

ORIGINAL

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII**

SEP 30 2011

at 9 o'clock and 15 min. A.M. SUE BEITIA, CLERK

U.S. COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff,

v.

ALOHA TRADING COMPANY,
INC., PERRY JAY GRIGGS and
RACHELLE GRIGGS,

Defendants.

No. 10-CV-631-SOM-BMK

~~(Proposed)~~ CONSENT ORDER OF
PERMANENT INJUNCTION AND
CIVIL MONETARY PENALTY
AGAINST DEFENDANTS

Chief Judge Susan Oki Mollway

I. INTRODUCTION

On October 28, 2010, Plaintiff United States Commodity Futures Trading Commission (“Commission,” “CFTC,” or “Plaintiff”) filed its Complaint in the above-captioned action against Aloha Trading Company, Inc., Perry Jay Griggs and Rachelle Griggs (“Defendants”), seeking injunctive and other equitable relief for violations of the Commodity Exchange Act (the “Act”), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), and by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010 (“Dodd-Frank Act”)), §§ 701-774,

124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.*, and the Commission Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2010).

II. CONSENTS AND AGREEMENTS

To effect settlement of the matters alleged in the Complaint without a trial on the merits or any further judicial proceedings, Defendants:

1. Consent to entry of this Consent Order of Permanent Injunction and Equitable Relief Against Defendants (“Consent Order”);
2. Affirm that Defendants have read and agreed to this Consent Order voluntarily, and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order, other than as set forth specifically herein;
3. Acknowledge proper service of the summons and Complaint;
4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6c of the Act, as amended, to be codified at 7 U.S.C. § 13a-1;
5. Admit that venue properly lies with this Court pursuant to Section 6c of the Act, as amended, to be codified at 7 U.S.C. § 13a-1;

6. Waive:
 - a. any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or Part 148 of the Regulations, 17 C.F.R. § 148.1, *et seq.* (2010), relating to, or arising from, this action;
 - b. any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-207 (2007), relating to, or arising from, this action;
 - c. any and all claims of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief; and
 - d. any and all rights of appeal in this action;

7. Consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this case, even if Defendants now, or in the future, reside outside the jurisdiction;

8. Agree that neither the Defendants nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or Findings of Fact or Conclusions of Law contained in this Consent Order, or creating, or tending to create, the impression that the Complaint or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect the Defendants': (a) testimonial obligations; or (b) right to take legal positions in other proceedings to which the Commission is not a party. The Defendants shall undertake all steps necessary to ensure that all of their agents and employees under their authority or control understand and comply with this agreement;

9. Neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Consent Order and the allegations contained in the Complaint, except as to jurisdiction and venue, which they admit. Defendants do not consent to the use of this Order, or the Findings of Fact or Conclusions of Law in this Order, as the sole basis for any other proceeding brought by the Commission, other than (a) a proceeding in bankruptcy relating to Defendants; (b) a Commission registration proceeding relating to Defendants; or (c) a proceeding to enforce the terms of this Order. Solely with respect to any bankruptcy proceeding relating to Defendants, a Commission registration proceeding related to Defendants, and any

proceeding to enforce this Order, Defendants agree that the allegations of the Complaint and all of the Findings of Fact and Conclusions of Law in this Order shall be taken as true and correct and be given preclusive effect, without further proof. Further, Defendants agree to provide immediate notice to this Court and the Commission by certified mail, of any bankruptcy proceeding filed by, on behalf or, or against them, and of any change in address;

10. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by Part VII of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States; and

11. Agree that no provision of this Consent Order shall in any way limit or impair the ability of any person to seek any legal or equitable remedy against any of the Defendants or any other person in any other proceeding.

III. FINDINGS OF FACT

A. Jurisdiction and Venue

12. This Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, to be codified at 7 U.S.C. § 13a-1, which authorizes the CFTC 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.

13. This Court has personal jurisdiction over Defendants, who acknowledge service of the summons and Complaint and consent to the Court's jurisdiction over them.

14. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, to be codified at 7 U.S.C. § 13a-1(e), in that Defendants are found in, inhabit, and/or transact business in this district, and the acts and practices in violation of the Act, the Act, as amended by the CRA, and Regulations have occurred, are occurring, or are about to occur within this district, among other places.

