

## State of New Hampshire

## **Department of State Bureau of Securities Regulation**

107 North Main Street, State House Rm. 204 Concord, NH 03301-4989

Telephone: (603) 271-1463. Fax: (603) 271-7933

FOR IMMEDIATE RELEASE

CONTACT: Jeff Spill
Deputy Director
(603) 271-1463

## BUREAU OF SECURITIES ISSUES INVESTOR ALERT REGARDING SECURITIES SALES BY CALIFORNIA FIRMS

## FRAUD AND SALE OF UNREGISTERED SECURITIES ALLEGED

**CONCORD, NH (January 24, 2014) -** The New Hampshire Bureau of Securities Regulation is issuing an investor alert regarding three companies that were issued a Desist and Refrain Order by the state of California. The companies are World Markets Capital, Inc, WCM777, Inc., and WCM777 Limited, all based in Pasadena, California.

Since March 7, 2013, these companies have allegedly solicited the public, using the Internet and live presentations, to purchase membership units that allow access to online cloud services. Buyers were purportedly paid daily returns over a 100-day period in the form of profit-sharing, bonuses, and commissions. The most expensive and widely-purchased investment offered a100-day return of 60%. At the close of the period, investors were allowed to roll over their investments. The firms claim their income came from various businesses, including merchant banking. However, California states that 99% of the companies' income was from the sale of membership units.

California alleges the membership units are securities that were not registered. Also, the WCM companies made written and oral misstatements to investors that their activities were not under the jurisdiction of the US Securities and Exchange Commission or the Federal Trade Commission. In addition, the companies did not disclose that their only major source of income

New Hampshire Bureau of Securities Regulation

January 27, 2014

Page 2 of 2

was the sale of membership units and that they did not have a contract with Siemens for cloud

services. No findings have been issued yet on the allegations contained in the Desist and Refrain

Order.

The Bureau has issued this alert to notify any New Hampshire residents who may have invested

with the WCM companies. If you believe you purchased membership units or other investments

or products from these companies, you should contact the Bureau at 603-271-1463.