

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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11:44 am, Dec 22, 2014

_____)
In the Matter of:)
)
Deutsche Bank Securities Inc.,) **CFTC Docket No. 15 -11**
)
Respondent.)
_____)

**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTIONS 6(c) and 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING
FINDINGS AND IMPOSING REMEDIAL SANCTIONS**

I.

The Commodity Futures Trading Commission (“Commission”) has reason to believe that Deutsche Bank Securities Inc. (“DBSI”) has violated Commission Regulations 1.10(b)(1)(i) and (ii), 1.25(b)(3)(i)(F), 1.35(a)(1) and (b)(1) and 166.3, 17 C.F.R. §§ 1.10(b)(1)(i), (ii), 1.25(b)(3)(i)(F), 1.35(a)(1), (b)(1) and 166.3 (2014). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether DBSI has engaged in the violations as set forth herein and to determine whether any order should be issued imposing remedial sanctions.

II.

In anticipation of the institution of this administrative proceeding, DBSI has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, DBSI consents to the entry of this Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions (“Order”) and acknowledges service of this Order.¹

¹ DBSI consents to the entry of this Order and the use of these findings in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party provided, however, that DBSI does not consent to the use of the Offer, or the findings or conclusions consented to in this Order, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce the terms of this Order. Nor does DBSI consent to the use of the Offer or this Order, or the findings or conclusions consented to in the Offer or this Order, by any other party in any other proceeding.

III.

The Commission finds the following:

A. Summary

DBSI committed numerous violations of the Commission's Regulations ("Regulations") governing DBSI's recordkeeping obligations, investment of segregated commodity customer funds, and financial reporting to the Commission as a Commission registrant during the period October 1, 2009 through March 14, 2013 ("relevant period"). The violations in question were uncovered during examinations and reviews of DBSI's books and records conducted by the CME Group Inc. ("CME")², the Commission's Division of Swap and Intermediary Oversight ("DSIO"), and two independent consulting firms retained by DBSI. None of the violations resulted in customer losses; nevertheless, the violations demonstrate a lack of adequate internal controls and a failure to diligently supervise the handling of matters related to DBSI's business as a Commission registrant.

B. Respondent

Deutsche Bank Securities Inc. is an indirect, wholly owned subsidiary of the parent company, Deutsche Bank AG (the "Parent"),³ with its principal place of business is located at 60 Wall Street, New York, New York 10005. DBSI, is a registered futures commission merchant ("FCM") with the Commission and a designated swap firm with the National Futures Association whose primary futures related activities include trade execution for domestic and international customers, affiliates or itself on various designated contract markets of which DBSI is a member, and correspondent clearing services to other FCMs. DBSI also maintains branch offices in Chicago, Illinois and San Francisco, California.

C. Facts

1. Investment of Customer Funds

DBSI receives money, securities, and other property from its commodity customers ("customer funds") to margin, guarantee, or secure the customers' trades in commodity futures, options and certain derivatives contracts. FCMs are required to segregate customer funds from funds belonging to the FCM, and can only invest customer funds in investments enumerated in Regulation 1.25, 17 C.F.R. § 1.25 (2013). *See* 7 U.S.C. § 6d(a)(2). On February 18, 2012,

² The CME is DBSI's designated self-regulatory organization.

³ The Parent is a global securities and bank company operating in 76 countries with its headquarters in Germany.

certain amendments to Regulation 1.25 went into effect.⁴ All FCMs were required to be in compliance with these changes to Regulation 1.25 no later than June 18, 2012.

During the relevant period, DBSI received customer funds and invested certain customer funds in large money market mutual funds (“MMMFs”). Between June 18, 2012 and August 15, 2012, however, DBSI failed to back out customer owned securities posted as margin held with carrying FCMs before calculating the amount of customer funds it could invest in MMMFs under the new concentration limits for such investments set forth in Regulation 1.25. As a result of this miscalculation, DBSI’s investment of customer funds in MMMFs exceeded the 50% “asset-based” concentration limit for such investments under Regulation 1.25(b)(3)(i)(F). DBSI’s violations of Regulation 1.25(b)(3)(i)(F), 17 C.F.R. § 1.25(b)(3)(i)(F) (2013), were disclosed during DSIO’s limited review of DBSI commencing June 13, 2012.⁵ DBSI corrected this deficiency on August 16, 2012. Notwithstanding these violations, the Commission’s DSIO determined that DBSI complied with its obligation to segregate customer funds from its own proprietary accounts in accordance with the Commodity Exchange Act and the Regulations promulgated thereunder. Consequently, DBSI was not required to exclude the market value of the foregoing investments from the total amount of funds on deposit in customer segregated accounts, *see* CFTC Letter No. 07-24 (Dec. 11, 2007), and DBSI was not rendered under-segregated by the foregoing investments between June 18, 2012 and August 15, 2012.⁶

⁴ The February 18, 2012 amendments imposed asset-based concentration limits to the amount of customer funds an FCM can hold in any one class of investments and require FCMs to back out customer owned securities posted as margin collateral and with derivatives clearing organizations before calculating the amount of “total customer assets” held by the FCM in segregation. *See* 17 C.F.R. § 1.25(b)(3)(iv) (2013). As required by the amendments, FCMs investing customer funds in money market mutual funds that do not solely consist of U.S. government securities are limited to investing fifty (50) percent of total customer assets held in segregation. *Id.*

⁵ During DSIO’s limited review, DBSI failed to adequately and timely provide Commission staff with complete documentation needed to conduct its review. DBSI did not provide the firm’s written internal control procedures as it relates to the methodology employed to establish a target level of segregated customer funds until August 1, 2012. Furthermore, DBSI’s written internal control procedures with regards to monitoring intraday segregated, secured and sequestered excess customer funds was not provided to DSIO until August 7, 2012. DSIO’s review also revealed that stock records necessary to examine the nature and extent of DBSI’s investment of customer funds were not provided in a timely manner. After three requests from DSIO staff beginning July 11, 2012, DBSI finally provided these records on July 26, 2012, fifteen days later.

⁶ On February 14, 2014, DBSI agreed to a fine of \$900,000 to settle charges by the CME’s Risk Committee for financial reporting deficiencies related to the firm’s computation, recording and reporting of segregated and secured customer fund balances.

2. Financial Reporting

a. Monthly 1-FR Reports

DBSI is required to file a monthly unaudited Form 1-FR-FCMs form (“1-FR” or “FOCUS Report”) with the Commission pursuant to Regulation 1.10(b)(1)(i), 17 C.F.R. § 1.10(b)(1)(i)(2013). For every month during the relevant period, DBSI filed a FOCUS Report with the Commission, which included a signed affirmation by its Chief Financial Officer stating that all information contained therein was “true, correct and complete.” However, several of DBSI’s FOCUS Reports filed with the Commission inaccurately reported DBSI’s financial condition. As a result, between June 2011 and August 2012, DBSI filed six amended FOCUS Reports with the Commission. One of the amendments, to DBSI’s December 2011 FOCUS Report, was required because DBSI’s original December 2011 FOCUS Report had overstated DBSI’s excess net capital and ownership equity.

By the end of 2011, DBSI was well aware of the fact that the ongoing problems with its FOCUS Reports were unacceptable to the Commission. At the beginning of 2012, DBSI retained the first independent consultant to review its policies and procedures and internal controls related to, among other areas, its preparation of FOCUS Reports. DBSI assured Commission staff that the problems, which DSBI understood at the time to be related to computing deficiencies, would be resolved by DBSI. Despite these assurances, DBSI subsequently submitted three monthly FOCUS Reports to the Commission in 2012 that contained unacceptable errors. Specifically, DBSI filed two amendments for the month ending April 2012, but again, did so only after notification from the Commission. DSBI was also instructed by the Commission’s DSIO to file an amended FOCUS Report for the month ending August 2012 after DSIO staff noted that a miscellaneous current asset (“asset”) had materially increased by approximately \$2 billion from DBSI’s July 2012 monthly FOCUS Report. This increase drew the attention of DSIO staff because DBSI had reported that the asset’s value ranged from \$20 million to \$51 million for the period February 28, 2012 through July 31, 2012. Although DBSI filed an amended FOCUS Report for the month ending August 2012, Commission staff had to make several inquiries to DBSI.

b. Certified Year-End Financial Statements

DBSI also files certified year-end financial statements with the Commission pursuant to Regulation 1.10(b)(1)(ii), 17 C.F.R. § 1.10(b)(1)(ii) (2013). On February 28, 2013, DBSI filed its certified year-end financial report with the Commission for the period from January 1, 2012 to December 31, 2012 (“2012 Financial Statement”).⁷ On March 2, 2013, management of DBSI’s Parent determined that DBSI failed to disclose the existence of ongoing legal matters in DBSI’s 2012 Financial Statement, which required DBSI to establish a litigation accrual to its 2012

⁷ The term “certified,” when used in regard to financial reports, means audited and reported upon with an opinion expressed by an independent certified public accountant. *See* 17 C.F.R. § 1.16(a)(3) (2013).

Financial Statement. Because DBSI omitted this litigation accrual, DBSI reported retained earnings in its 2012 Financial Statement that were overstated by \$221 million. On March 14, 2013, DBSI contacted the Commission to report the deficiency in the firm's 2012 Financial Statement.

After its 2012 Financial Statement deficiency, DBSI independently engaged a second independent consultant to review and restructure its policies and procedures with respect to its financial reporting. The second consultant subsequently recommended changes to DBSI's systems and controls, which DBSI is implementing, including relocating certain reconciliation activities to ensure a more tightly managed process, increasing its operational staff, and automating key business processes to better manage its segregation calculations and financial accounting processes.