B. Parties to this Consent Order

15. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1 *et seq.*, the Act as amended by the CRA, the Act as amended by the Dodd-Frank Act, and the regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2010).

16. Defendant **Perry Jay Griggs** is currently in federal custody in Honolulu, Hawaii. Perry Griggs has never been registered with the Commission in any capacity.

17. Defendant **Rachelle Griggs** is Perry Griggs' wife. She is currently in federal custody in Honolulu, Hawaii. She has never been registered with the Commission in any capacity.

18. Defendant **Aloha Trading Company, Inc.** ("Aloha") is a Nevada corporation that Rachelle Griggs incorporated in 2005. It had its principal place of business in Las Vegas, Nevada. It ceased operations in or about January 2010. Rachelle Griggs was the sole officer and director, and she, along with Perry Griggs, controlled Aloha's operations. Aloha was never registered with the Commission in any capacity.

C. Other Relevant Parties

19. **Kapua Keolanui** ("Keolanui") resides in Honolulu, Hawaii. She has never been registered with the Commission in any capacity. Under the direction of Perry and Rachelle Griggs, Keolanui solicited persons residing in Hawaii to invest in commodity futures.

20. **Paradise Trading, LLC** ("Paradise") is a Nevada limited liability corporation formed in 2006. Rachelle Griggs and Keolanui were both directors and part-owners of Paradise and they, along with Perry Griggs, controlled Paradise's operations. Paradise ceased operations in or about January 2010. Paradise has never been registered with the Commission in any capacity.

D. Factual Background

21. In August 2003, Perry Griggs was sentenced to a prison term of 96 months after pleading guilty to charges of wire fraud and money laundering in a criminal prosecution captioned *USA v. Perry Jay Griggs*, No. EDCR 02-05-RT (C.D. Cal.). These charges arose out of a scheme in which he solicited funds for investment in coffee futures, claiming that he had inside information that guaranteed 100% returns on the investments. He did not, in fact, invest any of the funds in futures; instead, he misappropriated the funds for personal expenses and to pay off other investors. As part of that sentence, Perry Griggs was ordered to pay restitution of over \$3 million to 47 individual victims.

22. Perry Griggs began serving his sentence at the federal prison camp at Nellis Air Force Base (“Nellis”) in Las Vegas, Nevada, on October 20, 2003. At about the same time, Rachelle Griggs moved to Las Vegas.

23. Soon after arriving at Nellis, Perry Griggs began soliciting investments from fellow prisoners. At the same time, Rachelle Griggs began soliciting investments from inmates’ family members, whom she met during her visits to the prison, as well as other members of the general public. Many of the individuals solicited by Perry and Rachelle Griggs were from Hawaii.

24. In June 2005, Perry and Rachelle Griggs formed Aloha, listing Rachelle Griggs as the sole officer and director. In July 2005, Rachelle Griggs

opened a commodity futures trading account on behalf of Aloha with Man Financial, Inc. (the "Aloha Account"). Rachelle Griggs also signed agreements on behalf of Aloha, communicated with Aloha's participants and controlled Aloha's bank accounts.

25. To induce prospective participants to invest money with them, both Perry and Rachelle Griggs falsely claimed that Perry Griggs was a multi-millionaire expert in commodity futures trading. In truth, Perry Griggs had no prior success with commodities trading and was not wealthy.

26. Both Perry and Rachelle Griggs told participants and prospective participants that Perry Griggs was serving time for tax offenses instead of wire fraud and money laundering in connection with a Ponzi scheme. Neither Perry nor Rachelle disclosed to any participant or prospective participant the material fact that Perry Griggs had been ordered to pay over \$3 million in restitution to victims of his earlier commodity fraud scam.

27. Both Perry and Rachelle Griggs falsely told prospective participants that their investments carried no risks and that profits were guaranteed. In fact, both individual Defendants convinced participants to refinance their mortgages or liquidate their retirement savings in order to invest with Aloha's commodity futures trading program.

28. Both Perry and Rachelle Griggs told some participants that Perry Griggs would trade commodity futures contracts with participants' funds, and his trading would generate such enormous returns that Aloha could make guaranteed monthly payments to participants, in addition to a lump payment of as much as \$3 million at the end of the investment term.

29. Other prospective participants who were asked to make smaller investments were promised by both individual Defendants returns of 25% within three to four months, along with full refunds of their principal.

30. Both Perry and Rachelle Griggs omitted other material information in their solicitations of prospective participants by failing to disclose that (a) none of the Defendants were registered with the Commission in any capacity; (b) only a fraction of the funds participants gave Defendants would actually be invested in commodities; (c) Perry and Rachelle Griggs would misappropriate much of the remaining funds; and (d) any returns that a participant received would be paid from the participant's own deposit or deposits made by other participants, and not from profits from trading commodity futures contracts.

31. Both Perry and Rachelle Griggs knew that their statements and omissions were fraudulent at the time that they made them, and they made them with the purpose of cheating, defrauding, and willfully deceiving participants in connection with the trading of commodity futures contracts.

32. While he was incarcerated, Perry Griggs executed trades in the Aloha Account via the Internet and/or on a telephone, using funds Defendants had solicited. Perry Griggs also directed Rachelle Griggs to execute certain trades in the Aloha Account.

33. In furtherance of their fraudulent scheme, Defendants made use of the U.S. Mails to, among other things, (a) mail several investment receipts from Las Vegas to a participant in Hawaii in February and March 2006, (b) mail a purported investment statement from Las Vegas to a participant in Hawaii in May 2006, (c) receive a \$200,000 investment check mailed by a participant in Hawaii to Las Vegas in July 2006, and (d) receive two investment checks, totaling \$30,000, mailed by a participant in California to Las Vegas in October 2008.

34. In 2006, Rachelle and Perry Griggs convinced Keolanui, whose husband was incarcerated with Perry, to form a Hawaii-based commodity futures investment company for the purposes of marketing an identical investment program to Keolanui's friends and family. To that end, Keolanui and Rachelle Griggs formed Paradise in late 2006. Both Keolanui and Rachelle Griggs were listed as directors of Paradise, and Rachelle Griggs was a 51% owner of the company.

35. Under the direction of Rachelle and Perry Griggs, and based on the statements they made to her, Keolanui solicited investments from her friends and

family. Keolanui told prospective participants that the investment she was marketing had no risk, and was guaranteed to make a profit, just as she had been told by Rachelle and Perry Griggs. Keolanui then sent the majority of the funds she received to Rachelle and Perry Griggs for trading commodity futures.

36. Under the direction of Perry and Rachelle Griggs, Keolanui also met personally with several prospective Aloha participants living in Hawaii and assisted them in making wire transfers of funds directly to Aloha.

37. Paradise participants invested a total of more than \$1 million in 2007 and 2008, approximately \$663,000 of which Keolanui wired to Aloha, believing that Defendants would use those funds to trade commodity futures contracts. Including those Paradise funds, Defendants received a total of approximately \$3 million from participants between 2005 and 2009. Most of those funds were deposited into Aloha's bank account via wire transfer.

38. Defendants used that \$3 million in the following way:

- a. \$467,000 was wired from Aloha to Paradise. Perry and Rachelle Griggs led Keolanui to believe that these funds represented the returns from successful commodities trades made by Perry Griggs; Keolanui used some of these funds to satisfy Paradise's obligations to its participants.

- b. \$775,000 was deposited into the Aloha Account in 2005 and 2006. Defendants sustained trading losses of 83% of these funds and withdrew \$130,000 in 2006 and 2007.
- c. Approximately \$1.1 million was paid as “returns” to participants of Aloha and Paradise.
- d. The remaining approximately \$1 million was misappropriated for Perry and Rachelle Griggs’ own personal use, including payments for luxury car leases, the rental of a home in Hawaii, the purchase of jewelry, and the chartering of a private jet.

39. Perry Griggs was released from prison in September 2008. By late 2008, Paradise no longer had sufficient funds to satisfy all of the monthly payments that were due under its participant agreements. Shortly thereafter, Aloha also began to fail to make some of the monthly payments that were due under its participant agreements.

40. Perry Griggs began to communicate directly with Aloha and Paradise participants via email and telephone calls, repeatedly promising them that he would resume making their monthly payments as soon as he closed on a real estate deal in San Diego. These communications continued through the summer of 2009. The last payment to any participant of Aloha or Paradise was sent in or about September 2009.

41. At about the same time, Perry Griggs began promising Aloha and Paradise participants that he would send them their money in December 2009. Those promises continued through December. Near the end of December 2009, he promised several participants that money would be wired to them on January 5, 2010. No such wires were ever sent.

42. On or about January 5, 2010, Perry and Rachelle Griggs stopped responding to all attempts by Aloha and Paradise participants to contact them.

IV. CONCLUSIONS OF LAW

43. From at least 2005 through December 2009, in or in connection with futures contracts made, or to be made, for or on behalf of other persons, Defendants cheated, defrauded or attempted to cheat or defraud other persons and willfully deceived or attempted to deceive other persons in connection with offering of, or entering into the commodity transactions alleged herein, for or on behalf of such persons, by (a) making material misrepresentations including, but not limited to, falsely claiming that Perry Griggs was a multi-millionaire expert commodity trader, falsely claiming that funds deposited with Aloha were guaranteed safe, and promising enormous returns in the form of monthly and lump sum payments based on profitable commodity futures trading when they knew that the payments were simply taken from other participants' funds; and (b) failing to disclose that the funds were likely to be used to pay personal expenses for Perry

and/or Rachelle Griggs, or to pay other investors and not to trade commodity futures contracts, the true nature of Perry Griggs' criminal history, that they were not registered with the Commission in any capacity, and (c) misappropriating funds invested by participants in violation of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006) and Section 4b(a)(1)(A) and (C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C).

44. Beginning in or about 2005 and continuing through as least December 2009, Perry and Rachelle Griggs, while acting as Associated Persons ("APs") of a Commodity Pool Operator ("CPO"), and Aloha, while acting as a CPO, as those terms are defined in Regulation 1.3(aa)(3), 17 C.F.R. § 1.3(aa)(3) and Section 1a(5) of the Act, 7 U.S.C. § 1a(5), violated Section 4o(1) of the Act, as amended, 7 U.S.C. § 6o(1), in that they employed schemes or artifices to defraud pool participants or prospective pool participants or engaged in transactions, practices or a course of business which operated as a fraud or deceit upon pool participants or prospective pool participants by using the mails or other means or instrumentalities of interstate commerce. The use of the mails or other instrumentalities of interstate commerce included, but are not limited to: (a) making wire transfers to and from Aloha's bank account, (b) using the U.S. Mail to send investment receipts and statements from Las Vegas to participants in Hawaii, and (c) accepting an

investment check mailed from Hawaii to Las Vegas, all in violation of Sections 4o(1)(A) and (B) of the Act.

45. Aloha acted as a CPO by engaging in the business that is of the nature of an investment trust, syndicate, or similar form of enterprise, and, in connection therewith, solicited, accepted, or received from others, funds for the purpose of trading commodity futures. Aloha used the mails or other instrumentalities of interstate commerce in connection with its activities as a CPO without the benefit of registration as a CPO, in violation of Section 4m(1) of the Act, as amended, to be codified at 7 U.S.C. § 6m(1).

46. Perry and Rachelle Griggs acted as APs when they engaged in their solicitation activities for Aloha. Because they engaged in their AP activities without the benefit of registration as APs of a CPO, Perry and Rachelle Griggs violated Section 4k(2) of the Act, as amended, to be codified at 7 U.S.C. § 4k(2). Aloha violated Section 4k(2) of the Act, as amended, to be codified at 7 U.S.C. § 6k(2), by allowing Perry and Rachelle Griggs to act as unregistered APs of the company when it knew or should have know that they were not registered with the CFTC.

47. Defendants engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

48. The foregoing acts, omissions and failures of Perry and Rachelle Griggs in violation of Section 4b(a)(2)(i) and (iii) (with respect to conduct prior to June 18, 2008), Section 4b(a)(1)(A) and (C) (with respect to conduct on or after June 18, 2008), and Section 4o(1) were committed within the scope of their employment with Aloha and, therefore, Aloha is liable for their acts, omissions and failures constituting violations of the Act pursuant to Section 2(a)(1)(B) of the Act, as amended, to be codified at 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010).

