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U.S. DISTRICT COURT  
SOUTHERN DIST. OHIO  
EAST. DIV. COLUMBUS

**In The United States District Court  
For The Southern District Of Ohio  
Eastern Division**

Commodity Futures Trading Commission,  
Plaintiff,

vs.

MARIN ILLIEV YANEV, individually  
and  
d/b/a FX UNIGMA, INC. and FX  
WORLD, INC.

Defendants.

Civil Action No: **C2 05 900**

**JUDGE WATSON**

Complaint For Injunctive And ~~ADMINISTRATIVE~~ JUDGE KING  
Other Equitable Relief And  
Civil Monetary Penalties Under  
The Commodity Exchange Act,  
7 U.S.C. § 1 *et seq.* (2002)

**I. SUMMARY**

1. This is a civil action brought by Plaintiff Commodity Futures Trading Commission ("Commission"), an independent regulatory agency of the United States, to enforce claims brought under the Commodity Exchange Act ("Act"), 7 U.S.C. § 1 *et seq.* (2002), and the Commission's Regulations ("Regulations"), 17 C.F.R. § 1 *et seq.* (2004).

2. Since at least December 2003, defendant Marin Illiev Yanev, individually and doing business as FX Unigma, Inc. and FX World, Inc. ("Yanev"), has operated two websites in the names of "FX Unigma" and "FX-World" ([www.fx.unigma.com](http://www.fx.unigma.com) and [www.fx-world.com](http://www.fx-world.com)) through which Yanev has solicited funds from retail customers to engage in speculative trading of foreign currency ("forex") futures contracts through purportedly managed accounts. During

the course of these solicitations, defendant Yanev, through his websites, made material misrepresentations of fact, including the existence of the purported managed accounts, the profitability of the defendants' trading advice and the managed accounts' history of profitability. Defendant Yanev also misrepresented or failed to disclose material facts concerning, among other things, the performance record of FX Unigma, the location of FX Unigma's offices, and the longevity of FX Unigma's managed account operations.

3. By reason of his conduct, defendant Yanev is directly liable for violations of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002), and Regulation 1.1(b)(1) and (3), 17 C.F.R § 1.1(b)(1) and (3) (2004), by cheating or defrauding or attempting to cheat or defraud customers or prospective customers in the managed account program, and willfully deceiving or attempting to deceive customers or prospective customers.

4. Each fraudulent or misleading representation or omission and each scheme, transaction or practice or course of business that operated as a fraud or deceit employed by the defendant, including those specifically alleged herein, are alleged as separate and distinct violations of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002), and Regulation 1.1(b)(1) and (3), 17 C.F.R §§ 1.1(b)(1) and (3) (2004).

5. The Commission brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), to enjoin the unlawful acts and practices of defendant Yanev and to compel his compliance with the Act and Regulations thereunder. The Commission also seeks an order barring Yanev from engaging in any commodity-related activity, including soliciting new customers or customers' funds. In addition, the Commission seeks the entry of an order requiring the defendant to pay civil monetary penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of \$120,000 for each violation prior to October 24,

2004, and \$130,000 for violations thereafter, or triple the monetary gain to defendant for each violation of the Act and Regulations described herein, disgorgement of defendant's ill-gotten gains, restitution to customers, prejudgment interest and such other relief as this Court may deem necessary and appropriate.

6. Unless enjoined by this Court, the defendant is likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described herein.

## II. JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), which authorizes the Commodity Futures Trading Commission ("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.

8. Section 2(c)(2)(B)(i) and (ii) of the Act provides that the Commission shall have jurisdiction over an agreement, contract or transaction in foreign currency that is a sale of a commodity for future delivery (or an option on such contract) or an option, so long as:

- i) the contract is "offered to, or entered into with, a person that is not an eligible contract participant", and
- ii) the counterparty, or the person offering to be the counterparty, of the person who is not an eligible contract participant is not one of the regulated entities enumerated in Section 2(c)(2)(B)(ii)(I-VI).

7 U.S.C. § 2(c)(2)(B)(i) and (ii).

9. During the relevant time, the defendant solicited retail customers to enter into an agreement, contract or transaction in foreign currency with defendants whereby defendant would trade customers' funds in foreign currency futures contracts in managed accounts.

10. During the relevant time, Yanev, as an individual and doing business as FX Unigma, Inc. ("FX Unigma") and FX World, Inc. ("FX World"), was not a proper counterparty for the retail foreign currency agreements, contracts or transactions alleged herein because he was not any of the proper counterparties described in Section 2(c)(2)(B)(ii) of the Act. Further, Yanev identified no other persons or entities who would be acting as counterparties to customer transactions.

