



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
ZULUTOYS LIMITED, d/b/a RBOptions.com; )  
JORDAN GATSBY; and JOSEPH WOLF, ) Case No.: AP-16-18  
 )  
 Respondents. )

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

Now on the 30th day of September, 2016, the Commissioner, having reviewed this matter issues the following finding and order:

**I. PROCEDURAL BACKGROUND**

1. On April 11, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement John R. Phillips, 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 April 26, 2016 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”).
3. On April 27, 2016, the Missouri Division of Securities Office Manager sent, by USPS Registered mail, a copy of the Order and Notice of the Right to Request a Hearing to Respondents at the following addresses: Zulutoys Limited, d/b/a RBOptions, Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH06060 Marshall Islands; Jordan Gatsby, Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH06060 Marshall Islands; and Joseph Wolf, Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH06060 Marshall Islands; and by e-mail to [legal@rboptions.com](mailto:legal@rboptions.com). A delivery confirmation e-mail notice was received that indicates the e-mail was at least received by the e-mail address listed. This e-mail address was used for correspondence with Respondent RBOptions.com during the investigation.

4. On or around April 27, 2016, a copy of the Order was made available to the general public on the Missouri Secretary of State's website.<sup>1</sup>
5. On May 23, 2016, a check on the delivery status of the Order and Notice of Right to Request a Hearing sent April 27, 2016, via USPS Registered mail to Respondents was made on USPS's website. The Order and Notice of Right to Request a Hearing was received by Respondent Zulutoys d/b/a RBOptions.com on May 20, 2016. The status of the delivery for Respondents Jordan Gatsby and Joseph Wolf was "In-Transit."
6. On June 13, 2016, a check on the delivery status of the Order and Notice of Right to Request a Hearing sent April 27, 2016, via U.S. Registered mail to Respondents Jordan Gatsby and Joseph Wolf was made on USPS's website. The Order and Notice of Right to Request a Hearing were "returned to sender because of incomplete address" on June 10, 2016.
7. On June 13, 2016, the Commissioner was served pursuant to Section 409.6-611(b), RSMo (Cum. Supp. 2013),<sup>2</sup> and Section 409.843, RSMo (2000), by providing a copy of the process to the office of the Commissioner. On that same day, Notice of Service and Copy of Process were sent to Zulutoys, Limited, d/b/a RBOptions.com, Jordan Gatsby, and Joseph Wolf by US Registered mail by the Office of the Commissioner.
8. On June 14, 2016, the Office of the Commissioner sent, via e-mail, an electronic version of the Notice of the Service and Copy of Process to Respondents at the following e-mail address: [legal@rboptions.com](mailto:legal@rboptions.com). A delivery confirmation e-mail notice was received which indicates the e-mail was at least received by the e-mail address listed.
9. On June 14, 2016, the Petitioner filed an Affidavit of Compliance demonstrating that the Enforcement Section had exercised reasonable steps to give notice to the Respondents and that substitute service on the Commissioner was justified.
10. On July 20, 2016, the Enforcement Section submitted a Motion for Final Order.
11. On July 25, 2016, the Enforcement Section submitted a Statement of Penalties, Costs, & Restitution.
12. Respondents failed to request a hearing within the time allowed by Sections 409.6-604, and 409.843, RSMo (2000).
13. The Commissioner has not ordered a hearing in this matter pursuant to Sections 409.6-604, and 409.843, RSMo (2000).
14. To date, the Respondents have failed to respond to the Motion for Final Order.

