

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of,

SUMMARY ORDER TO
CEASE AND DESIST

MAGNUM OPTIONS a/k/a
HAMPSHIRE CAPITAL VENTURES, LTD,
DENNIS COLLINS, and
MANFORD MARTIN MPONDA.

DFI CASE NO. S-233996 (EX)

Respondents.

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Upon information and belief, Magnum Options, a/k/a Hampshire Capital Ventures, Ltd, (“Magnum Options”) is a private limited company located in the United Kingdom, with a last known address of Fernhills House Todd Street Bury Greater Manchester England BL9 5BJ.¹ Magnum Options is undergoing compulsory liquidation under court order dated October 18, 2017, under the authority of the High Court of Justice Chancery Division, Companies Court case no. LQD5105645.
2. Upon information and belief, Manford Martin Mponda (“Mponda”) is an adult male of Australian nationality, with a last known address of 64 New Cavendish Street, London,

¹ Online research <http://topoptionbroker.com>

United Kingdom, W1G 8TB. At all times material to this Summary Order, Mponda was the director of Magnum Options.

3. Upon information and belief, the sole shareholder of Magnum Options is Swiftriver Capital, Ltd. a/k/a RedTulips Consultants, Ltd., organized under British laws. Swiftriver is currently dissolved.
4. Upon information and belief, Dennis Collins (“Collins”) is an adult male citizen of the United Kingdom with a last known address of Fernhills House Todd Street Bury Greater Manchester England BL9 5BJ. At all times material, Collins was a senior broker with Magnum Options.

Conduct

5. Magnum Options purported to provide a binary options trading platform to the public. Magnum Options is known to have used websites magnumoptions.com and magnumoptions.eu. The websites provided information on how to trade binary options and facilitated trades in binary options by users of the website.
6. The magnumoptions.eu website represented that investors could earn up to 81% per trade on binary options. Investors could choose among various trading options via the Magnum Option platform, such as Call/Put, One Touch, Long Term and 60 Second trading option. According to the website, Magnum Options offered over 100 different stocks, commodities, currencies, and indices to trade.
7. On or about March 2, 2015, a Wisconsin resident (“SR”) visited the magnumoptions.com website after hearing about Magnum Options from a friend. At the time, SR was not familiar with the company or binary options trading. On the same day, SR opened an account with Magnum Options by paying \$500 by credit card.
8. On March 2, 2015, Magnum Options sent SR an automated notification that his “card has been charged 500 USD, on 03/03/2015.” The automated notification further stated that in order for SR to withdraw his profits, he would have to provide the following identification: credit card (copy of front and back), utility bill, and driver’s license or passport. SR provided a copy of the front and back of his credit card and his driver’s license.
9. On or about March 5, 2015, a person identifying himself as Dennis Collins, a Senior Broker of Magnum Options, contacted SR by telephone. Collins asked SR if he would be interested in working with someone who has a lot of experience in trading. Collins emailed SR a screen shot showing a variety of successful binary option trades.

10. SR agreed to authorize Collins to conduct binary option trades in his account for the benefit of SR. Collins informed SR that SR would receive a matching bonus for working with Magnum Options. Collins emailed SR a bonus agreement to sign. SR signed the bonus agreement and emailed it to Collins on March 5, 2015.
11. Subsequently, SR learned Magnum Options charged his credit card \$10,000, which was SR's credit limit on the card. SR did not give Magnum Options permission to charge \$10,000 on his credit card.
12. When SR called Magnum Options to complain about the credit card charges, he was told the company could not help him reverse the charges, but they would help him make the amount of money back in trades.
13. SR disputed the charges with his credit card company. Shortly after the credit card company began its investigation of SR's complaint, Magnum Options cut off SR's access to his online account.
14. SR did not make any withdrawals from his Magnum Options account, and no trades were made by SR or on his behalf by Magnum Options.
15. Magnum Options has not returned the \$10,500 that it charged on SR's credit card despite SR's demands for return of his funds.
16. SR later learned that under the bonus agreement, he could not withdraw his funds from his account until he met the trading requirement of "bonus X 30." If SR's bonus was \$10,000, then he could not access his funds until he met the trading requirement of \$10,000 times 30, or \$300,000. SR does not believe his account could have ever reached that value.
17. Upon receiving SR's complaint, an investigator of the Division emailed Magnum Options' compliance department requesting contact information for the purpose of communicating the Division's regulatory requests and subpoenas.
18. Magnum Options' management refused to comply or cooperate with the Division's request, responding by email dated August 4, 2016 that "We are not regulated in the US and we do not accept US customers. Therefore, our Management team states that we do not need to provide our company details."
19. Magnum Options' statement to the Division that it does not accept US customers is false and misleading as the firm opened an account with SR, a Wisconsin resident, using SR's credit card and driver's license information. Further, at no time did Magnum Options inform SR that it does not accept US customers.

20. Subsequent to the August 4, 2016 email to the Division, Magnum Options failed to provide the requested information despite repeated requests from the Division's investigator.
21. The Magnum Options binary option contracts are investment contract securities as defined by Wis. Stat. § 551.102(28)(d)1., because they constitute an investment in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than the investor.
22. The Magnum Options binary option investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
23. At no time was Magnum Options registered with the Division in any capacity, nor was it registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.
24. At no time was Manford Martin Mponda registered with the Division in any capacity, nor was he registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.
25. At no time was Dennis Collins registered with the Division in any capacity, nor was he registered with the SEC, CFTC, NFA, FINRA, or the Cyprus Securities and Exchange Commission.

