



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:	)	
	)	
MARKETSTHEWORLD LIMITED,	)	
d/b/a "MARKETS WORLD" and	)	
d/b/a "MARKETSWORLD",	)	
	)	
<i>Respondent.</i>	)	Case No. AP-16-41
	)	
Serve:	)	
	)	
MarketsTheWorld Limited	)	
30 Athol Street	)	
Douglas, Isle of Man	)	
IM1 1JB	)	
British Isles	)	
	)	
MarketsTheWorld Limited	)	
Grosvenor House	)	
66-67 Athol Street	)	
Douglas, Isle of Man	)	
IM1 1JE	)	
Great Britain	)	
	)	
and via e-mail at:      service@marketsworld.com	)	

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY  
RESTITUTION, CIVIL PENALTIES, AND COSTS SHOULD NOT BE IMPOSED**

On October 12, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("Enforcement Section"), through Enforcement Counsel Ryan Smith, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed ("Petition"). After reviewing the Petition, the Commissioner issues the following order:

## **I. ALLEGATIONS OF FACT**

The Petition alleges the following facts:

### **A. Introduction**

1. MarketsTheWorld Limited, through marketsworld.com, is conducting unlawful business by offering to facilitate unregistered purchases of binary options that derive their value from currencies, from commodities, from some underlying index, or from an underlying security.
2. MarketsTheWorld Limited has maintained a website from 2011 to present day that is available to Missouri residents and is advertised to a U.S. audience.
3. Through their website, MarketsTheWorld Limited made deceptive claims and/or omitted to disclose material facts about its registration to sell binary option contracts.
4. MarketsTheWorld Limited offers commodity contracts and securities, and acts as a broker-dealer and a commodity merchant or board of trade for these transactions.

### **B. Respondent and Related Parties**

5. “Markets World” is a website with an address of www.marketworld.com that is purported to be owned by MarketsTheWorld Limited.
6. MarketsTheWorld Limited made a business entity filing in April 2009 with the Isle of Man Government and, the petition alleges, maintains a business address of Grosvenor House, 66-67 Athol Street, Douglas, Isle of Man, IM1 1JE, Great Britain.
7. As used herein, the term “Respondent” refers to MarketsTheWorld Limited.
8. Although MarketsTheWorld Limited claims to be “licensed” with the Isle of Sky Gambling Supervision Commission, MarketsTheWorld Limited is not registered in Missouri to offer and/or sell binary options.
9. Moreover, at all times relevant to this matter, Respondent has never been registered in Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent.
10. 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 Respondent.
11. Upon information found in the National Futures Association’s BASIC database, at all times relevant to this matter Respondent was not registered as any type of commodity

merchant or intermediary in connection with futures trading.<sup>1</sup>

**C. Enforcement Section Investigation**

12. On or around April 29, 2016, the Enforcement Section opened an investigation on Respondent.
13. The Enforcement Section searched for contact information for Respondent and found two mailing addresses, which can be found in the caption, and one e-mail address (service@marketsworld.com).
14. The Enforcement Section made a formal request for Respondent to produce information as a part of its investigation.
15. The Enforcement Section asked for, among other things, Respondent to produce a list of all Missouri investors who invested with or had an account with Respondent.
16. The Enforcement Section also requested a claim of exemption from registration or exception from definition upon which Respondent relied in offering unregistered securities in the State of Missouri. The letter also requested additional information about offers to any other Missouri residents.
17. Although the Enforcement Section sent a copy of the request to each known address, the Enforcement Section never received a response from Respondent.
18. In addition, the Enforcement Section never received any mail returned as undeliverable.
19. In the absence of a reply from Respondent, the Enforcement Section examined the advertisements and offerings on the Respondent's website.

