



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED**

– AND –

**IN THE MATTER OF M P GLOBAL FINANCIAL LTD.,
AND JOE FENG DENG**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

I. THE RESPONDENTS

1. M P Global Financial Ltd. (“MP Global”) is an Ontario Corporation. It was incorporated on February 8, 2006 and is located in Markham, Ontario. Its business is the delivery of financial services. It is not a reporting issuer in Ontario. It has never been a registrant pursuant to the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).

2. Joe Feng Deng also known as Feng Deng and Yue Wen Deng (“Deng”) is an individual who sells investment and insurance products. He resides in the Province of Ontario. He is the sole owner and director of MP Global. From May 27, 2004 to June 20, 2006, he was registered as a salesperson under the category of Mutual Fund Dealer with Excel Financial Growth Inc. He was also registered as a salesperson, effective July 25, 2006, and as a branch manager, effective July

18, 2007, under the categories of Mutual Fund Dealer and Limited Market Dealer until July 31, 2008 with Info Financial Consulting Group Inc. (“Info Financial”).

II. ALLEGATIONS

3. Staff allege that MP Global and Deng (collectively “the Respondents”):
 - (a) acted as an adviser without the proper registration or an appropriate exemption from the registration requirement contrary to section 25(1)(c) of the Act;
 - (b) traded in securities without the proper registration or an appropriate exemption from the registration requirement contrary to section 25(1)(a) of the Act; and
 - (c) traded securities which were distributions of securities without having filed a preliminary prospectus and a prospectus or having an appropriate exemption from the prospectus requirement contrary to section 53(1) of the Act.
4. Staff allege that Deng, as a director of MP Global, authorized, permitted or acquiesced in the conduct of MP Global contrary to Ontario securities law.

III. PARTICULARS OF ALLEGATIONS

Unregistered Advising and Trading and Illegal Distribution

5. Between 2006 and February 28, 2009, the Respondents traded Guarantee Corporation Debentures issued in the name of MP Global to more than 150 individuals. By these trades, the Respondents raised at least CAD 17,827,567 and at least USD 2,210,788. Investors paid for the Debentures primarily by cheques or bank drafts made payable to MP Global.
6. The Respondents advised investors that, depending on the amount of money they invested, they could expect a monthly return of 1% to 4% (12% to 48% annually).
7. MP Global maintained an online website at www.mpgf.com. As at April 1, 2009, the “about us” section stated:

Who are we?

MP Global Financial is a fully integrated wealth management organization that focuses on building financial prosperity. Founded in 2004, MP Global Financial is one of Canada's fastest growing wealth management companies and our sound history is complemented by a proven track record of accomplishment. We strive to achieve global recognition with branches in Toronto Canada, California USA, and Hong Kong China.

Over the years, we have built trust within the communities and successfully launched our own product, the MP Global Corporate Bond, which promises a definite percentage of return and provides protection against lost of wealth accumulation. We are now managing more than \$100 million USD and over \$1 billion of assets under management.

What do we do?

We offer tailored products that meet the independent financial needs of our investors. We are devoted to provide [sic] a safeguard and protection of capital for those seeking for short or long term financial plans. We provide a broad range of investment services to investors through mutual funds, insurance, fixed income equities, and segregated funds.

8. Through the website, through the promotional material they distributed to the public and through the discretionary manner in which they invested funds raised from investors, the Respondents engaged in or were holding themselves out to be engaged in the business of advising others as to investing in or the buying or selling of securities without being registered to act as an adviser.
9. During the period of time that MP Global raised the monies by the sale of the Debentures to investors, it was not registered to trade securities and did not qualify for an exemption from the registration requirement.
10. Until July 31, 2008, Deng was registered as a Mutual Fund Dealer and Limited Market Dealer with Info Financial.
11. The trades of the Debentures were not processed through Info Financial. Furthermore, Deng traded the Debentures after July 31, 2008 when he was not registered to trade securities in any capacity.

12. The Respondents traded the Debentures which were distributions of securities without having filed a preliminary prospectus and a prospectus and without an appropriate exemption from the prospectus requirement.

(b) Use of Funds

13. The funds raised by the Respondents were used as follows:

(a) CAD 8,957,667 and USD 2,503,288 were paid to investors (the funds of investors were used to make interest payments or to return capital to other investors);

(b) CAD 2,053,784 and USD 5,283,442 were paid to Forex.com for foreign exchange trading;

(c) CAD 595,133 and USD 1,428,099 were paid to Deng or to his personal benefit,

(d) CAD 383,044 and USD 108,900 were spent on credit card payments; and

(d) CAD 2,928,673 and USD 737,135 were used for unknown purposes.

14. The funds received by the Respondents through the sales of the Debentures were not used exclusively for the purposes which had been represented to investors.

15. MP Global did not have the “\$100 million USD and over \$1 billion of assets under management” as advertised on its website.

16. MP Global no longer appears to have assets sufficient to repay investors.

IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

17. Staff allege that the Respondents:

(a) acted as an adviser without the proper registration or an appropriate exemption from the registration requirement contrary to section 25(1)(c) of the Act;

(b) traded in securities without the proper registration and without an appropriate exemption from the registration requirement contrary to section 25(1)(a) of the Act; and

(c) traded securities which trades were distributions of securities without filing and obtaining a receipt for a preliminary prospectus and prospectus and without an appropriate exemption from the prospectus requirement contrary to section 53(1) of the Act.

18. Staff allege that Deng, as a director of MP Global, authorized, permitted or acquiesced in the conduct of MP Global contrary to Ontario securities law.

19. Staff allege that the conduct of the Respondents was contrary to Ontario securities law and thereby contrary to the public interest.

20. Such additional allegations that Staff may make and the Commission may permit.

Dated at the City of Toronto, this day of September, 2009