B. Conclusions of Law

Legal Authority and Jurisdiction

26. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.
27. Magnum Options transacted business as a broker-dealer as defined under Wis. Stat. § 551.102(4) and DFI Sec. 1.02(5), Wis. Admin. Code.
28. Dennis Collins transacted business as an agent of a broker-dealer as defined under Wis. Stat. § 551.102(2) and DFI Sec. 1.02(5), Wis. Admin. Code.
29. Pursuant to Wis. Stat. § 551.401(1), it is unlawful for a person to transact business in Wisconsin as a broker-dealer unless the person is registered under Ch. 551 as a broker-dealer or is exempt from registration as a broker-dealer under Wis. Stat. § 551.401(2).

30. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for a person to transact business in Wisconsin as the agent of a broker-dealer unless the person is registered under Ch. 551 as an agent or is exempt from registration as an agent under Wis. Stat. §551.402(2).
31. Pursuant to Wis. Stat. § 551.402(4), it is unlawful for a broker-dealer to employ or associate with an agent who transacts business in this state on behalf of broker-dealers unless the agent is registered under Ch. 551 as an agent or is exempt from registration.
32. Pursuant to Wis. Stat. § 551.301, it is unlawful for a person to offer or sell a security in this state unless the security is registered in this state or is an exempt or covered security.
33. Pursuant to Wis. Stat. § 551.501(3), it is unlawful for a person, in connection with the offer, sale or purchase of a security, directly or indirectly, to engage in an act, practice, or course of business that operates as a fraud or deceit upon another person.

Violations

34. Through the conduct described above, Magnum Options violated Wis. Stat. § 551.401(1) by transacting business as a broker-dealer in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.401(2).
35. Through the conduct described above, Dennis Collins violated Wis. Stat. § 551.402(1) by transacting business as an agent of a broker-dealer in Wisconsin without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.402(2).
36. Through the conduct described above, Magnum Options and Manford Martin Mponda violated Wis. Stat. § 551.402(4) by employing or associating with an agent who transacts business in this state without being registered under Ch. 551 or exempted from registration under Wis. Stat. § 551.402(2).
37. Through the conduct described above, Magnum Options and Dennis Collins violated Wis. Stat. § 551.301 by offering and selling unregistered securities in this state to a Wisconsin investor.
38. Through the conduct described above, all Respondents violated Wis. Stat. § 551.501(3) by conducting their businesses, in connection with the offer and sale of securities, so as to operate a fraud and deceit upon SR.

III

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Summary Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED that RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as federal covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).
- (b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by any of the RESPONDENTS, their agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- (c) IT IS FURTHER ORDERED that RESPONDENTS, their successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of any RESPONDENT, shall cease and desist from violating Wis. Stat. § 551.501 or successor statute.
- (d) PLEASE TAKE NOTICE that the summary orders of the Administrator are effective as of the date of issuance of this order, pursuant to Wis. Stat. § 551.604(2). You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

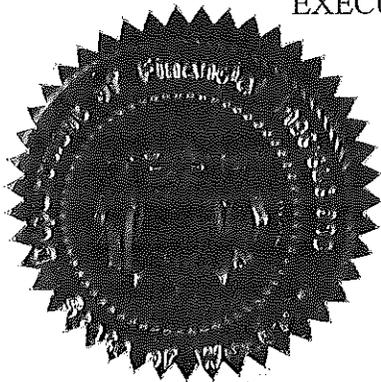
B. Service of Order

- (e) IT IS FURTHER ORDERED that this order shall be sent promptly by registered mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06. This order shall also be served upon the office of the administrator pursuant to Wis. Stat. § 551.611.
- (f) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail.

C. Notice of Hearing Rights

- (g) PLEASE TAKE NOTICE that you have the right to request a hearing. Every request for a hearing shall be in the form of a petition with the Division, pursuant to Wis. Admin. Code § DFI-Sec. 8.01. A petition for a hearing to review the order shall:
 - (1) Plainly admit or deny each specific allegation, finding or conclusion in the order and incorporated papers. However, if the petitioner lacks sufficient knowledge or information to permit an admission or denial, the petition shall so state, and that statement shall have the effect of a denial; and
 - (2) State all affirmative defenses. Affirmative defenses not raised in the request for hearing may be deemed waived.
- (h) PLEASE TAKE FURTHER NOTICE that, within 15 days after receipt of a request in a record from you, the matter will be scheduled for a hearing or other public administrative proceedings, pursuant to Wis. Stats. §§ 551.604(2) and (3).
- (i) PLEASE TAKE FURTHER NOTICE that if you do not request a hearing and none is ordered by the Administrator within 30 days after the date of service of this order, the findings of fact, conclusions of law, and summary orders, become final as by operation of law, pursuant to Wis. Stat. §551.604(2).

EXECUTED at Madison, Wisconsin, this 11th day of January, 2018.



Leslie M. Van Buskirk

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703



State of Wisconsin
Department of Financial Institutions

Scott Walker, Governor

Jay Risch, Secretary

AFFIDAVIT OF SERVICE

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

- 1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by registered mail upon each Respondent at the Respondent's last known address:
i. SUMMARY ORDER TO CEASE AND DESIST, DFI Case No. S-233996 (EX); and
ii. A copy of this Affidavit of Service.
3. I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities, pursuant to Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07. I further aver that this service of process upon the Administrator is in compliance with Wis. Stat. § 551.611(3).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi signature
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 11th day of January, 2018.

Robin S. Jacobs signature

Notary Public, State of Wisconsin

My commission is permanent.