11. Section 1a(12)(A)(xi) of the Act, 7 U.S.C. § 1, defines an eligible contract participant as an individual who has total assets in excess of: a) \$10 million; or b) \$5 million and who enters the transaction to manage the risk associated with an asset owned or a liability incurred, or reasonably likely to be owned or incurred.

12. The defendant's website solicited customers without limitation, and thus, the foreign currency futures transactions alleged herein were offered to persons who did not qualify as eligible contract participants, i.e., who were retail customers.

13. Because defendant offered foreign currency agreements, contracts or transactions that were contracts of sale of a commodity for future delivery to retail customers who were not eligible contract participants, and defendant was not a proper counterparty pursuant to Section 2(c)(2)(B)(ii)(I-VI) the Commission has jurisdiction over, and the Act applies to, the transactions offered by the defendant.

14. Venue properly lies with this Court pursuant to § 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2002), in that defendant is found in, inhabits, or transacts business in this district, and the

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

### III. THE PARTIES

#### **The Plaintiff**

15. Commodity Futures Trading Commission (“Commission”) is an independent federal regulatory agency that is charged with responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1 *et seq.* (2002), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1 *et seq.* (2004). The Commission maintains its principal office at Three Lafayette Centre, 1155 21<sup>st</sup> Street, NW, Washington, D.C. 20581.

#### **The Defendant**

16. Defendant Marin Illiev Yanev, (“Yanev”) resides at Hristo Smirnenski 8-12 B ap.1 Sofia XX 1421, Bulgaria. Yanev has never been registered with the Commission in any capacity. Yanev has been doing business as FX Unigma, Inc, and FX World, Inc. FX Unigma, a purported corporation, lists on the FX Unigma website an address at 35 Technology Drive, Suite 400, Warren, New Jersey 07059. FX Unigma is neither incorporated nor licensed to do business in the state of New Jersey or anywhere else in the United States. FX Unigma has never been registered with the Commission in any capacity. FX World, Inc. lists the same New Jersey address on its website. FX World has never been registered with the Commission in any capacity. FX World is neither incorporated nor licensed to do business in the state of New Jersey or anywhere else in the United States.

#### IV. FACTUAL BACKGROUND

##### A. Solicitation Of Customers Through The FX Unigma Websites

17. On or about August 8, 2003 a visa card issued in Yanev's name was used to pay for the registration of the website domain name *www.fx-world.com*). The FX World website is registered in the name of a third party. On or about October 16, 2003, the website domain name *www.fx.unigma.com* was registered in the name of Yanev and paid for by Yanev using the same Visa card that paid for the FX World website. Since at least December 2003, the websites have solicited individuals to become managed account customers of FX Unigma and FX World

18. Through the two websites, the defendant solicits funds from retail customers to engage in speculative trading of foreign currency futures contracts through purported managed forex accounts.

19. Yanev solicited customers primarily through the FX Unigma website. In fact, users logging on to the FX World website were automatically directed to the FX Unigma website. Recently, the FX World website has been changed, so that all the information on the site is identical to the FX Unigma website and users are no longer redirected. Inquiries sent to the FX World website are answered by FX Unigma. The sites are collectively identified as the "FX Unigma websites" in this complaint.

##### B. The Defendant's Fraudulent Solicitations

20. From approximately December 8, 2003 through January 2005, Yanev, through the FX Unigma websites, offered managed forex account services by fraudulently guaranteeing profits, in some instances as high as 200% per annum. The material misrepresentations made by Yanev include:

a) "Managed Forex Accounts allow clients to earn often well in excess of 100% per annum profits or more per year. This is a GUARANTEED option for amounts up to US \$5,000";

b) "Accounts opened with US \$500 up to US \$5,000 – 6 months fixed: Net profits of 100% in 6 months. Profits can be withdrawn after 6 months, principal must stay on deposit for 12 months";

c) "Accounts opened with US \$1,000 up to US \$ 5,000 – monthly interest payments of 20%: Interest paid monthly after end of first new calendar months (sic) (5 months effective). Profits can be withdrawn within 5 months. Principal must stay on deposit for 12 months"; and

d) "Accounts opened with US \$500 up to US \$ 5,000 – account renewal on next 6 months; Net profits of 200% in 12 months. Principal must stay on deposit for 12 months."

21. From approximately February 19, 2004 to September 23, 2004, Yanev falsely represented to prospective customers, through the FX Unigma websites, that FX Unigma, "an international company," maintained offices in Zurich, London and New York. The FX Unigma website included photographs of FX Unigma's purported office buildings in all three locations. The Great Neck, New York address, however, is a residence, not an office building, and it has no affiliation with FX Unigma or Yanev. The photograph of the office building purportedly located at the Great Neck, New York address on the FX Unigma websites was intended to materially mislead potential customers regarding the extent and legitimacy of FX Unigma's business operations.

