



British Columbia Securities Commission

Citation: 2013 BCSECCOM 266

Notice of Hearing

Strategic Global Investments (d.b.a. SGI Traders SA) (the Respondent)

Section 161 of the *Securities Act*, RSBC 1996, c. 418

¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondent under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

The Respondent

1. Strategic Global Investments (SGI) claims to be a Chicago-based investment firm in the business of foreign exchange and commodities trading.
2. SGI never registered in any capacity under the Act.
3. Three British Columbia residents lost a total of \$80,000 investing in SGI's scheme.

Overview of the Scheme

4. During the summer of 2012, SGI representatives cold-called three B.C. residents and convinced them to invest in gold options.
5. SGI sent investors instructions on how to wire cash to the company's bank account in Costa Rica. Investors followed the instructions and sent SGI their money.
6. Representatives tried to persuade investors to send additional funds by telling them that their initial purchases had earned huge returns. One investor was talked into sending a further \$58,000 to SGI.
7. All three investors tried to get their money back. They called the company but no one answered the phone. The representatives, when they did call back, supplied various excuses for not delivering the proceeds including:
 - The investor owed U.S. taxes
 - SGI was merging with another company



- The authorities were investigating the investor for money laundering because he made too much money too quickly
8. One victim sent \$13,000 to deal with the U.S. taxes but still did not get any money back.
 9. To date, not a single investor has recovered a cent from SGI.

SGI is not a Legitimate Business

10. Through its website, SGI made the following claims:
 - That it has been doing business since 1998 with clients in over 70 countries
 - That it trades commodities and foreign exchange
 - That it has a head office in Chicago
 - That investors are in control of their money at all times
11. In reality:
 - SGI's website was not created until June, 2012
 - SGI never registered to trade commodities and foreign exchange with the National Futures Association, the Commodities Futures Trading Commission, or the B.C. Securities Commission
 - The head office listed on the website belongs to a Virtual Office Company that never leased the space to SGI
 - Despite asking for their money back, Investors haven't received any funds, haven't heard from SGI in months, and its website is no longer accessible

Misconduct

Fraud

12. By engaging in the conduct described in this Notice of Hearing, SGI perpetrated a fraud contrary to s. 57(b) of the Act.

Unregistered Trading

13. By soliciting trades without being registered, SGI violated s. 34 of the Act.
14. The Respondent's conduct described in this Notice of Hearing is contrary to the public interest.

Orders Sought

15. It is in the public interest to issue orders against SGI under sections 161 and 162 of the Act.



Hearing Process

- ¶ 2 The Respondent or its counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Wednesday, September 3, 2013, at 9:00 am if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.

- ¶ 3 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of its intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

- ¶ 4 If the Respondents or its counsel does not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondent may be made in its absence.

- ¶ 5 August 13, 2013.

Paul C. Bourque

- ¶ 6 Paul C. Bourque, Q.C.
Executive Director