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<sup>1</sup> <https://www.sos.mo.gov/CMSImages/Securities/orders/AP-16-18.pdf>

<sup>2</sup> Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

## **II. FINDING OF FACTS**

### **A. Respondents and Related Parties**

15. RBOptions.com (“RBOptions”) is a website that is purported to be owned by Zulutoys Limited (“Zulutoys”), Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.
16. Joseph Wolf (“Wolf”) is listed as the Canada & Europe Desk Manager on RBOptions website.
17. Jordan Gatsby (“Gatsby”) is purported to be a broker at RBOptions.
18. As used herein, the term “Respondents” refers to Wolf, Gatsby, and Zulutoys d/b/a RBOptions.
19. RB Secured Processing LTD (“RBSP”) is a private limited company in the United Kingdom, which was incorporated on November 16, 2015. The registered office address of RBSP is Office 3.11, Nwms Center 3<sup>rd</sup> Floor, 31 Southampton Row, London, UK, WC1B 5HJ. The director is listed as Jonathan Bibi, who has an address of S1256, Ft. No. 4 ILE Perseverance, Vitoria Mahe, Seychelles, 0000. Zulutoys is listed as the only member with share capital on the registration documents.
20. Michael Furlong was purported to be a Legal Officer for RBOptions Legal Department, 161 Bay Street, 26<sup>th</sup> Floor, Toronto, Canada M5J 2S1.
21. 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.
22. 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.
23. According to 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.<sup>3</sup>

### **B. Enforcement Section Investigation**

24. 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:

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

- a. In or around July 2014, MR began looking for a way to make money by trading online. MR was not looking to purchase and hold stocks;
- b. MR wanted to find a company that would assist MR in making trades, because MR did not understand all of the different kinds of investments;
- c. 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, an RBOptions representative told MR that if she did not know how to make trades, a broker could make all of the trades for MR;
- d. Gatsby was assigned as MR's broker and told MR "there was something happening the next week" and Gatsby could make MR "some good money";
- e. Gatsby told MR that RBOptions would match any investment amount made by MR, and that RBOptions would "guarantee to cover any losses, if that happened";
- f. MR's intention was to only invest \$250, which was the minimum amount one could invest with RBOptions, but Gatsby "pitched a hard sale" and tried to persuade MR to invest an additional \$10,000;
- g. MR declined to invest the additional \$10,000, but Gatsby charged MR's credit card for \$10,000 without authorization from MR;
- h. MR complained to Gatsby's supervisor and MR's \$10,000 was refunded;
- i. 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;
- j. Since MR's investment appeared to be doing well, MR decided to invest for a second time with RBOptions, on or about November 17, 2014 for \$10,000, via MR's credit card;
- k. A few weeks later, when some of MR's "trades were about [to] end," MR began having serious health issues and attempted to withdraw MR's money;
- l. MR contacted RBOptions via telephone and was told Gatsby no longer worked there and was assigned a new broker;
- m. 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;
- n. Wolf was the last Broker assigned to MR;

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

**C. Bank Records**

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

**D. RBOptions.com**

26. As of March 31, 2016, RBOptions' 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.”
25. Respondents both offered commodity contracts and securities, and acted as a broker-dealer and a commodity merchant or board of trade for transactions. Respondents offered a profit and guaranteed against any losses, through the trading of binary options on their platform. These binary options derived their value from currencies or commodities. If a currency or commodity performs as the investor speculated, the investor gains some amount of money (up to 100% of the investment), but loses the entire investment if the currency or commodity does not perform as the investor speculated.
26. 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.
27. 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, 26<sup>th</sup> 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 5<sup>th</sup> 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, the following:
  - 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 [sic] in refunding investment monies to Missouri investors/clients. Please let us know how you would like to proceed as soon as possible.”; and
- h. After February 9, 2016, the Enforcement Section has not received any further communications from RBOptions.

#### **E. Additional Findings**

- 28. The phone number on RBOptions website, 647-846-8231 is to a “pay as you go” cell phone based in Toronto, Ontario, Canada.
- 29. The Ontario Securities Commission added RBOptions to their Investors Warning List on March 18, 2014. The Warning List is located on the Commission’s website and contains individuals and companies that appear to be engaging in activities that may pose a risk to investors. Specific RBOptions information from the list states:
  - “RBOptions doing business as www.rboptions.com is not registered to engage in the business of (i) trading in securities or (ii) advising anyone with respect to investing in, buying or selling securities.”
- 30. On February 19, 2016, the Financial and Consumer Affairs Authority of Saskatchewan, Canada issued a decision that contained among other things, the following findings and orders:
  - a. Zulutoys and RBOptions 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;
  - b. At no time were Zulutoys and RBOptions registered as a dealer in accordance with *The Securities Act, 1988*;

- c. All exemptions in the Saskatchewan securities law do not apply to Zulutoys and RBOptions;
  - d. Zulutoys and RBOptions shall cease trading and/or acquiring securities or exchange contracts;
  - e. Zulutoys and RBOptions shall pay an administrative penalty in the amount of \$25,000;
  - f. Zulutoys and RBOptions shall pay compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of Zulutoys and RBOptions contraventions of the Act, in an amount to be determined; and
  - g. Zulutoys and RBOptions shall pay the costs relating to the hearing in this matter.
31. In connection with the offer and/or sale of securities, Respondents failed to disclose to MR, among other things, the following:
- a. Respondents were not registered to offer or sell securities in the State of Missouri;
  - b. that the securities were not registered or exempt from registration in the State of Missouri; and
  - c. Respondents were not registered with the Commodity Futures Trading Commission.

### **III. CONCLUSIONS OF LAW**

32. Because the Respondents have failed to request a hearing within the time allowed by Sections 409.6-604, RSMo (Cum. Supp. 2013), and 409.843, RSMo (2000), and because the Commissioner never ordered such a hearing, the Order issued on April 26, 2016, against the Respondents became **FINAL** by operation of law.
33. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003 and Sections 409.800 to 409.863, RSMo (2000).

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

34. **THE COMMISSIONER CONCLUDES** that Respondents violated Section 409.3-301, when Respondents offered and sold unregistered, non-exempt securities in the State of Missouri to MR when Respondents offered and sold binary options to MR.
35. This activity constitutes the offer to sell and sale as those terms are defined in Section 409.1-102 (26).

36. “[P]ut, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency” is enumerated in the list of items that are securities in Section 409.1-102(28).
33. The investments Respondents offered and sold to MR, are either binary options deriving whatever value may have existed from an underlying asset, or a commodity or foreign currency. The investments offered and sold were securities as that term is defined in Section 409.1-102(28).
34. 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 Respondents.
35. Respondents offered and sold securities in Missouri without these securities 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.
36. At the time Respondents engaged in the conduct set forth above, MR was over 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
37. Respondents offered and sold unregistered securities in violation of Section 409.3-301.
38. Respondents’ conduct in violation of Section 409.3-301 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 Transacting Business as an Unregistered Broker-Dealer**

39. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent RBOptions violated Section 409.4-401(a), when Respondent RBOptions transacted business as an unregistered, non-exempt broker-dealer in the State of Missouri by:
  - a. opening a trading account for MR; and
  - b. effecting transactions in the account on behalf of MR.
40. These activities constitute transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4).
41. At all times relevant to this matter, Respondent RBOptions was not registered as a broker-dealer with the State of Missouri.
42. Respondent RBOptions transacted business in Missouri without being registered or exempt from registration as a broker-dealer in violation of Section 409.4-401(a).

43. Respondent RBOptions' conduct 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 Employing Unregistered Broker-Dealer Agents**

44. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent RBOptions violated Section 409.4-402(d), when Respondent RBOptions employed or associated with multiple agents, who on behalf of Respondent RBOptions, offered and sold securities to MR.
45. Respondent RBOptions' activities constitute employing or associating with an agent in the State of Missouri under Section 409.4-402(d).
46. At all times relevant to this matter, the agents who Respondent RBOptions employed or with whom Respondent RBOptions was associated were not registered as a broker-dealer agents in the State of Missouri.
47. Respondent RBOptions employed or associated with unregistered agents who transacted business in the State of Missouri in violation of Section 409.4-402(d).
48. Respondent RBOptions' conduct in violation of Section 409.4-402(d) 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 Section 409.5-501 - Securities Fraud**

49. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.5-501, when, in connection with the offer, sale or purchase of a security, Respondents employed a device, scheme, or artifice to defraud, made untrue statements of material fact or omitted 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, and engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon another person by, among other things, the following:
- a. In connection with the offer, sale or purchase of a security, Respondents made untrue statements of material fact or omitted 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 by, among other things:
    - i. Telling MR that "there was something happening the next week" and Gatsby could make MR "some good money";
    - ii. Telling MR that RBOptions would match any investment amount made by MR, and that RBOptions would "cover any losses, if that happened";

- iii. Creating an account statement for MR that showed multiple \$5,000 trades, all of which had made \$3,800 in profit, except for one trade that lost \$750;
- iv. Telling MR when she sought a withdrawal via phone that Gatsby no longer worked there and was assigned a new broker; and
- v. Stating on the RBOptions.com website the following:
  - 1. “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.”;
  - 2. “RBOptions is proud to be the first and ONLY binary options broker to GUARANTEE same day withdrawal approvals!”;
  - 3. “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.”; and
  - 4. “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.”
- b. Any and all of the above statements are either untrue or misleading because of omissions of material fact, including, but not limited to:
  - i. Omitting that Respondents were not registered nor exempt from registration as a broker-dealer firm in the State of Missouri even though they are required to be registered or exempt;
  - ii. Omitting that the securities Respondents purported to sell to MR were not registered nor exempt from registration in the State of Missouri, even though the securities required registration or exemption;

- iii. Failing to inform MR as to the risks associated with the investment, including but not limited to:
    - 1. The fact that currency, currency option, and binary option trading are highly volatile investments; and
    - 2. The volatility of the securities offered through RBOptions may greatly reduce the funds in investor's RBOptions accounts; and
  - iv. In addition, Respondents failed to provide any substantiation or documentation for promised returns; and
  - c. Further, in connection with the offer, sale or purchase of a security, Respondents employed a device, scheme, or artifice to defraud and engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon another person when they engaged in lulling MR in order to avoid or delay detection by:
    - i. Telling MR when MR sought a withdrawal via phone that Gatsby no longer worked there and was assigned a new broker;
    - ii. Switching MR to a total of six different brokers in an effort to keep MR from attempting to withdraw MR's investment money;
    - iii. Not releasing MR's funds when MR requested such a withdrawal on at least seven occasions;
    - iv. Making an unauthorized charge of \$5,000 on MR's credit card; and
    - v. Ceasing to communicate with MR after MR made multiple attempts to withdraw MR's investment funds.
50. At the time Respondents engaged in this conduct, MR was over 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
51. Respondents employed a device, scheme, or artifice to defraud, made untrue statements of material fact or omitted 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 and engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon MR in violation of Section 409.5-501.
52. Respondents' actions in violation of Section 409.5-501 constitute 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 Offering and Entering into Prohibited Commodities Contracts**

53. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.803, when Respondents offered to enter into, entered into, or confirmed the execution of foreign currency commodity contracts and foreign currency commodity option contracts with MR, without being exempt or excluded pursuant to Sections 409.803.2 and 409.806, RSMo (2000), when, among other things, they:
- a. Solicited investments in accounts where currency and currency options trading was to occur;
  - b. Accepted payment for currency and currency options trades;
  - c. Confirmed investments in accounts meant for currency and currency options trading via phone; and/or
  - d. Logged purchases of currency and currency options trades in customer accounts.
54. This activity constitutes an offer to sell and sale as those terms are defined in Sections 409.800(11) and (14), RSMo (2000).
55. Respondents offered and sold commodity contracts and commodity option contracts as those terms are defined in Sections 409.800(5) and (9), RSMo (2000).
56. Respondents offered to enter into, entered into, or confirmed the execution of foreign currency commodity contracts and foreign currency commodity option contracts in violation of Section 409.803.1, RSMo (2000).
57. The actions of Respondents in offering and entering into prohibited commodities contracts constitute an illegal act or practice and thus such actions are subject to the Commissioner's authority under Section 409.823, RSMo (2000).