22. The United Kingdom's Financial Services Authority ("FSA") determined that the London address shown on the FX Unigma websites were once again the address of a residence, not a commercial business address, and had no affiliation with FX Unigma. Similarly, the photograph of the office building purportedly located at the London address on the FX Unigma websites was intended to materially mislead potential customers regarding the extent and legitimacy of FX Unigma's business operations. Further, the FSA had no record of FX Unigma or Yanev being authorized to carry on investment activities in the United Kingdom.

23. Since approximately January 2005 through the present, Yanev's Internet websites have existed, with minor revisions, in their current form, and contain material misrepresentations concerning FX Unigma's managed forex accounts. Specifically, the FX Unigma websites state that customers can trade forex through two supposedly profitable managed accounts, using materially misleading risk disclosures. In addition, Yanev dropped references to FX Unigma's fictitious Great Neck, New York office, and began instructing potential customers seeking to invest in the managed account program to send account opening documents to an address and facsimile number in New Jersey.

24. In the websites' sections captioned "Managed Accounts," the defendant deceives or attempts to deceive prospective customers into believing that there are actual managed accounts. The defendant does so by stating that FX Unigma's managed forex account program, consisting of the "FX Unigma MAC" and the "FX Unigma MAC Aggressive," was "established in October 2000," and by describing trading methods used and objectives of the program. For example, the websites describe the "FX Unigma MAC" managed forex account as one that: "Utilizes discretionary and technical trading disciplines combined with moderate leverage (typically between 1:1 and 5:1) to minimize return volatility," and as "[i]deal for those

seeking a moderate risk, lower return investment strategy.” Yanev also provides a chart to potential customers, which describes profits since inception of “98.06%.” In fact, however, there is no evidence that such managed accounts exist, and it appears that the FX Unigma webpage was simply copied from another, unrelated company’s webpage. The language and the webpage layout is essentially identical to the other company’s webpage, with exceptions including the change of the company’s name to “FX Unigma,” and the claimed profit percentage has been increased.

25. The “FX Unigma MAC Aggressive” managed forex account is described by FX Unigma as follows:

*Based on the success of FX Unigma MAC, FX Unigma Aggressive launched in June, 2003 as a higher risk/higher reward alternative for investors seeking capital appreciation. FX Unigma MAC Aggressive appropriates higher leverage (typically between 1:1 and 10:1) and advanced short-term trading practices to capitalize on both market volatility and fundamental-based trends.*

Once again taken directly from another company’s webpage, the FX Unigma website provides potential customers with a chart claiming profits since inception of “25.36%.” Since January 2005, FX Unigma websites’ purported profit chart describes the managed forex accounts “1YR,” “2YR,” and “YTD” profits as “22.45%,” “25.36%,” and “20.59,” respectively. However, since these managed accounts were, according to information on the website, purportedly first launched in June 2003, it therefore was impossible between January and April 2005 to have had a two-year track record for a program that was not yet two years old.

### **C. Summary of Defendant’s Fraudulent Conduct**

26. Defendant’s fraudulent solicitations to actual and prospective customers each contained one or more of the following material misrepresentations:

- a) a promise of guaranteed profits with limited or no risk;

b) a false and misleading report that Yanev's purported trading resulted in average annual profits that ranged between 98.06% and 200%;

c) false and misleading claims that FX Unigma actually maintained managed forex accounts;

d) false and misleading reports of trading and trading results since January 2005;

e) false statements that FX Unigma was an international trading firm with offices in London and Great Neck, New York; and

f) false statements and material omissions that FX Unigma operated from large commercial addresses in London and New York, when in fact it had no offices in those locations.

**E. Yanev d/ba/ FX Unigma, Inc. and FX World, Inc.**

27. Yanev registered the *www.fx.unigma.com* website used by FX Unigma, had the power to control the content of the website and the power to determine whether or not the website should remain in operation. Yanev also used his Visa credit card to pay for the registration and maintenance of *www.fx-world.com*.

28. For certain products offered by defendant that are not at issue in this complaint, customers of FX Unigma and FX World are instructed to make payments through and account at *www.2checkout.com* held in the name of Yanev. 2checkout.com, Inc., is a Delaware Corporation, registered to do business in Ohio, whose offices are located at 1785 O'Brien, Columbus, Ohio 43228.

29. Customers of FX Unigma and FX World may also make payments to FX Unigma and FX World through bank transfer, and are instructed to wire money to a bank account in Bulgaria held in Yanev's name.

