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8 Commodity Futures Trading Commission

9  
10 UNITED STATES DISTRICT COURT  
11 FOR THE SOUTHERN DISTRICT OF CALIFORNIA  
12 SAN DIEGO DIVISION

13 UNITED STATES COMMODITY FUTURES )  
14 TRADING COMMISSION, )

'11CV2743 WQHBGS

) Civil Action No.  
15 )

16 Plaintiff, )

17 v. )

18 CSG COMMODITY SERVICE GROUP, )  
19 a California corporation, and )  
20 CHARLES STEVEN GOODIE, )  
21 an individual, )

22 Defendants. )  
23 )

24 COMPLAINT FOR INJUNCTIVE RELIEF, CIVIL MONETARY  
25 PENALTIES, AND OTHER EQUITABLE RELIEF

26 Plaintiff U.S. Commodity Futures Trading Commission

27 ("Commission" or "CFTC"), by its attorneys, alleges as follows:  
28

1 **I. SUMMARY**

2 1. From in or about May 2008 and continuing to March 2011  
3 (the "Relevant Period"), Defendants CSG Commodity Service Group  
4 ("CSG"), by and through its sole employee Charles Steven Goodie  
5 ("Goodie"), and Goodie in an individual capacity, (collectively  
6 "Defendants"), fraudulently solicited and accepted at least  
7 \$494,000 from members of the public in connection with pooled  
8 investments in commodity futures contracts, and improperly  
9 operated a commodity pool (the "Pool").  
10  
11

12 2. In soliciting pool participants, Defendants  
13 misrepresented Defendants' trading track record.

14 3. Rather than trade the pool participants' funds as  
15 promised, Defendants misappropriated these funds. In fact,  
16 Goodie confessed to some of the pool participants that he had  
17 spent the pool participants' funds on personal expenses rather  
18 than trade them as promised. Despite subsequent promises to  
19 repay the pool participants, Defendants have not done so.  
20

21 4. In addition, Defendants provided at least some pool  
22 participants with false account statements.  
23

24 5. By virtue of this conduct and the further conduct  
25 described herein, Defendants have engaged, are engaging, or are  
26 about to engage in acts and practices in violation of the  
27 Commodity Exchange Act (the "Act"), 7 U.S.C. §§ 1 *et seq.*, and  
28

1 CFTC Regulations ("Regulations") 17 C.F.R. §§ 1.1 *et seq.*  
2 (2011).

3         6. Goodie committed the acts and omissions described  
4 herein within the course and scope of his agency, employment, or  
5 office with CSG; therefore, CSG is liable under Section  
6 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Regulation  
7 1.2, 17 C.F.R § 1.2 (2011), as principal for its agent's  
8 violations of the Act, the Act as amended by the CRA, and the  
9 Regulations.  
10

11  
12         7. Goodie is liable under Section 13(b) of the Act, 7  
13 U.S.C. § 13c(b), as a controlling person of CSG for CSG's  
14 violations of the Act, the Act as amended by the CRA, and the  
15 Regulations, because Goodie did not act in good faith or  
16 knowingly induced, directly or indirectly, the acts constituting  
17 the violations.  
18

19         8. Accordingly, pursuant to Section 6c of the Act, 7  
20 U.S.C. § 13a-1, the Commission brings this action to enjoin  
21 Defendants' unlawful acts and practices, and to compel  
22 Defendants to comply with the Act and the Regulations. In  
23 addition, the Commission seeks civil monetary penalties and  
24 remedial ancillary relief, including, but not limited to,  
25 trading and registration bans, restitution, disgorgement,  
26 rescission, pre- and post-judgment interest, and such other  
27 relief as the Court may deem necessary and appropriate.  
28

1 9. Unless restrained and enjoined by this Court,  
2 Defendants are likely to continue to engage in the acts and  
3 practices alleged in this Complaint and similar acts and  
4 practices, as more fully described below.  
5

6 **II. JURISDICTION AND VENUE**

7 10. The Act, the Act as amended by the CRA, and the  
8 Regulations together establish a comprehensive system for  
9 regulating the purchase and sale of futures contracts. This  
10 Court has jurisdiction over this action pursuant to Section  
11 6c(a) of the Act, 7 U.S.C. § 13a-1, which authorizes the  
12 Commission to seek injunctive relief in district court against  
13 any person whenever it shall appear to the Commission that such  
14 person has engaged, is engaging, or is about to engage in any  
15 act or practice constituting a violation of the Act, the Act as  
16 amended by the CRA, or any rule, regulation, or order  
17 thereunder.  
18  
19

20 11. Venue properly lies with this Court pursuant to  
21 Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because  
22 Defendants are found in, inhabit, reside and/or transact  
23 business in this District and certain of the transactions, acts,  
24 practices, and courses of business alleged to have violated the  
25 Act, the Act as amended by the CRA, and the Regulations,  
26 occurred, are occurring, and/or are about to occur within this  
27 District.  
28



1 **IV. FACTS**

2 **A. Statutory Background**

3 15. Prior to July 16, 2011, Section 1a(5) of the Act, 7  
4 U.S.C. § 1a(5), defined a Commodity Pool Operator ("CPO") as any  
5 firm or individual engaged in a business which is of the nature  
6 of an investment trust, syndicate, or similar form of  
7 enterprise, and that, in connection therewith, solicits,  
8 accepts, or receives from others funds, securities, or property,  
9 either directly through capital contributions, the sale of stock  
10 or other forms of securities, or otherwise, for the purpose of  
11 trading in any commodity for future delivery on or subject to  
12 the rules of any contract market. Upon the effective date of  
13 the Dodd-Frank Wall Street Reform and Consumer Protection Act of  
14 2010, Pub. L. No. 111-203, Title VII (the Wall Street  
15 Transparency and Accountability Act of 2010), §§ 701-774, 124  
16 Stat. 1376, on July 16, 2011, the definition of a CPO was  
17 expanded and re-designated in Section 1a(11) of the Act, to be  
18 codified at 7 U.S.C. § 1a(11).  
19  
20  
21

22 16. Upon the effective date of the Food, Conservation, and  
23 Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC  
24 Reauthorization Act of 2008), §§ 13101-13204, 122 Stat. 1651, on  
25 June 18, 2008, Sections 4b(a)(2)(i) through (iii) of the Act, 7  
26 U.S.C. §§ 6b(a)(2)(i)-(iii), were renumbered as Sections  
27 4b(a)(1)(A) through (C), to be codified at 7 U.S.C. §§  
28

1 6b(a) (1) (A) - (C). For the sake of brevity, these sections are  
2 referred to herein only in their current enumeration, however  
3 Defendants' unlawful conduct spans both enumerations of Section  
4 4b(a) of the Act, 7 U.S.C. § 6b(a).  
5

6 **B. Factual Background**

7 17. During the Relevant Period, CSG, an unregistered CPO  
8 and Goodie, an unregistered Associated Person ("AP") of a CPO  
9 who acted individually and in his capacity as the sole  
10 principal, officer, and employee of CSG, solicited and accepted  
11 at least \$494,000 from members of the public in connection with  
12 Defendants' operation of a commodity pool, ("the Pool").  
13

14 18. Defendants solicited prospective pool participants  
15 telling them that their funds would be used to trade futures  
16 contracts in silver, copper, natural gas, and oil, and that the  
17 profits from that trading would be shared by the pool  
18 participants.  
19

20 19. As part of his solicitation of prospective pool  
21 participants, Goodie touted his ability to profitably trade  
22 futures contracts. For example, in May 2008 Goodie told at  
23 least one prospective pool participant that Goodie had been very  
24 successful trading futures contracts and that his personal  
25 trading account was, at that time, showing a profit of close to  
26 \$500,000. This statement was false. An examination of Goodie's  
27 domestic trading activity reveals no activity in 2008 until June  
28

1 2008, when Goodie opened an account in the name of CSG.

2 Moreover, Goodie traded this account for only three months and  
3 suffered total net losses of \$81,700.  
4

5 20. As a result of Defendants' solicitations, at least 15  
6 individuals sent Defendants at least \$494,000 for investment in  
7 the Pool. These funds were received by Defendants by checks in  
8 the mail and by wire transfer.

9 21. Rather than trade these funds, Defendants used some or  
10 all of the \$494,000 to pay Goodie's personal expenses and  
11 expenses associated with the operation of the Pool which  
12 Defendants were not entitled to do. In fact, Goodie confessed  
13 to some of the pool participants that he had spent pool  
14 participant funds on personal expenses rather than trade them as  
15 promised.  
16  
17

18 22. In order to perpetuate their fraud, Defendants sent  
19 account statements to pool participants representing that  
20 Defendants had profitably traded the pool participants' funds in  
21 futures contracts in copper, silver, natural gas, and oil.  
22 These statements were false. Defendants never traded the  
23 contracts as represented in the account statements, and the  
24 limited amount of actual trading conducted by Defendants during  
25 the Relevant Period resulted in net losses.  
26

27 23. In addition, the account statements stated that  
28 "margin calls" resulting from Defendants' purported futures

1 trading had been deducted from pool participants' individual  
2 investments. These representations were false because the Pool  
3 never incurred "margin calls" as represented.  
4

5 24. Defendants sent these false statements to pool  
6 participants by mail, email and/or facsimile. In reliance on  
7 these false statements, pool participants maintained and/or  
8 increased their investments in the Pool.

9 25. Further, Defendants did not provide pool participants  
10 with a Disclosure Document regarding the operation of the Pool.  
11

12 26. In or about the fall of 2010, Defendants informed pool  
13 participants that Defendants were closing the Pool and would  
14 return the pool participants' funds along with substantial  
15 profits that had been reported in the account statements sent to  
16 pool participants.  
17

18 27. In late February 2011, following numerous delays and  
19 excuses, Goodie confessed to some of the pool participants that  
20 he had spent the vast majority of pool participants' funds on  
21 his own personal expenses. Despite subsequent promises to repay  
22 the pool participants, Defendants have not done so.  
23

24 28. Goodie and CSG (by and through Goodie) engaged in the  
25 acts and practices described above knowingly or with reckless  
26 disregard for the truth.  
27  
28

1                   **V.     VIOLATIONS OF THE COMMODITY EXCHANGE ACT**

2   **COUNT ONE**

3                   **FRAUD IN CONNECTION WITH COMMODITY FUTURES CONTRACTS**  
4                   **Violations of Sections 4b(a) (1) (A) - (C) of the Act, to be**  
5                   **codified at 7 U.S.C. §§ 6b(a) (1) (A) - (C)**

6                   29. The allegations set forth in paragraphs 1 through 28  
7 are re-alleged and incorporated herein by reference.

8                   30. Sections 4b(a) (1) (A) - (C) of the Act, to be codified at  
9 7 U.S.C. §§ 6b(a) (1) (A) - (C), provide, in relevant part, that it  
10 is unlawful for any person, in or in connection with any order  
11 to make or the making of a futures contract, for or on behalf of  
12 any other person, (A) to cheat or defraud or attempt to cheat or  
13 defraud another person, (B) willfully to make or cause to be  
14 made to the other person any false report or statement or  
15 willfully to enter or cause to be entered for the other person  
16 any false record, or (C) willfully to deceive or attempt to  
17 deceive such other person by any means whatsoever in regard to  
18 any such order or contract or the disposition or execution of  
19 any such order or contract.

20                   31. As set forth above, beginning in approximately May  
21 2008 and continuing through March 2011, Goodie and CSG (by and  
22 through Goodie) violated Sections 4b(a) (1) (A) - (C) of the Act, to  
23 be codified at 7 U.S.C. §§ 6b(a) (1) (A) - (C), by, among other  
24 things, knowingly (i) misappropriating pool participants' funds;

1 (ii) fraudulently soliciting customers and prospective customers  
2 by, among other things, lying about Goodie's trading track  
3 record; and (iii) making, causing to be made, and distributing  
4 reports and statements to pool participants or prospective pool  
5 participants that contained false futures trading activity,  
6 false profits purportedly generated from such activity, and  
7 other misinformation, in violation of Sections 4b(a) (1) (A)-(C)  
8 of the Act, to be codified at 7 U.S.C. §§ 6b(a) (1) (A)-(C).  
9  
10

