



BOILER ROOMS: THE FSMA WARNS THE PUBLIC AGAINST VARIOUS COMPANIES ENGAGING IN UNAUTHORIZED ACTIVITIES IN BELGIUM

The Financial Services and Markets Authority (FSMA) warns the public against the activities of various "boiler rooms" and "recovery rooms" that are contacting Belgian consumers.

Companies operating unlawfully and against which the FSMA warns the public are the following:

- [Amicus Investment](#)
- [Asashi Mergers & Acquisitions Group](#)
- [Atlantic Global Asset Management](#)
- [Brookfield99 / Brookfield Investment Management \(cloned firm\)](#)
- [Capital Invest Europe](#)
- [Cressman Financial Group / Tian Xi Fu Limited / Hongkong Ztwow Trade Limited](#)
- [Eastern Quay Asset Management](#)
- [Fujitsu Global / Asian Mercantile Exchange / Centric Limited](#)
- [Global Consulting Europe](#)
- [Monex Financial / Monex BMO Securities / Symando Corporation Limited / DFAN Limited](#)
- [Nikko Desjardins Asset Management / Xieze International Trading Limited / Gradual Investments Limited](#)
- [Red Shield Financial / Rong Aviva Limited](#)
- [Rubin Dunn](#)
- [Tatsuno International](#)
- [Thornwood Financial / Long Will Limited](#)
- [William Paulstern / Camdan Limited](#)

The above companies are not authorized investment firms in Belgium and may under no circumstances offer investment services in or from within Belgium.

Moreover, according to information in the possession of the FSMA, these companies may be "boiler rooms".

We wish to reiterate that **boiler-room fraud** is a type of fraud that generally involves contacting consumers unsolicited, often by telephone, offering to sell them shares or other financial products. In recent times, the services being offered have been diversifying. Products being offered also include: management accounts, term deposit accounts, investment advice, investment in crowdfunding, etc. Although the boiler rooms claim to be an authorized service provider with a professional website and forms to fill out, they are in reality swindlers who offer fictitious or worthless shares or products. As a rule, the consumer is enticed to make an initial, limited investment that very soon appears to be profitable. After that, the consumer is asked to make more and more additional investments. But unlike with the first, limited investment, the new investments lose money and/or when a consumer asks for his or her money back, it turns out to be impossible unless he or she makes further payments.



Fraudsters running such operations often do not hesitate to put the consumer under severe pressure (hence the term "boiler room"). **In any event, the consumer never recovers the amounts invested.**

The FSMA has noted that these "boiler rooms" appear to be targeting company managers and directors in particular.

For these reasons, the FSMA **strongly advises against responding to any offers of financial services made by the companies listed above and against transferring money** to any account number they might mention.

By way of illustration, in what follows we present two testimonies by victims of this type of fraud:

"Here is a brief account that in my view is a classic scenario of boiler room fraud, a phenomenon that was previously unknown to me.

Some time in July, I was contacted by telephone by a so-called employee of the London department of The Wall Street Journal, who asked me whether I was interested in investments and approximately how much capital I had at my disposal.

In early August, I received a phone call from a 'trader', a certain 'Alex Hall' portfolio manager who sought to interest me in making a modest investment of about 5,000 euros in Geely Hong Kong. The firm he worked for was Nikko-Desjardins Asset Management, with registered office in Toronto, Canada and its head office in Tokyo, Japan (<http://www.nikkoholdings.com>).

*I was a bit suspicious and began to look into the firm thoroughly on the internet. Everything appeared to be in order. **The company had an attractive website, worked with very professional documents and appeared on the Bloomberg list of private companies.** The investment in Geely Hong Kong also appeared to me solid, and I decided to look into the offer. This was on 5 August 2016.*

On 18 August, I was contacted by phone by a person named 'Stuart Poulson', head of investments in Tokyo, who told me that from then on he would be looking after my interests. The shares in Geely that I had bought for HK\$ 5 each were now worth HK\$ 6.50, and so I was very satisfied with my investment. Stuart Poulson suggested taking over these shares for HK\$ 9. A very lucrative proposal. The condition was, however, that I invest that sum, along with additional funds, in a new company that he had helped establish. This was the 'Lithium Energy Technology. [Private: LEIT]' company. Initially, Mr Poulson wanted me to acquire a block of 50,000 shares, with a total value of EUR 50,000, for my portfolio. I immediately made it clear that I had no intention of doing so, whereupon he agreed to an additional investment on my part of EUR 11,369.57, so that I would have a block of 20,000 shares with a value of EUR 1.00 per share.

On 14 September, Mr Poulson phoned me back with the good news that a takeover of Lithium Energy Technology was in progress, and that the bidder wanted to pay up to EUR 3 per share. The bidder wished to deal only with investors who owned at least 100,000 shares. His first request was therefore that I expand my packet of 20,000 shares to 100,000, which I immediately refused. He then offered me an alternative. He knew someone else in the same situation and with whom I might be able to form a block of 100,000 shares, with each owning 50,000. I would have to put in EUR 30,300 more as soon as possible. Poulson also told me that if I did not take up this offer, the value of my portfolio would be questionable.

On 21 September, I therefore paid in EUR 30,300 in order to bring my portfolio up to 50,000 shares. On Tuesday, 11 October, I received a call once again from Stuart Poulson with the news that the negotiations



*with the bidder were complete and the contracts would be signed. **But there was a little problem.** The partner who was to form a block with me had bowed out. So I was asked urgently to invest an additional EUR 50,500 in order to complete the block of 100,000 shares. I refused to do so, but Poulson let me know that the bidder would engage in asset stripping and that after the takeover my shares would be worthless, and moreover that they were not really transferable, given that this was a private company. At that point I did become very suspicious, albeit a bit late. **The website of Nikko-Desjardins has existed for just 1 year, and before 2015 there were no traces of the firm.** I came across the scenario of “boiler room fraud” online, which corresponded exactly to my own experience. Although I had promised them to purchase 50,000 more shares, but have no intention of course of doing so”.*

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*“At the end of August, the Eastern Quay Asset Management firm, or EQasset Management in short, contacted me to invest in a ‘professional’ manner in shares. **I hesitated for a long time, but because the amounts were initially quite low, I decided nonetheless to do so, partly because their website came across as very professional, and I had my own portal where I could track everything.** I also checked the figures via the stock exchanges and all their figures seemed in order. **Their administration was also perfectly well organized,** and I even received a separate proof of receipt for each payment. At a given point, I did become suspicious and asked [someone] living in Hong Kong to go on site in Guangzhou to make enquiries. **It turned out that the address is fake.** Afterwards I learned that the Dutch television programme “Opgelicht” had already aired a report on the affair”.*

The FSMA also advises would-be investors to consult its **general recommendations**, which were restated recently in the [warning](#) it published on 7 November 2016.

More than ever, then, prudence is necessary. In case of any doubt, don't hesitate to contact the FSMA using the [contact form](#) on the website of the FSMA. As well, please feel free to notify it should you come across a suspicious company that has not yet been the subject of a warning by the FSMA.

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