**Multiple Violations of Engaging in Unregistered and/or  
Unlicensed Commodity Merchant Business**

58. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.808, when Respondents engaged in the commodity merchant business with, among others, MR, when, among other things, Respondents failed to register with the Commodity Futures Trading Commission as required to qualify as a registered commodity merchant.
59. This activity constitutes engaging in a trade or business or otherwise acting as a commodity merchant as that term is defined in Section 409.800(8), RSMo (2000).
60. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.808, when Respondents created and maintained a board of trade, or place for

the trading of commodity contracts or commodity option contracts required to be traded on or subject to the rules of a contract market designated by the Commodity Futures Trading Commission and which had not been so designated, when, among other things, they engaged in buying or selling commodities or receiving the same for sale.

61. This activity constitutes acting as a board of trade as that term is defined in Section 409.800(2), RSMo (2000).
62. Respondents conducted unregistered commodity merchant business in violation of Sections 409.808.1 and 409.808.2, RSMo (2000).
63. The actions of Respondents in conducting unregistered commodity merchant business constitute an illegal act or practice and thus such actions are subject to the Commissioner's authority under Section 409.823, RSMo (2000).

**Multiple Violations of Engaging in Prohibited Acts in Connection with the Sale of Commodity Contracts – Commodities Fraud**

64. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.810, when, in connection with the purchase or sale of, the offer to sell, the offer to enter into, or the entry into, of a commodity contract or commodity option contract related to foreign currency as described above, Respondents cheated or defrauded, attempted to cheat or defraud, or employed a device, scheme or artifice to cheat or defraud a Missouri investor, made one or more of the following untrue statements of material fact, or engaged in a transaction, act, practice or course of business which would operate as a fraud or deceit upon a Missouri investor, or misappropriated or converted the funds, security or property of a Missouri investor by, among other things:
  - a. Making one or more of the following untrue statements of material fact, or engaging in a transaction, act, practice or course of business which would operate as a fraud or deceit upon a Missouri investor, or misappropriated or converted the funds, security or property of a Missouri investor by, among other things:
    - i. Telling MR that “there was something happening the next week” and Gatsby could make MR “some good money”;
    - ii. Telling MR that RBOptions would match any investment amount made by MR, and that RBOptions would “cover any losses, if that happened”;
    - iii. Creating an account statement for MR that showed multiple \$5,000 trades, all of which had made \$3,800 in profit, except for one trade that lost \$750;
    - iv. Telling MR when MR sought a withdrawal via phone that Gatsby no longer worked there and was assigned a new broker; and
    - v. Stating on the RBOptions.com website the following:

1. “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.”;
  2. “RBOptions is proud to be the first and ONLY binary options broker to GUARANTEE same day withdrawal approvals!”;
  3. “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.”; and
  4. “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.”;
- b. Any and all of the above statements are either untrue or misleading because of omissions of material fact, including, but not limited to:
- i. Failing to inform MR as to the risks associated with the investment, including but not limited to:
    1. The fact that currency, currency option, and binary option trading are highly volatile investments; and
    2. The volatility of the securities offered through RBOptions may greatly reduce the funds in investor’s RBOptions accounts; and
  - ii. Failing to provide any substantiation or documentation for promised returns; and
- c. Further, Respondents cheated or defrauded, employed a device, scheme, or artifice to defraud and engaged in multiple acts, practices, or courses of business that would operate as a fraud or deceit upon another person, and misappropriated

or converted funds when they engaged in lulling MR in order avoid or delay detection by:

- i. Telling MR when MR sought a withdrawal via phone that Gatsby no longer worked there and was assigned a new broker;
  - ii. Switching MR to a total of six different brokers in an effort to keep MR from attempting to withdraw MR's investment money;
  - iii. Not releasing MR's funds when MR requested such a withdrawal on at least seven occasions;
  - iv. Making an unauthorized charge of \$5,000 on MR's credit card; and
  - v. Ceasing to communicate with MR after MR made multiple attempts to withdraw her investment funds.
65. Respondents cheated or defrauded, attempted to cheat or defraud, made untrue statements of material fact, employed any device, scheme artifice to cheat or defraud, any other person, engaged in any transaction, act, practice or course of business, including, without limitation, any form of advertising or solicitation, which operated or would operate as a fraud or deceit upon any Missouri investor, or misappropriated or converted the funds, security or property of any Missouri investor in violation of Section 409.810, RSMo (2000), and such actions are subject to the Commissioner's authority under Section 409.823, RSMo (2000).

#### **IV. ORDER**

**NOW, THEREFORE,** it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order are 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 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;
- C. Section 409.4-402(d) by employing or associating with an unregistered broker-dealer agent;
- D. 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;

- E. Section 409.803, RSMo (2000) by selling or purchasing, or offering to sell or purchase any commodity contract or any commodity option while not being registered with the applicable regulatory bodies;
- F. Sections 409.808, RSMo (2000) by engaging in the trade or business or otherwise acting as a commodity merchant while not being registered or temporarily licensed with the Commodities Futures Trading Commission; and
- G. Section 409.810, RSMo (2000) by, directly or indirectly, cheating or defrauding, attempting to cheat or defraud, or employing any device scheme or artifice to cheat or defraud any other person, making untrue statements of material fact, engaging in any transaction, act, practice or course of business including advertising or solicitation, which operates or would operate as a fraud or deceit upon any person, or misappropriating or converting the funds of any other person, all in connection with the purchase or sale of, the offer to sell, the offer to enter into, or the entry into of any commodity contract or commodity option contract.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604, each Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.3-301, when these violations were 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 or delivered 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 RBOptions shall pay a civil penalty in the amount of \$1,000 for violating Section 409.4-401(a). 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 or delivered 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 RBOptions shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.4-402(d). 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 or delivered 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, each Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.5-501, when these violations were 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 or delivered 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 409.823, RSMo (2000), each Respondent shall pay a civil penalty in the amount of \$100,000 for multiple violations of Sections 409.803, 409.808, 409.810, RSMo (2000). 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 or delivered 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), Respondents shall pay, jointly and severally, restitution in the amount of \$17,367. 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 Street, 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), Respondents shall pay, jointly and severally, \$2,719.41 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 sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102 within 30 days from the date of this Final Order.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS THIRTIETH DAY OF SEPTEMBER, 2016.



JASON KANDER  
SECRETARY OF STATE

A handwritten signature in black ink that reads "Andrew M. Hartnett".

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ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 30<sup>th</sup> day of September, 2016, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution, Costs, and Civil Penalties in the above styled case was **e-mailed and sent by U.S. Registered mail to:**

Zulutoys Limited, d/b/a RBOptions  
Trust Company Complex  
Ajeltake Road, Ajeltake Island  
Majuro, MH96960 Marshall Islands

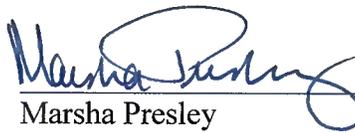
Jordan Gatsby  
Trust Company Complex  
Ajeltake Road, Ajeltake Island  
Majuro, MH96960 Marshall Islands

Joseph Wolf  
Trust Company Complex  
Ajeltake Road, Ajeltake Island  
Majuro, MH96960 Marshall Islands

E-mail: [legal@rboptions.com](mailto:legal@rboptions.com)

**and hand delivered to:**

John R. Phillips  
Director of Enforcement  
Securities Division

  
\_\_\_\_\_  
Marsha Presley  
Securities Office Manager