11 32. Goodie controlled CSG, directly or indirectly, and did  
12 not act in good faith or knowingly induced, directly or  
13 indirectly, CSG's conduct alleged in this count. Therefore,  
14 pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Goodie  
15 is liable for CSG's violations of Sections 4b(a) (1) (A)-(C) of  
16 the Act, to be codified at 7 U.S.C. §§ 6b(a) (1) (A)-(C).  
17

18 33. The foregoing acts, misrepresentations, omissions, and  
19 failures of Goodie, occurred within the scope of his agency,  
20 employment, or office with CSG; therefore, CSG is liable for  
21 these acts pursuant to Section 2(a) (1) (B) of the Act, 7 U.S.C.  
22 § 2(a) (1) (B), and Regulation 1.2, 17 C.F.R. § 1.2 (2011).  
23

24 34. Each act of misappropriation, issuance of a false  
25 report, misrepresentation or omission of material fact,  
26 including but not limited to those specifically alleged herein  
27 is alleged as a separate and distinct violation of Sections  
28

1 4b(a) (1) (A) - (C) of the Act, to be codified at 7 U.S.C. §§

2 6b(a) (1) (A) - (C) .

3 **COUNT TWO**

4 **FRAUD BY A COMMODITY POOL OPERATOR**

5 **Violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1)**

6  
7 35. The allegations set forth in paragraphs 1 through 34  
8 are re-alleged and incorporated herein by reference.

9 36. As defined in Section 1a of the Act, 7 U.S.C. § 1a, a  
10 CPO is:

11  
12 any person engaged in a business that is of the nature  
13 of an investment trust, syndicate, or similar form of  
14 enterprise, and who, in connection therewith,  
15 solicits, accepts, or receives from others, funds,  
16 securities, or property . . . for the purpose of  
trading in any commodity for future delivery on or  
subject to the rules of any contract market or  
derivatives transaction execution facility.

17 37. Section 4o(1) of the Act, 7 U.S.C. § 6o(1), prohibits  
18 CPOs and associated persons ("AP") of CPOs from using the mails  
19 or any other means of interstate commerce to:

20  
21 (A) employ any device, scheme or artifice to defraud  
22 any client or participant or prospective client or  
participant; or

23 (B) engage in any transaction, practice or course of  
24 business which operates as a fraud or deceit upon any  
25 client or participant or prospective participant.

26 38. During the Relevant Period, CSG acted as a CPO by  
27 soliciting, accepting, or receiving funds from others while  
28 engaged in a business that is of the nature of an investment

1 trust, syndicate, or similar form of enterprise, for the purpose  
2 of trading in futures.

3 39. During the Relevant Period, Goodie acted as an AP of  
4 CSG by, *inter alia*, soliciting and accepting prospective pool  
5 participants for the Pool.  
6

7 40. CSG and its AP, Goodie, violated Section 4o(1) of the  
8 Act, 7 U.S.C. § 6o(1), in that they employed or are employing a  
9 device, scheme or artifice to defraud pool participants and  
10 prospective pool participants or engaged or are engaging in a  
11 transaction, practice, or course of business which operated as a  
12 fraud or deceit upon the pool participants and prospective pool  
13 participants. The fraudulent acts include (i) misappropriating  
14 pool participants' funds; (ii) fraudulently soliciting customers  
15 and prospective customers by, among other things, lying about  
16 Goodie's trading track record; and (iii) making, causing to be  
17 made, and distributing reports and statements to pool  
18 participants or prospective pool participants that contained  
19 false futures trading activity, false profits generated from  
20 such activity, and other misinformation.  
21  
22  
23

24 41. The foregoing acts, misrepresentations, omissions, and  
25 failures of Goodie occurred within the scope of his agency,  
26 employment, or office with CSG; therefore, CSG is liable for  
27 these acts and omissions pursuant to Section 2(a)(1)(B) of the  
28

1 Act, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2  
2 (2011).

3 42. Goodie controlled CSG, directly or indirectly, and did  
4 not act in good faith or knowingly induced, directly or  
5 indirectly, CSG's conduct alleged in this count. Therefore,  
6 pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Goodie  
7 is liable for CSG's violations of Section 4o(1) of the Act, 7  
8 U.S.C. § 6o(1).  
9

