

IN THE MATTER OF THE *SECURITIES ACT*,
S.N.B. 2004, c. S-5.5

AND IN THE MATTER OF

MHGG TECH SOLUTIONS LTD (d.b.a. NRG Binary)
and **NRG CAPITAL (CYPRUS) LIMITED**

(Respondent)

STATEMENT OF ALLEGATIONS

(of Staff of the Financial and Consumer Services Commission)

Allegations

1. The Respondents, MHGG Tech Solutions Ltd. and NRG Capital (Cyprus) Limited, both of which have carried-on business using the name NRG Binary, have solicited trading in options in New Brunswick without being registered with the Financial and Consumer Services Commission (the "FCNB"), contrary to the registration requirement under section 45(a) of the *Securities Act*, S.N.B. 2004, c. S-5.5 (the "*Securities Act*").
2. During the course of the solicitation, a representative of MHGG Tech Solutions Ltd. made prohibited representations as to the future value of the options, contrary to section 58(3) of the *Securities Act*.

The Respondents

3. NRG Capital (Cyprus) Limited ("NRG") is a company incorporated in Cyprus and having a head office at Karpensiou Street, 2021, Nicosia, Cyprus. NRG has purported to operate as a private trading and investment company. NRG has never been registered with the FCNB to trade in securities or derivatives in New Brunswick.
4. MHGG Tech Solutions Ltd. ("MHGG") is a company incorporated in the United Kingdom and having a head office at the Premier Business Centre, 47-49 Park Royal Road, London, England. MHGG purports to operate as a private trading and investment company. MHGG has never been registered with the FCNB to trade in securities or derivatives in New Brunswick.

5. NRG operated the website www.nrgbinary.com (the "NRG Binary website") in June of 2014. Since at least 16 December 2014, MHGG has operated the NRG Binary website. At the material times, the NRG Binary website stated that NRG and MHGG were not registered as investment advisors or as broker dealers.

The Solicitations

6. In June of 2014, staff of the Enforcement division of the FCNB were investigating an apparent boiler room operation, which is a type of scheme involving the sale of investment products by aggressive telephone solicitation, often in an abusive or fraudulent manner.
7. An employee of the Enforcement division (the "enforcement employee") registered an assumed name and contact information on the website operated by the apparent boiler room. The contact information provided included an email address that the employee had established for this purpose (the "covert email address") and a telephone number.
8. The covert email address soon began receiving unsolicited offers from multiple sources, many having nothing to do with investments.
9. In June and July of 2014, several emails were sent to the covert email address soliciting the opening of an options trading account through the NRG Binary website. NRG operated the NRG Binary website at this time.
10. On 15 December 2014, the enforcement employee received a call from a representative of NRG Binary. The representative solicited the enforcement employee to open an account and trade binary options through the NRG Binary website. MHGG operated the NRG Binary website at this time.
11. During the 15 December 2014 call, the representative stated that investing in binary options would result in "guaranteed money" and that a \$1,000 investment would generate \$2,000 to \$6,000 per month.
12. The enforcement employee received subsequent telephone calls from representatives of NRG Binary on 17 December 2014 and 29 January 2015. During these telephone solicitations, the representatives aggressively pressed the enforcement employee to open and fund an options trading account at NRG Binary.
13. The NRG Binary website features a "Meet our Analysts" page, which purports to profile four representatives of the firm. The photographs associated with these profiles are in fact stock photos that can be found on many other websites.

Conclusion

14. The activities engaged in by NRG and MHGG warrant that they each be banned from participating in the capital markets in New Brunswick.

Relief sought

15. Staff seek an order pursuant to section 184(1)(c)(ii) and 184(1)(d) that:
- (i) The Respondents cease trading securities and derivatives permanently, or for such period of time as the Financial and Consumer Services Tribunal may deem appropriate; and
 - (ii) Any exemptions contained in New Brunswick securities law do not apply to the Respondents permanently, or for such period as the Financial and Consumer Services Tribunal may deem appropriate.

DATED at the City of Saint John this 2nd day of February 2015.

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