49. During the relevant time, Perry and Rachelle Griggs directly and indirectly controlled Aloha, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting Aloha's violations of Section 4b(a)(2)(i) and (iii) (with respect to conduct prior to June 18, 2008), Section 4b(a)(1)(A) and (C) (with respect to conduct on or after June 18, 2008), Section 4o(1), and Section 4m(1) described above. Pursuant to Section 13(b) of the Act, as amended, to be codified at 7 U.S.C. § 13c(b), Perry and Rachelle Griggs are therefore liable for Aloha's violations to the same extent as Aloha.

50. The Court finds that Plaintiff has demonstrated good cause why equitable remedies, including trading bans, should be imposed on Defendants as set forth below.

V. ORDER OF PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

51. Defendants shall be permanently restrained, enjoined and prohibited from directly or indirectly

- a. Cheating or defrauding, or attempting to cheat or defraud, other persons; or willfully deceiving, or attempting to deceive, other persons in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person, in violation of Sections 4b(a)(1)(A) and (C) of the Act, as amended, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C);
- b. Employing any device, scheme, or artifice to defraud any pool participant, or engaging in any transaction, practice, or course of business that operates as a fraud or deceit upon any participant, by use of the mails or any means or instrumentality of interstate commerce, in violation of Section 4o(1) of the Act, as amended, to be codified at 7 U.S.C. § 6o(1);
- c. Being associated with a CPO as a partner, officer, employee, consultant, or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the solicitation of funds, securities, or property for participation in a commodity pool unless registered with the Commission as an associated person of the CPO pursuant to Section 4k(2) of the Act, as amended, to be codified at 7 U.S.C. § 6k(2);
- d. Using the mails or other instrumentalities of interstate commerce in connection with its activities as a CPO without the benefit of registration as a CPO, in violation of Section 4m(1) of the Act, as amended, to be codified at 7 U.S.C. §6m(1).

52. Defendants are further permanently restrained, enjoined, and prohibited from, directly or indirectly:

- a. trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, to be codified at 7 U.S.C. § 1a);
- b. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Commission Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2010)) (“commodity options”), swaps (as defined in Section 1a of the Act as amended by the CRA and Dodd-Frank Act, to be codified at 7 U.S.C. § 1a) (“swaps”), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) for any personal or proprietary account or for any account in which they have a direct or indirect interest;
- c. having any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts traded on their behalf;
- d. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- e. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- f. applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in

Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2010);

- g. acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2010)), agent or any other officer or employee of any person or entity registered, exempted from registration or required to be registered with the Commission, except as provided for in Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2010);

53. The injunctive provisions of this Consent Order shall be binding upon Defendants, upon any person who acts in the capacity of an agent, employee, representative, and/or assign of Defendants and upon any person who receives actual notice of this Consent Order, by personal service or otherwise, insofar as he or she is acting in active concert or participation with Defendants.

VI. ORDER OF CIVIL MONETARY PENALTY

IT IS FURTHER ORDERED THAT:

54. Defendants shall comply fully with the following terms, conditions and obligations relating to the payment of a civil monetary penalty. The equitable and statutory relief provisions of this Consent Order shall be binding upon Defendants and any person who is acting in the capacity of officer, agent, employee, servant, or attorney of Defendants, and any person acting in active concert or participation with Defendants.

55. Pursuant to Section 6c of the Act, as amended, to be codified at 7 U.S.C. § 13a-1, and Regulation 143.8(a)(1), 17 C.F.R. § 143.8(a)(1) (2010), this

Court may impose an order directing Defendants, jointly and severally, to pay a civil monetary penalty (“CMP”), to be assessed by the Court, in amounts of not more than the greater of (1) triple the monetary gain to Defendants for each violation of the Act, the Act, as amended by the CRA, and Regulations; or (2) \$130,000 for each violation of the Act, the Act, as amended by the CRA, and Regulations occurring from October 23, 2004 through October 22, 2008, and \$140,000 for each violation of the Act, the Act, as amended by the CRA, and Regulations occurring on or after October 23, 2008.