30. Payments by customers to FX Unigma were also made through a correspondent account in Yanev's name at the Bank of New York, which then transferred the funds to a bank account in Bulgaria in Yanev's name.

31. Yanev, as the registrant of the FX Unigma website, the person who paid for the FX World website, the owner of the Bulgarian bank accounts and the owner of the correspondent account at the Bank of New York, had the power to control the websites and funds flowing to these purported businesses.

32. At all relevant times, the purported acts of FX Unigma and FX World, in accepting customers' funds through Yanev's bank accounts, and Yanev's registration and maintenance of the FX Unigma and FX World websites, *www.fx.unigma.com* and *www.fx-world.com*, were the acts of Yanev, doing business as "FX Unigma, Inc." and "FX World, Inc."

33. At all relevant times, Yanev knew or recklessly disregarded the fact that the actual results of FX Unigma and FX World's trading and aspects of the customer solicitations, as set forth above, were materially misrepresented on the FX Unigma websites.

**V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND  
COMMISSION REGULATIONS**

**(COUNT I)**

**Violations of Section 4b (a)(2)(i) and (iii) of the Act and  
Section 1.1(b)(1) and (3) of Commission Regulations:**

**Fraud and Deceit in the Solicitation of the Sale of Futures Contracts**

34. Paragraphs 1 through 34 are realleged and incorporated herein by reference.

35. By engaging in the foregoing fraudulent acts and practices alleged in this Complaint, the defendant, in or in connection with orders to make, or the making of, contracts of sale of commodities for future delivery, made or to be made, for or on behalf of any other persons, where such contracts for future delivery were or could be used for the purposes set forth

in Section 4b(a)(2) of the Act, 7 U.S.C. § 6b(a)(2) (2002), have: (a) cheated or defrauded or attempted to cheat or defraud other persons; and (b) willfully deceived or attempted to deceive other persons, all in violation of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002).

36. Each fraudulent misrepresentation made during the relevant period, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002), and Commission Regulation 1.1(b)(1) and (3), 17 C.F.R. § 1.1(b)(1) and (3) (2004).

## **VI. RELIEF REQUESTED**

Wherefore, the Commission respectfully requests that this Court, as authorized by § 6c of the Act, 7 U.S.C. § 13a-1 (2002), and pursuant to its own equitable powers:

- A. Enter an order finding that the Defendant violated Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002);
- B. Enter a permanent injunction prohibiting the Defendant and any other person or entity associated with them, or any successor thereof, from engaging in conduct violative of the provisions of the Act as alleged in this Complaint, and from engaging in any activity relating to commodity interest trading, including but not limited to, soliciting, accepting or receiving funds, revenue or other property from any person, giving advice for compensation, or soliciting prospective customers, related to the purchase and sale of any commodity futures contracts;
- C. Enter orders of permanent injunction restraining and enjoining Defendant and all persons insofar as they are acting in the capacity of his agents, servants,

successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with him who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. Destroying, mutilating, concealing, altering or disposing of any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of Defendants, wherever located, including all such records concerning Defendants' business operations; and
2. Refusing to permit authorized representatives of the Commission to inspect, when and as requested, any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of Defendants, wherever located, including all such records concerning Defendants' business operations.

D. Enter an order of permanent injunction restraining and enjoining Defendant Yanev and all persons insofar as they are acting in the capacity of his agents, servants, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with them who receive actual notice of such order by personal service or otherwise, from directly or indirectly, withdrawing, transferring, removing, dissipating, concealing or disposing of, in any manner, any funds, assets, or other property, wherever situated, including but not limited to, all funds, personal property, money or securities held in safes, safety deposit boxes and all funds on deposit in any financial institution, bank or

savings and loan account held by, under the control, or in the name of Defendant Yanev.

- E. Enter an order directing the Defendant and any successors thereof, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices which constituted violations of the Act, as described herein, and interest thereon from the date of such violations;
- F. Enter an order directing the Defendant to make full restitution to every customer whose funds were received by him as a result of acts and practices which constituted violations of the Act, as described herein, and interest thereon from the date of such violations;
- G. Enter an order requiring the defendant to pay civil monetary penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of \$120,000.00 for each violation prior to October 24, 2004, and \$130,000.00 for violations thereafter, or triple the monetary gain, to defendant for each violation of the Act and Regulations described herein;
- H. Enter an order requiring Defendant to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2), and to pay pre-judgment and post-judgment interest; and
- I. Enter an order for such other and further remedial ancillary relief as the Court may deem necessary and appropriate under the circumstances.

Date: September, 29 2005

Respectfully submitted,

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