**D. Marketsworld.com**

20. As of September 21, 2016, Respondent's website states and/or contains the following:
  - a. On various sections of the website, the layout consists of photographs featuring the following: a luxury yacht; stacks of U.S. currency consisting of large denominations; a cut out photo of a female model set against the backdrop of skyscrapers with text stating "Tokyo," "NY," "the world is yours" and "earn 90% returns."
  - b. The brand "Markets World" is prominently featured at the top of its website and the words "licensed binary options trading" are immediately below the brand name.

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<sup>1</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.

- c. The terms and conditions of becoming a user with Respondent and their website state: “This site does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. It is your responsibility that you comply completely with your own local, national or state laws related to financial betting services prior to registering and using this site. In particular, if you live in a country where Internet financial betting is prohibited, you must not register, attempt to use the services, or use your credit/debit card on this site.”
- d. The website states: “MarketsWorld is owned and operated in the Isle of Man, Great Britain by MarketsTheWorld Limited...”;
- e. The website states: “Leaders of the online binary options industry, we are licensed and regulated in the Isle of Man, Great Britain by the Isle of Man Gambling Supervision Commission which assures that your deposits and earnings are safe, our systems are fair, and the real-time quotes displayed are fair and accurate...”;
- f. The website states: “MarketsWorld gives you all you need to thrive in today’s lucrative financial markets. Renowned for having the fastest payout processing times and for providing first class customer service you can trust, MarketsWorld gives you the foremost in binary options trading and financial betting....”;
- g. The website explains that people can trade binary options “[j]ust about everywhere because MarketsWorld Operates online. . .” and that trading binary options consists of predicting the direction of “commodities prices, foreign exchange market rates and indices.”
- h. The website states: “Our rates of return are the highest in the industry letting you earn more profit!”;
- i. The website states: “You no longer have to take the risk of trusting your money with any binary options website which has not taken the steps necessary to become appropriately licensed and regulated. Our holding a license in the Isle of Man, Great Britain reassures our customers that our business is conducted honestly and fairly, with full customer protection through regulatory controls on how our company operates to ensure the utmost propriety and to protect customers against any unfair practices.”;
- j. The website states: “Other binary options websites which are not licensed or regulated can operate from a single, off shore bank account, providing their customers with no protection whatsoever against a [P]onzi scheme or a run on the bank....”;
- k. The website states: “Customer debts are enforced by Isle of Man law and our license requires us to keep at all times sufficient, segregated cash reserves to

cover these debts, banked in the Isle of Man, not off shore. This means that any deposits and winnings you have with MarketsWorld are totally secure.”;

- l. The website states: “MarketsWorld pays out the industry’s highest rates of return as well as the leading promotional incentives so you can earn more profit from your binary options trading!”;
- m. The website states: “Our minimum for deposits and withdrawals is just \$10. Withdrawals are processed within one business day without any fees or charges, so your funds and profits are yours to keep in their entirety. You set the stakes for each trade from \$1 up to \$1,000 letting both professionals and beginners get access to online regulated binary options trading at our elevated rates of return.”;
- n. The website states: “Traders depend on being able to capitalize on price movements. In terms of latency and the time it takes to execute your trade orders, MarketsWorld has the fastest trade execution times in the online binary options trading industry. This is at the speed at which the internet can carry your trade order to our Servers. Depending on your own internal internet connection speed, it can be within just half a second!”;
- o. The website states: “We are known for delivering outstanding service to our customers. Our team will always answer your questions honestly and accurately. We also provide immediate, same day processing of all requests for payout withdrawals without any fees or charges. Our friendly and experienced customer services team is available 24/7 to assist you through Live Chat or via email to [service@marketsworld.com](mailto:service@marketsworld.com)”;
- p. The website states: “We are committed to total transparency and fairness. Being a licensed and regulated binary options operator means you can rely on a fair and just complaints resolution procedure. An unlicensed binary options operator has no rules to follow and answers to no authority, whereas we are bound to act honestly and fairly to remain an Isle of Man licensed binary options trader.”;
- q. The website states: “Our platform and web servers are located in world-class, modern and secure data centers. We don’t store your credit card details and our website uses high-grade 128 bit RC4 encryption through DigiCert to secure the connection between your browser and our website to prevent electronic eavesdropping.”;
- r. The website states: “Our innovative, state of the art binary options trading service is web based so it requires no software download, letting you trade from your laptop, phone, or other device from anywhere in the world.”;
- s. The website states: “In order to ensure our systems are fully fair, our website undergoes testing by our Isle of Man government appointed regulators to ensure the greatest quality control and customer protection. Our regulated binary options

trading platform has been independently tested by an external testing facility approved by our regulators who continuously monitor our operations.”;