56. In determining the amount of the CMP to be paid by the Defendants, the Court has considered the egregiousness, duration, and scope of the fraud and violations of the Act, the Act, as amended by the CRA, and Regulations. A proper showing having been made, Defendants are hereby assessed, jointly and severally, a total CMP in the amount of \$2,100,000, plus post-judgment interest (“CMP Obligation”). Defendants shall pay this CMP Obligation, plus post-judgment interest, within ninety (90) days of the date of entry of this Consent Order. Should Defendants not satisfy their CMP Obligation within ninety (90) days of the date of entry of this Consent Order, post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

57. Defendants shall pay the CMP by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made by other than electronic funds transfer, the payment shall be made payable to the United States Commodity Futures Trading Commission and sent to the address below:

United States Commodity Futures Trading Commission
Division of Enforcement
ATTN: Accounts Receivable – AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Boulevard
Oklahoma City, Oklahoma 73169
Telephone: (405) 954-5644

If the payment is to be made by electronic funds transfer, contact Marie Bateman, or her successor, at the above address for payment instructions, and shall fully comply with those instructions. Defendants shall accompany the payment of the CMP with a cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Director, Division of Enforcement, United States Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581; and to the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

Provisions Related to Monetary Sanctions

58. Satisfaction: Upon full satisfaction of the Defendants' CMP Obligation, satisfaction of judgment will be entered as to the Defendants.

59. Partial Satisfaction: Any acceptance by the CFTC of partial payment of CMP Obligation ordered in this Consent Order shall not be deemed a waiver of the Defendants' requirement to make further payments pursuant to this Consent Order, or a waiver of the CFTC's right to seek to compel payment of any remaining balance.

VII. MISCELLANEOUS PROVISIONS

60. Notices: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Director of the Division of Enforcement
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

Notice to Defendants:

Perry Griggs
Register # 23081-112
FDC HONOLULU
FEDERAL DETENTION CENTER
P.O. BOX 30080
HONOLULU, HI 96820

Rachelle Griggs
Register # 26260-308
FDC HONOLULU
FEDERAL DETENTION CENTER
P.O. BOX 30080
HONOLULU, HI 96820

61. Entire Agreements and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties hereto; and (3) approved by order of this Court.

62. Invalidation: If any provision of this Consent Order or the application of any provisions or circumstances is held invalid, the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

63. Waiver: The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

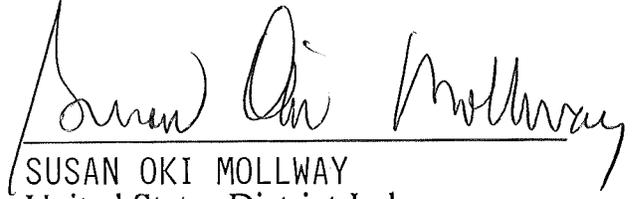
64. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction over this action to implement and carry out the terms of this Consent Order, to ensure compliance with this Consent Order, to resolve the issues of civil monetary penalties, and for any suitable application or motion for additional relief within the jurisdiction of this Court.

65. Authority: Rachelle Griggs hereby warrants that she is the sole officer and director of Aloha, and that this Consent Order has been duly authorized by Aloha and she has been duly empowered to sign and submit this Consent Order on behalf of Aloha.

66. Counterparts and Facsimile Execution: This agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this agreement that is delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this agreement.

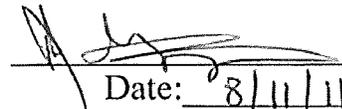
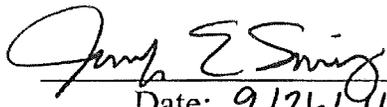
IT IS SO ORDERED.

Date: September 29, 2011.



Chief SUSAN OKI MOLLWAY
United States District Judge

CONSENTED AND APPROVED BY:


Date: 8-11-2011
Rachelle Griggs, Officer and Director
Aloha Trading Group, Inc.
Date: 8-11-2011
Rachelle Griggs, individually
Date: 8/11/11
Perry Jay Griggs, individually
Date: 9/26/11
Jennifer E. Smiley, Senior Trial Attorney
Joseph A. Konizeski, Chief Trial Attorney
Counsel for Plaintiff
U.S. Commodity Futures Trading Commission
525 W. Monroe Street, 11th Floor
Chicago, IL 60661
312-596-0700