10 43. Each act of misappropriation, issuance of a false  
11 report, misrepresentation or omission of material fact,  
12 including but not limited to those specifically alleged herein  
13 is alleged as a separate and distinct violation of Section 4o(1)  
14 of the Act, 7 U.S.C. § 6o(1).  
15

16 **COUNT THREE**

17 **FAILURE TO REGISTER AS A COMMODITY POOL OPERATOR**  
18 **Violations of Sections 4m(1) of the Act, 7 U.S.C. § 6m(1)**  
19

20 44. The allegations set forth in paragraphs 1 through 43  
21 are re-alleged and incorporated herein by reference.

22 45. Section 4m(1) of the Act, 7 U.S.C. § 6m(1), provides  
23 that it is unlawful for any CPO, unless registered under the  
24 Act, to make use of the mails or any means or instrumentality of  
25 interstate commerce in connection with its business as a CPO.  
26

27 46. During the Relevant Period, CSG used the mails or  
28 instrumentalities of interstate commerce in or in connection

1 with its business as a CPO while failing to register as a CPO in  
2 violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1).

3 47. CSG did not qualify for a registration exemption under  
4 the Act or the Regulations.  
5

6 48. Goodie controlled CSG, directly or indirectly, and did  
7 not act in good faith or knowingly induced, directly or  
8 indirectly, CSG's conduct alleged in this count. Therefore,  
9 pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Goodie  
10 is liable for CSG's violations of Section 4m(1) of the Act, 7  
11 U.S.C. § 6m(1).  
12

13 **COUNT FOUR**

14 **FAILURE TO REGISTER AS AN ASSOCIATED PERSON OF A**  
15 **COMMODITY POOL OPERATOR**  
16 **Violations of Section 4k(2) of the Act, 7 U.S.C. § 6k(2),**  
17 **and Regulation 3.12, 17 C.F.R. § 3.12 (2011)**

18 49. The allegations set forth in paragraphs 1 through 48  
19 are re-alleged and incorporated herein by reference.

20 50. Section 4k(2) of the Act, 7 U.S.C. § 6k(2), prohibits:  
21 any person to be associated with a [CPO] as a partner,  
22 officer, employee, consultant or agent . . . in any  
23 capacity that involves (i) the solicitation of funds,  
24 securities or property for participation in a  
25 commodity pool . . . unless such person is registered  
with the Commission under this Act as an associated  
person of such [CPO]. . . .

26 51. Section 4k(2) of the Act, 7 U.S.C. § 6k(2), also makes  
27 it unlawful for any CPO:  
28

1 to permit such person to become or remain associated  
2 with the [CPO] in any such capacity if the [CPO] knew  
3 or should have known that such person was not so  
registered. . . .

4 52. Regulation 3.12, 17 C.F.R. § 3.12 (2011), prohibits a  
5 person from being associated with a commodity pool operator  
6 unless the person is registered as an AP of the sponsoring CPO.  
7

8 53. During the Relevant Period, Goodie was associated with  
9 CSG, a CPO, and was involved in the solicitation of funds for  
10 participation in the Pool while failing to register as an AP of  
11 CSG, in violation of Section 4k(2) of the Act, 7 U.S.C. § 6k(2)  
12 and Regulation 3.12, 17 C.F.R. § 3.12 (2011).  
13

14 54. During the Relevant Period, CSG permitted Goodie to  
15 become associated with CSG and knew, or should have known, that  
16 Goodie was not registered as an AP of CSG, in violation of  
17 Section 4k(2) of the Act, 7 U.S.C. § 6k(2).  
18

19 55. The foregoing acts, misrepresentations, omissions, and  
20 failures of Goodie occurred within the scope of his agency,  
21 employment, or office with CSG; therefore, CSG is liable for  
22 these acts pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. §  
23 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2 (2011).  
24

25 **COUNT FIVE**

26 **FAILURE TO COMPLY WITH DISCLOSURE REQUIREMENTS**  
27 **Violations of Regulation 4.21, 17 C.F.R. § 4.21 (2011)**  
28

1           56. The allegations set forth in paragraphs 1 through 55  
2 are re-alleged and incorporated by reference.

