



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE SECURITIES ACT
RSO 1990, c S.5**

- and -

**IN THE MATTER OF
TCM INVESTMENTS LTD. carrying on business as
OPTIONRALLY, LFG INVESTMENTS LTD.,
AD PARTNERS SOLUTIONS LTD. and INTERCAPITAL SM LTD.**

**STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

A. Overview

1. This is a case concerning the sale of binary options to Ontario investors by persons who are not registered with the Commission and have not filed a prospectus with the Commission.
2. OptionRally is an entity which sells binary options to Ontario investors. OptionRally is operated by TCM Investments Ltd. (**TCM**).
3. Between January 1, 2012 and July 31, 2017, (the **Material Time**), TCM, LFG Investments Ltd. (**LFG**), AD Partners Solutions Ltd. (**AD**) and InterCapital SM Ltd. (**InterCapital**) (collectively, **the Respondents**) breached sections 25 and 53 of the *Securities Act*, RSO 1990, c S.5 (**the Act**) through the sale of binary options to Ontario investors while unregistered with the Commission and without filing a prospectus with the Commission.
4. OptionRally engaged in activities similar to a registrant. It intermediated trades and directly solicited securities transactions. OptionRally carried out this activity with regularity and was compensated by investors. TCM, LFG, AD and InterCapital conducted acts in furtherance of trades. None of these entities was registered to trade securities in Ontario and none of these entities filed a prospectus with the Commission.

B. The Respondents

5. TCM is a company incorporated in the United Kingdom.
6. TCM operates OptionRally.
7. OptionRally has a website at www.optionrally.com.
8. According to the OptionRally website, TCM is authorized and regulated by the International Financial Services Commission of Belize (**IFSCB**). As of May 3, 2017, however, TCM is no longer licensed by the IFSCB.
9. LFG is a company which previously operated OptionRally. According to the OptionRally website, LFG operates the OptionRally “Affiliate Program.” It was placed on the OSC Investor Warning List (**the Warning List**) on May 2, 2014 and noted as doing business as www.optionrally.com.
10. AD is a company located in the United Arab Emirates (**UAE**). It was placed on the Warning List on February 24, 2017 and noted as doing business as www.optionrally.com.
11. InterCapital is a company incorporated in the United Kingdom.

C. Complaints respecting OptionRally

12. OptionRally was placed on the Warning List on May 2, 2014. Since that date, the Commission’s Inquiries and Contact Centre received over 30 complaints or enquiries regarding OptionRally. Over 20 complainants confirm that they invested an aggregate of \$300,000 with OptionRally, including 14 Ontario residents who invested over \$100,000.

D. OptionRally Website

13. According to OptionRally's website, OptionRally is headquartered in Belize. The entity provides a platform for trading binary options. Underlying tradeable assets for the binary options include stocks, indices and commodities. Investors are invited to open accounts with OptionRally. When investors wish to purchase particular binary options, their accounts are debited.

E. Acts in Furtherance of Trades

14. LFG, AD and InterCapital are engaged in acts in furtherance of trades. According to the OptionRally website, OptionRally operates an "Affiliate Program" through which OptionRally investors may refer other investors to its affiliate to earn a portion of the referee's trading profits. OptionRally's affiliate is LFG.

15. Investors who deposit funds with OptionRally for trading may do so through AD in the UAE.

16. InterCapital is OptionRally's "servicing" company. Investors who deposit their funds into their trading accounts send funds to InterCapital in London, England.

F. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest

17. The specific allegations advanced by Staff are:

- (a) During the Material Time, the Respondents engaged in the business of trading in securities without being registered to do so contrary to subsection 25(1) of the Act; and
- (b) During the Material Time, the trading of the Respondents was a distribution of securities by the Respondents in circumstances where no preliminary prospectus and no prospectus was filed and receipts had not been issued by the Director contrary to subsection 53(1) of the Act.

18. By their actions, the Respondents violated Ontario securities law and thereby engaged in conduct contrary to the public interest.

19. Staff reserve the right to make such allegations as Staff may advise and the Commission may permit.

Dated at Toronto, this 24th of August, 2017.