- t. The website states: “. . . MarketsWorld’s returns are superior to antiquated broker based or do-it-yourself trading methods where the trader has to invest large sums of money and sell at just the right moment for any hope of a worthwhile profit left over after broker fees are taken into account.”;
- u. “By totally eliminating all brokers and other intermediaries, we pass the savings on to our customers.”;
- v. Referring to being licensed with the Isle of Man Gambling Supervision Commission, Respondent states: “You won’t face the risk and worry of putting your faith in an unlicensed or unregulated operation.”; and
- w. In the legal section of the website, there are three FAQs. The first question asks whether “MarketsWorld binary options trading platform [is] licensed and regulated?” The answer is “Yes.” The website states that the trading platform is “fully licensed to operate” and is regulated “by the Isle of Man Gambling Supervision Commission . . .”

**E. The Final Details of the Investigation and Further Analysis of Respondent’s Website**

- 21. The Enforcement Section confirmed that Respondent’s website allows Missouri residents to access the website and log in as a user.
- 22. In addition to checking the National Futures Association’s BASIC database referenced earlier, the Enforcement Section checked the Central Registrations Depository (“CRD”) database of the Financial Industry Regulatory Authority (“FINRA”) and confirmed that Respondent has not been registered as a broker-dealer.
- 23. Respondent’s website failed to disclose, among other things, the following:
  - a. Respondent was 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. Respondent was not registered with the Commodity Futures Trading Commission.
- 24. Although the Enforcement Section was unable to find any information suggesting that Respondent was/is “fully licensed” and registered to sell unregistered binary options in the United States, the Enforcement Section found corroborating information that Respondent was licensed with the Isle of Man Gaming Commission.<sup>2</sup>

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<sup>2</sup> See <https://www.gov.im/categories/business-and-industries/gambling-and-e-gaming/licence-holders/>

25. On September 22, 2014, the Ontario Securities Commission issued a warning regarding Respondent stating that Respondent is not registered to engage in the business of trading securities or advising anyone with respect to investing in, buying or selling securities.<sup>3</sup>

## **II. COMMISSIONER'S DETERMINATIONS AND FINDINGS**

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

26. **THE COMMISSIONER DETERMINES** that Respondent offered unregistered, non-exempt securities in the State of Missouri when Respondent offered binary options to Missouri residents in exchange for money.
27. This activity constitutes the “offer to sell” as that term is defined in Section 409.1-102 (26), RSMo (Cum. Supp. 2013).<sup>4</sup>
28. “[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).
29. The investments Respondent offered to Missouri residents are either binary options deriving whatever value may have existed from an underlying asset, or a commodity or foreign currency. The investments offered were securities as that term is defined in Section 409.1-102(28).
30. 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.
31. Respondent offered 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.
32. Respondent offered unregistered securities in violation of Section 409.3-301.
33. Respondent’s actions in violation of Section 409.3-301 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 Transacting Business as an Unregistered Broker-Dealer**

34. **THE COMMISSIONER FURTHER DETERMINES** that 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 accounts of others.