3           57. Regulation 4.21, 17 C.F.R. § 4.21 (2011), provides  
4 that  
5

6           each commodity pool operator registered or required to  
7 be registered under the Act must deliver or cause to  
8 be delivered to a prospective participant in a pool  
9 that it operates or intends to operate a Disclosure  
10 Document for the pool prepared in accordance with §§  
11 4.24 and 4.25 by no later than the time it delivers to  
12 the prospective participant a subscription agreement  
13 for the pool.

14           58. CSG failed to provide a pool Disclosure Document in  
15 the form specified by Regulation 4.21, 17 C.F.R. § 4.21 (2011),  
16 to prospective pool participants.

17           59. Goodie controlled CSG, directly or indirectly, and did  
18 not act in good faith or knowingly induced, directly or  
19 indirectly, CSG's conduct alleged in this count. Therefore,  
20 pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Goodie  
21 is liable for CSG's violations of Regulation 4.21, 17 C.F.R. §  
22 4.21 (2011).

23           60. Each failure of CSG to furnish required Disclosure  
24 Documents to prospective pool participants and pool  
25 participants, including but not limited to, those specifically  
26 alleged herein, is alleged as a separate and distinct violation  
27 of Regulation 4.21, 17 C.F.R. § 4.21 (2011).  
28

**VI. RELIEF REQUESTED**

**WHEREFORE**, the CFTC respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and pursuant to its own equitable powers, enter:

A. An order finding that Defendants violated Sections 4b(a)(1)(A)-(C) of the Act, to be codified at 7 U.S.C. §6b(a)(1)(A)-(C), Sections 4o(1), 4m(1), and 4k(2) of the Act, 7 U.S.C. §§ 6o(1), 6m(1) and 6k(2), and Regulations 3.12 and 4.21, 17 C.F.R. §§ 3.12 and 4.21 (2011);

B. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof, from directly or indirectly:

(i) engaging in conduct in violation of Sections 4b(a)(1)(A)-(C), 4o(1), 4m(1), and 4k(2) of the Act, as amended, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1), 6m(1) and 6k(2), and Regulations 3.12 and 4.21, 17 C.F.R. §§ 3.12 and 4.21 (2011);

(ii) trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a);

(iii) entering into any transactions involving commodity futures, options on commodity futures, commodity

1 options (as that term is defined in Commission Regulation  
2 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2011)) ("commodity  
3 options"), and/or foreign currency (as described in  
4 Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as  
5 amended, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and  
6 2(c)(2)(C)(i)) ("forex contracts") for their own personal  
7 account or for any account in which they have a direct or  
8 indirect interest;  
9

10 (iv) having any commodity futures, options on  
11 commodity futures, commodity options, and/or forex  
12 contracts traded on their behalf;  
13

14 (v) controlling or directing the trading for or on  
15 behalf of any other person or entity, whether by power of  
16 attorney or otherwise, in any account involving commodity  
17 futures, options on commodity futures, commodity options,  
18 and/or forex contracts;  
19

20 (vi) soliciting, receiving, or accepting any funds  
21 from any person for the purpose of purchasing or selling  
22 any commodity futures, options on commodity futures,  
23 commodity options, and/or forex contracts;  
24

25 (vii) applying for registration or claiming exemption  
26 from registration with the Commission in any capacity, and  
27 engaging in any activity requiring such registration or  
28 exemption from registration with the Commission, except as

1 provided for in Regulation 4.14(a)(9), 17 C.F.R. §  
2 4.14(a)(9) (2011);

3 (viii) acting as a principal (as that term is defined  
4 in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2011)), agent or  
5 any other officer or employee of any person registered,  
6 exempted from registration or required to be registered  
7 with the Commission, except as provided for in Regulation  
8 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011); and  
9

10 (ix) engaging in any business activities related to  
11 commodity futures, options on commodity futures, commodity  
12 options, and/or forex contracts trading;

13 C) An order directing Defendants, as well as any  
14 successors to either Defendant, to disgorge, pursuant to such  
15 procedure as the Court may order, all benefits received from the  
16 acts or practices that constitute violations of the Act and the  
17 Regulations, as described herein, and pre- and post-judgment  
18 interest thereon from the date of such violations;  
19

