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Attorneys for Profit Partners, Inc

FILED
CLERK, U.S. DISTRICT COURT
FEB 20 2004
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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FEB 24 2004
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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CLERK, U.S. DISTRICT COURT
FEB 13 2004
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

11 COMMODITY FUTURES TRADING
12 COMMISSION,

14 Plaintiff.

16 Vs

18 PROFIT PARTNERS, INC.

20 Defendant.

Civil Action No. 03CV-9190LGB

CONSENT ORDER

DOCKETED ON CM
FEB 24 2004
BY Bg 810

CONSENT ORDER

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**CONSENT ORDER OF PRELIMINARY INJUNCTION
AND OTHER ANCILLARY RELIEF AGAINST
DEFENDANT**

SCANNED

Plaintiff, Commodity Futures Trading Commission ("Commission" or "CFTC"), has filed a Complaint against Defendant Profit Partners, Inc. ("PPI") seeking injunctive and other equitable relief for violations of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. §§ 1 et seq. (2001). Specifically, the Complaint alleges that the Defendant has engaged, is engaging, or is about to engage in acts and practices which violate Sections 4o(1) of the Act, U.S.C. § 6o(1) (2001), and Commission Regulations 4.16 and 4.41, 17 C.F.R. Section 4.16 and 4.41.

Defendant, without admitting the allegations of the Complaint for the purposes of this Consent Order of Preliminary Injunction and Other Ancillary Relief ("Order"), consent to the entry of this Order and state that its consent is entered voluntarily and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, to induce consent to this Order.

THE PARTIES AGREE AND THE COURT FINDS THAT:

1. This Court has jurisdiction over the subject matter of this action and all parties hereto pursuant to Section 6c(a) of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 13a-1(a) (2001), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder. Venue properly lies with this Court pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), in that Defendant is found in, inhabits, or transacts business in

CONSENT ORDER

1 this district, and the acts and practices alleged to be in violation of the Act have occurred, are
2 occurring, or are about to occur within this district, among other places.

3 2. Profit Partners Inc. will enter its appearance and file a responsive pleading no
4 later than March 19, 2004.

5
6 3. Defendant waives the entry of findings of facts and conclusions of law for
7 purposes of this Order pursuant to Rule 52 of the Federal Rules of Civil Procedure.

8
9 **IT IS THEREFORE ORDERED THAT:**

10 1. Until a final adjudication on the merits may be had, Defendant is restrained and
11 enjoined from directly or indirectly from:

12 a) Employing any device, scheme, or artifice to defraud any client or
13 prospective client, or engaging in any transaction, practice, or course of business which
14 operates as a fraud or deceit upon any client or prospective client, by use of the mails or
15 any means or instrumentality of interstate commerce, while acting as a commodity
16 trading advisor, in violation of Section 40(1) of the Act, 7 U.S.C. § 60(1), and 17 C.F.R.
17 Section 4.41(a); and

18
19 b) Representing or implying in any manner whatsoever that the Defendant
20 has been sponsored, recommended or approved, or that its abilities or qualifications
21 have in any respect been passed upon, by the Commission, the Federal Government, or
22 any agency thereof, in violation of Commission Regulation 4.16, 17 C.F.R. Section
23 4.16.

24
25 2. Until a final adjudication on the merits may be had, Defendant is restrained and
26 enjoined from directly or indirectly destroying, mutilating, concealing, altering or disposing of,
27 in any manner, any of the books and records, documents, correspondence, brochures, manuals,
28

CONSENT ORDER

1 electronically stored data, tape records or other property of PPI, wherever located, including all
2 such records concerning the Defendant's business operations, until further order of the Court,
3 and
4

SCAMER

5 3. The injunctive provisions of this Order shall be binding on PPI, upon any person
6 insofar as he or she is acting in the capacity of officer, agent, servant, employee or attorney of
7 PPI, and upon any person who receives actual notice of this Order by personal service,
8 facsimile or otherwise insofar as he or she is acting in active concert or participation with PPI.
9

10 4. Defendant is directed to allow representatives of the Commission, when and as
11 requested by those representatives, to inspect the books, records and other electronically
12 stored data, tape recordings, and other documents of Defendant and his agents,
13 including all such records of his business operations, wherever they are situated and
14 whether they are in the hands of Defendant or others and to copy said documents, data,
15 and records either on or off the premises where they may be located.
16

17 5. It is further ordered that this Order may be served by facsimile transmission,
18 courier service, certified, registered or first class mail or personal service.

19 6. This Order shall remain in effect until further order of the Court.

20 **IT IS SO ORDERED.**

21
22 DATED: February 20, 2004

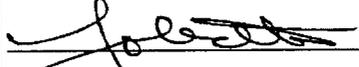

The Honorable Lourdes G. Baird
UNITED STATES DISTRICT JUDGE

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CONSENT ORDER

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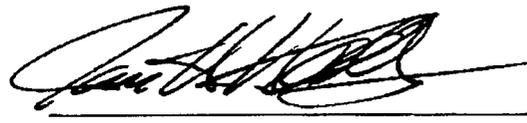
CONSENTED TO AND APPROVED BY:



John Cotton
Cotton & Gundzik, LLP
801 S. Figueroa St.
14th Floor
Los Angeles, CA 90017

Dated: February 3rd, 2004

Attorney for Defendant Profit Partners, Inc.



James H. Holl, III
Senior Trial Attorney
Rachel Entman
Trial Attorney
Commodity Futures Trading Commission
1155 21st St, NW

Washington, D.C. 20581

Dated: February 6th, 2004

SCANNED

1 PROOF OF SERVICE

2 I declare that I am employed in the County of Los Angeles, California. I
3 am over the age of eighteen years and not a party to the within case; my business
4 address is: Cotton & Gundzik LLP, 801 South Figueroa Street, 14TH Floor, Los
5 Angeles, California 90017.

6 On February 13, 2004, I served the following document(s) described as:

7 Consent Order

8 on the following interested parties in this action:

9 James H. Holl, III
10 Commodity Futures Trading Commission
11 155 21st Street, NW
12 Washington DC 20581

13 (BY TELEFACSIMILE TRANSMISSION) at approximately
14 AM PM, from the telefacsimile transmitting machine at the
15 offices of Cotton & Gundzik, LLP, 725 S. Figueroa Street, Suite 3400, Los
16 Angeles, California 90017 [facsimile number (213) 623-6699], to the attention of
17 the following interested parties in this action, at addressee's facsimile no.:

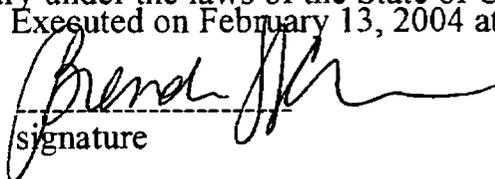
18 This transmission was reported as complete and without error. The
19 attached transmission confirmation report was properly issued by the transmitting
20 facsimile machine.

21 (BY OVERNIGHT DELIVERY)
22 BY FEDERAL EXPRESS DELIVERY
23 BY UNITED STATES EXPRESS MAIL
24 BY EXPRESS DELIVERY SERVICE

25 (BY MAIL) (BY CERTIFIED MAIL) by placing a true copy thereof in
26 a sealed envelope with postage fully prepaid. I am readily familiar with the
27 business practice of Cotton & Gundzik L.L.P. for collection and processing of
28 correspondence for mailing with the United States Postal Service, and the
correspondence would be deposited with the United States Postal Service that
same day in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California
that the foregoing is true and correct. Executed on February 13, 2004 at Los
Angeles, California.

Brenda w, Chow
name


signature