

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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In the Matter of)	CFTC DOCKET NO. SD 01-02
)	
TRENDSYSTEMS, INC.,)	
)	
Registrant.)	
)	

NOTICE OF INTENT TO SUSPEND, REVOKE, OR RESTRICT
TRENDSYSTEMS, INC.'S REGISTRATION
AS A COMMODITY TRADING ADVISOR

I.

The Commodity Futures Trading Commission ("Commission") has received information from its staff which tends to show, and the Commission's Division of Enforcement ("Division") alleges and is prepared to prove, that:

1. Trendsystems, Inc. ("Trendsystems") maintained its principal place of business at 205 W. Forsyth St., Americus, GA 31709.
2. Since January 28, 1999, Trendsystems has been registered with the Commission as a commodity trading advisor ("CTA"), pursuant to Section 4n of the Commodity Exchange Act, as amended (the "Act"), 7 U.S.C. § 6n (1994).
3. On October 24, 2000, the Commission filed a four count injunctive action in the U.S. District Court for the Middle District of Georgia against Trendsystems, Inc. and James Stephens, III ("Stephens"), case number 1:00 CV 0184-4 (WLS).
4. On August 21, 2001, the court entered an Order of Permanent Injunction and Other Equitable Relief, By Consent, Against Trendsystems and Stephens ("Consent Order"). The

Consent Order permanently enjoins Trendsystems and Stephens from further violating Sections 4b(a)(i)-(iii), 4c(b), and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii), 6c(b), and 6o (1) (1994) and Sections 4.30 and 33.10 of the Regulations, 17 C.F.R. §§ 4.30 and 33.10 (2000). The Consent Order also permanently enjoins defendants from participating in the futures industry in any registered or exempt capacity -- except as provided for in Regulation 4.14(a)(9), 17 C.F.R. 4.14(a)(9) (2000), soliciting or accepting funds from any person in connection with commodity futures trading, and controlling or directing the trading or any commodity interest account on behalf of any other person. The Consent Order also prohibits the defendants, for a period of ten years, from entering into any commodity futures or options transaction for their own personal account, or for any account in which they have a direct or indirect interest.

5. The facts set forth in paragraphs 3 and 4 above constitute a basis for statutory disqualification from registration under Section 8a(2)(C) of the Act, 7 U.S.C. § 12a(2)(C), pursuant to which any current registration of Trendsystems may be suspended, restricted or revoked.

II.

Pursuant to Section 3.60(a), 17 C.F.R. § 3.60(a) (2000), Trendsystems is hereby notified that a public proceeding shall be conducted in accordance with the provisions of Commission Regulation 3.60, 17 C.F.R. § 3.60 (2000), on the following questions:

1. Whether Trendsystems is subject to statutory disqualification from registration under Section 8a(2)(C) of the Act, as set forth in Section I, above; and
2. If the answer to question 1 is affirmative, whether the registration of Trendsystems as a CTA should be conditioned, suspended, restricted or revoked. Such proceeding shall be held before an Administrative Law Judge, in accordance with Commission Regulation 3.60, 17 C.F.R.

§ 3.60 (2000), and all post-hearing procedures shall be conducted pursuant to Commission Regulation 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j) (2000).

In accordance with the provisions of Commission Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3) (2000), Trendsystems is entitled to file a response challenging the evidentiary bases of the statutory disqualification or show cause why, notwithstanding the accuracy of the allegation, its registration should not be suspended, revoked, or restricted. Such response must be filed with the Hearing Clerk, Office of Hearings and Appeals, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and served upon Karen Kenmotsu, Trial Attorney, Division of Enforcement at the same address, within thirty (30) days after the date of service of this Notice upon Trendsystems in accordance with the provisions of Commission Regulation 3.60(b). If Trendsystems fails to file a timely response to this Notice, the allegations set forth herein shall be deemed to be true and the presiding officer may issue an Order of Default in accordance with the provisions of Commission Regulation 3.60(g), 17 C.F.R. § 3.60(g)(2000).

III.

The Hearing Clerk shall serve this Notice of Intent to Suspend, Revoke, or Restrict Registration by registered or certified mail pursuant to Commission Regulation 3.50, 17 C.F.R. § 3.50 (2000).

By the Commission.

Jean A. Webb
Secretary to the Commission
Commodity Futures Trading Commission

Dated: August 24, 2001