20 D) An order directing Defendants to make full restitution  
21 to every person or entity whose funds Defendants received or  
22 caused another person or entity to receive as a result of the  
23 acts and practices that constitute violations of the Act and the  
24 Regulations, as described herein, and pre- and post-judgment  
25 interest thereon from the date of such violations;  
26  
27  
28

1           E)    An order directing Defendants and any successors  
2           thereof, to rescind, pursuant to such procedures as the Court  
3           may order, all contracts and agreements, whether implied or  
4           express, entered into between them and any of the customers  
5           whose funds were received by them as a result of the acts and  
6           practices that constitute violations of the Act and the  
7           Regulations, as described herein;  
8

9           F)    An order directing Defendants to pay a civil monetary  
10           penalty for each violation of the Act and the Regulations  
11           described herein in the amount of the higher of: \$140,000 for  
12           each violation committed on or after October 23, 2008, \$130,000  
13           for each violation committed on or prior to October 22, 2008, or  
14           triple the monetary gain to Defendants for each violation, plus  
15           post-judgment interest;  
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1 G) An order requiring Defendants to pay costs and fees as  
2 permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and

3 H) Such other and further relief as the Court deems  
4 necessary and appropriate under the circumstances.  
5

6  
7  
8  
9 Dated: November 23, 2011  
10

11 Respectfully submitted,  
12

13 ATTORNEYS FOR PLAINTIFF U.S. COMMODITY  
14 FUTURES TRADING COMMISSION  
15 Three Lafayette Centre  
16 1151 21st Street NW  
17 Washington, DC 20581  
18 (202) 418-5000 (main)  
19 (202) 418-5531 (fax)

20 /s/Matthew Elkan

21 Matthew Elkan  
22 DC Bar No. 413161  
23 (202) 418-5398 (direct)  
24 [melkan@cftc.gov](mailto:melkan@cftc.gov)

25 Daniel C. Jordan  
26 VA Bar No. 36382  
27 (202) 418-5339 (direct)  
28 [djordan@cftc.gov](mailto:djordan@cftc.gov)

JS 44 (Rev. 12/07)

### CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

**I. (a) PLAINTIFFS**  
**U.S. COMMODITY FUTURES TRADING COMMISSION**

**(b)** County of Residence of First Listed Plaintiff \_\_\_\_\_  
 (EXCEPT IN U.S. PLAINTIFF CASES)

**(c)** Attorney's (Firm Name, Address, and Telephone Number)  
**Matthew Elkan, 1155 21st St. NW, Washington DC 20581  
 (202) 418-3-5398**

**DEFENDANTS**  
**CSG COMMODITY SERVICE GROUP,  
 CHARLES STEVEN GOODIE**

County of Residence of First Listed Defendant San Diego  
 (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known) **'11CV2743 WQHBGS**

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

1 U.S. Government Plaintiff  
 2 U.S. Government Defendant

3 Federal Question (U.S. Government Not a Party)  
 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	FEDERAL TAX SUITS	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	

**V. ORIGIN** (Place an "X" in One Box Only)

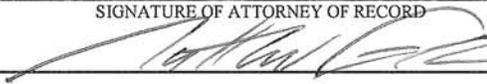
1 Original Proceeding  
 2 Removed from State Court  
 3 Remanded from Appellate Court  
 4 Reinstated or Reopened  
 5 Transferred from another district (specify)  
 6 Multidistrict Litigation  
 7 Appeal to District Judge from Magistrate Judgment

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 7 U.S.C. 13a-1

**VI. CAUSE OF ACTION**  
 Brief description of cause:  
Injunctive action against fraudulent operation of a commodity pool.

**VII. REQUESTED IN COMPLAINT:**  CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMAND \$** \_\_\_\_\_ CHECK YES only if demanded in complaint:  
**JURY DEMAND:**  Yes  No

**VIII. RELATED CASE(S) IF ANY** (See instructions): JUDGE \_\_\_\_\_ DOCKET NUMBER \_\_\_\_\_

DATE 11/23/11 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY  
 RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_