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<sup>3</sup> See [http://www.osc.gov.on.ca/en/Investors\\_wl\\_20140922\\_markets-the-world-limited.htm](http://www.osc.gov.on.ca/en/Investors_wl_20140922_markets-the-world-limited.htm)

<sup>4</sup> Unless otherwise specified, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

35. These activities constitute transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4).
36. 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.
37. Respondent transacted business in Missouri without being registered or exempt from registration as a broker-dealer in violation of Section 409.4-401(a).
38. Respondent's actions in violation of Section 409.4-401(a) 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 Prohibited Commodities Contracts**

39. **THE COMMISSIONER FURTHER DETERMINES** that Respondent offered to enter into, entered into, or confirmed the execution of, foreign currency commodity contracts and foreign currency commodity options contracts with Missouri residents, without being exempt or excluded pursuant to Sections 409.803.2 and 409.806, RSMo (2000), when, among other things, Respondent solicited investments in accounts where currency and currency options trading was to occur.
40. This activity constitutes an "offer" or "offer to sell" as that term is defined in Section 409.800(11), RSMo (2000).
41. Respondent offered commodity contracts and commodity options contracts as those terms are defined in Sections 409.800(5) and (9), RSMo (2000).
42. Respondent 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).
43. The actions of Respondent in offering 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**

44. **THE COMMISSIONER FURTHER DETERMINES** that Respondent engaged in the commodity merchant business with, among others, Missouri residents when, among other things, Respondent failed to register with the Commodity Futures Trading Commission as required to qualify as a registered commodity merchant.
45. 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).

46. **THE COMMISSIONER FURTHER DETERMINES** that Respondent 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, Respondent created a trading platform for the buying or selling of commodities contracts and commodity option contracts.
47. This activity constitutes acting as a board of trade as that term is defined in Section 409.800(2), RSMo (2000).
48. Respondent conducted unregistered commodity merchant business in violation of Sections 409.808.1 and 409.808.2, RSMo (2000).
49. The actions of Respondent in conducting unregistered commodity merchant business constitutes an illegal act or practice and thus such actions are subject to the Commissioner's authority under Section 409.823, RSMo (2000).

### **III. 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 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 firm;
- C. 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;
- D. Sections 409.808.1 and 409.808.2, 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;

### **IV. STATEMENT**

Pursuant to Section 409.6-604, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's request for:

- A. \$10,000 civil penalty against Respondent for multiple violations of Section 409.3-301;

- B. \$1,000 civil penalty against Respondent violating Section 409.4-401(a);
- C. an order against Respondent to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct, and interest at the rate of 8% per year from the date of the violation causing the loss or disgorge any profits arising from the violation of Sections 409.3-301 and 409.4-401;
- D. an order against Respondent to pay the costs of the investigation in this proceeding, awarding an amount to be determined after review of evidence submitted by the Enforcement Section.

Pursuant to Section 409.823, RSMo (2000), the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$100,000 civil penalty against Respondent for multiple violations of Sections 409.803 and 409.808, RSMo (2000).

**SO ORDERED:**

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



JASON KANDER  
SECRETARY OF STATE

A handwritten signature in cursive script that reads "Andrew M. Hartnett".

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ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

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 )  
 and via e-mail at: service@marketsworld.com )

**NOTICE**

**TO: Respondents and any unnamed representatives aggrieved by this Order:**

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Sections 409.6-604(b), RSMo. (Cum. Supp. 2013), 409.843 RSMo (2000), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

**Andrew M. Hartnett, Commissioner of Securities**  
**Office of the Secretary of State, Missouri**  
**600 West Main Street, Room 229**  
**Jefferson City, Missouri, 65102**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 10<sup>th</sup> day of October, 2016, a copy of the foregoing Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed in the above styled case was **e-mailed and sent by U.S. Registered mail to:**

MarketsTheWorld Limited  
30 Athol Street  
Douglas, Isle of Man  
IM1 1JB  
British Isles

MarketsTheWorld Limited  
Grosvenor House  
66-67 Athol Street  
Douglas, Isle of Man  
IM1 1JE  
Great Britain

and via e-mail:

[service@marketsworld.com](mailto:service@marketsworld.com)

**and hand delivered to:**

Ryan D. Smith, Enforcement Counsel  
Missouri Secretary of State's Office  
600 West Main Street, Room 229  
Jefferson City, Missouri 65101

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