

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91938 / May 19, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20319

In the Matter of

**GIL BESERGLIK, RAZ
BESERGLIK AND KAI
CHRISTIAN PETERSEN**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Gil Beserglik, Raz Beserglik, and Kai Christian Petersen (collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings and the findings contained in paragraph III.5 below, which are admitted, Respondents consent to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds that:

1. Respondent Gil Beserglik is a 64 year old Israeli citizen who, along with Respondent Raz Beserglik and Respondent Kai Christian Petersen, owned, operated, and/or controlled internet binary option brokers doing business as Bloombex Options, Morton Finance and Starling Capital ("the Bloombex Brokers"). The Bloombex Brokers engaged in the business of effecting transactions in securities, called binary options, for the accounts of others through three telephone call centers, which solicited investors for the Bloombex Brokers through the means or instrumentalities of interstate commerce. The call centers are: (a) TS Trading Services, GmbH (a German corporation); (b) MI6, GmbH (a German corporation); and (c) Five Stones Monopoly Marketing, Ltd. (an Israeli corporation) (collectively, the "Call Centers").

2. Respondent Raz Beserglik is a 35 year old Israeli citizen. Along with Respondent Gil Beserglik and Respondent Kai Christian Petersen, he owned, operated and/or controlled the Bloombex Brokers, and he operated the Five Stones Monopoly Marketing, Ltd. call center.

3. Respondent Kai Christian Petersen is a 53 year old German citizen. Along with Respondent Gil Beserglik and Respondent Raz Beserglik, he owned, operated and/or controlled the Bloombex Brokers, and he operated the TS Trading Services GmbH and the MI6, GmbH call centers.

4. The Respondents, the Bloombex Brokers and the Call Centers have never registered with the Commission in any capacity, including as a broker or dealer, and they have never been associated with a broker or dealer registered with the Commission.

5. On September 26, 2019, the Commission filed a complaint against the Respondents in *Securities and Exchange Commission v. Kai Christian Petersen, et al.* (Case No, 19-cv-08334) in the United States District Court for the Central District of California. On April 20 and April 21, 2021, the court entered, by consent, final judgments permanently enjoining Respondents from, among other things, future violations of Section 5 of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder.

6. The Commission's complaint alleged that between October 2014 and August 2017 (the "Relevant Period"), among other things, Respondents owned, operated, and/or were controlling persons of the Bloombex Brokers and the Call Centers. During this period, the Bloombex Brokers and the Call Centers each functioned as binary option brokers offering and selling securities-based binary options without being: (a) registered with the Commission as a broker or dealer or (b) associated with a registered broker or dealer.

7. The complaint further alleged that during the Relevant Period the Bloombex Brokers, the Call Centers, and their employees: (a) made unregistered offers and sales of

securities-based binary options to investors in the United States; (b) made false and misleading statements to investors who deposited funds to buy and trade binary options; and (c) used manipulative devices to solicit deposits and encourage investors to trade binary options.

IV

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondents be, and hereby are barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and are barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondents will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondents in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary