sent an e-mail to RBOptions’ Legal Department that contained the following:
 - i. a statement that we have supporting documents regarding MR’s account;
 - ii. the name and e-mail address associated with MR’s account;
 - iii. a request for all account and transaction information related to MR’s account; and
 - iv. another request to provide all information from the Enforcement Section’s February 5th letter of inquiry;
- d. On February 9, 2016, the Enforcement Section received an e-mail from the Legal Department/Michael Furlong at RBOptions that stated among other things:
 - i. MR’s account “was opened before last year when we blocked USA funds”;
 - ii. MR’s “account was not been logged into (sic) and nor has there been any transactions or requests since March of last year”; and
 - iii. that MR’s account does not have a valid credit card associated with it so no funds in the account can be refunded until wire details have been received from MR;
- e. On February 9, 2016, the Enforcement Section sent an e-mail to RBOptions Legal Department which stated:

“If RBOptions is seeking a method to refund money to Missouri investors, the Missouri Securities Division has a Restitution Fund which may be used for such a process. Please send a detailed description of all accounts that have been closed for Missouri clients and for which RBOptions is holding money, including but not limited to the one for MR. The Missouri Securities Division can then contact investors and distribute the money. Please advise if this is acceptable. If so, we will supply you with appropriate wire instructions”;

- f. On February 22, 2016, the Enforcement Section sent an e-mail to RBOptions Legal Department asking the status of their response;
- g. On March 24, 2016, the Enforcement Section sent an e-mail to RBOptions Legal Department stating “We still have not received a response to our offer to assist RPOptions.com in refunding investment monies to Missouri investors/clients. Please let us know how you would like to proceed as soon as possible.”; and
- a. After February 9, 2015, the Enforcement Section has not received any further communications from RBOptions.

II. CONCLUSIONS OF LAW

- 13. The Commissioner finds Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf offered unregistered non-exempt securities to Missouri investors in violation of Sections 409.3-301 and 409.6-604.
- 14. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

- 1. The Final Order issued in this matter on September 30, 2016 is hereby superseded by this Consent Order.
- 2. Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf are permanently enjoined and restrained from offering and selling unregistered, non-exempt securities in violation of Sections 409.3-301.
- 3. Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf will within 30 days from the date of this Consent Order ensure that their products cannot be accessed by Missouri investors.
- 4. Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf are hereby ordered to pay \$17,367.00 in restitution, which represents MR’s investment plus statutory interest at 8% per annum. This amount shall be delivered to the Missouri Securities Division at 600 W. Main Street, Jefferson City, MO 65101 within 14 days from the execution of this Consent Order. The restitution payment shall be sent or delivered to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be made payable to the Missouri Secretary

of State's Investor Restitution Fund. These payments will be distributed by that Fund to the investor in the amount as stated in the attached Exhibit 1.

5. Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf are hereby ordered to pay \$7,500 to the Missouri Investor Education and Protection Fund. Within 14 days of the date of this Consent Order, Respondent shall send \$7,500 to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. Said payment shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.
6. Respondents Zulutoys Limited, d/b/a RBOptions, Jordan Gatsby, and Joseph Wolf are hereby ordered to pay \$2,500 in costs of the investigation. Within 14 days of the date of this Consent Order, Respondent shall send \$2,500 to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. Said payment shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund.
7. Wire instructions for payment of all monies due above shall be provided to Respondents upon entry of this Consent Order.
8. Respondents shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 15 DAY OF December, 2016



JASON KANDER
SECRETARY OF STATE

Acting

~~ANDREW M. HARTNETT~~ Jose S. Caldera
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

John B. Phillips
Counsel for Petitioner

ZULUTOYS LIMITED, d/b/a RBOptions.com

BY: _____

NAME: Mr. Rudakovs _____

TITLE: Director _____

JORDAN GATSBY



JOSEPH WOLF