3. Recordkeeping

Between October 1, 2009 and March 16, 2012, DBSI's trading desk in its Chicago, Illinois branch office ("trading desk") executed multiple block trades for customers in various commodity futures contracts listed with the CME. Because DBSI is a registered FCM, it is required to keep full, complete and systematic records of all transactions relating to its business or dealings in commodity transactions and to promptly produce all such records for inspection upon request of the Commission. Among those records, DBSI is required by Regulation 1.35 to create, keep and produce order tickets of block trades it clears for customers. DBSI failed to maintain order tickets for a number of block trades from October 1, 2009 through March 16, 2012. DBSI acted either as the FCM or the principal in these trades. Instead of order tickets, DBSI relied on emails, IMs, and Bloomberg messages that did not have all of the information required by Regulation 1.35 in one place.

4. Supervision

The above failures demonstrate DBSI's lack of adequate internal controls, policies, procedures, and supervision from at least October 1, 2009 through March 14, 2013. During the relevant period, DBSI did not have written policies and procedures for its trading desk regarding the creation and retention of order tickets, and the maintenance of accurate books and records for compliance with the Regulations. DBSI also did not have written policies and procedures in effect requiring its supervisory staff to ensure the creation and maintenance of accurate books and records. In addition, DBSI failed to diligently supervise and implement adequate systems and supervisory controls over key aspects of its operational activities necessary to conduct its futures business, including maintaining systems capable of preparing, handling and processing daily secured amount computations for ICE Cleared futures positions⁸ and segregation

⁸ On October 10, 2012, DBSI notified the Commission's DSIO of a material inadequacy in the firm's 30.7 daily secured computation filings for the close of business as of October 9 and 10, 2012. DBSI noted the cause for both infractions related to an operational processing issue resulting from the transfer of 3,500 customer secured ICE Cleared futures positions from an

calculations with respect to the asset-based concentration level requirements for investment of customer funds, the filing of accurate monthly Focus Reports and certified year-end financial statements with the Commission, and the creation and maintenance of accurate books and records.

DBSI failed to put into place systems and controls reasonably designed to (i) handle, monitor, and prepare records and statements related to its business as a Commission registrant; (ii) ensure the accuracy of its daily computations for its customer funds so that customer funds were invested in compliance with the required concentration limits set forth in the Regulations; and (iii) ensure the accuracy of its monthly FOCUS Reports and certified year-end financial statements filed with the Commission. DBSI further failed to adequately and diligently supervise its employees, officers, and agents to ensure compliance with the Act and the Regulations promulgated thereunder by not having sufficient internal controls, policies and procedures in place to detect and deter the violations of the Regulations found herein.

IV. LEGAL DISCUSSION

A. Improper Investment of Customer Funds

Section 4d(a)(2) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 6d(a)(2) (2013), provides that customer funds “may be invested in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States, such investments to be made in accordance with such rules and regulations and subject to such conditions as the Commission may prescribe.” Regulation 1.25(a) contains a list of permissible investments in which FCMs may lawfully invest customer funds, including MMMFs, subject to certain asset-based concentration limits set forth in Regulation 1.25(b)(3)(i)(F). 17 C.F.R. § 1.25(b)(3)(i)(F) (2013).

Between June 18, 2012 and August 15, 2012, DBSI violated the concentration limits set forth in Regulation 1.25(b)(3)(i)(F) relating to its investment of customer funds in MMMFs. 17 C.F.R. § 1.25(b)(3)(i)(F)(2013). Each and every day that DBSI maintained customer segregated funds in MMMFs during this period constitutes a separate and distinct violation of Regulation 1.25(b)(3)(i)(F), 17 C.F.R. § 1.25(b)(3)(i)(F) (2013).

affiliate to DBSI. Because DBSI lacked automated systems capable of handling the volume of transactions, DBSI was therefore required to manually process the transfer which caused the material inadequacies in the firm’s daily filings for October 9 and 10, 2012. That same day, DBSI deposited an additional \$300 million into its secured accounts as a precaution to cover any potential shortfall in excess funds. On December 17, 2012, DBSI agreed to a fine of \$25,000 to settle charges by CME’s Risk Committee for failing to properly prepare daily secured computations as of October 9 and 10, 2012, and failing to obtain pre-approval for certain disbursements.

B. Financial Reporting Violation

Regulation 1.10(b)(1)(i), 17 C.F.R. § 1.10(b)(1)(i) (2013), requires each person registered as an FCM to file a Form 1–FR–FCM, or equivalent FOCUS Report, as of the close of business each month, no later than 17 business days after the date for which the report is made. In addition to the monthly reports, each person registered as an FCM must file a certified year-end financial statement as of the close of its fiscal year, which must be certified by an independent public accountant in accordance with Commission Regulation 1.16, no later than 60 days after the close of the FCM’s fiscal year. 17 C.F.R. § 1.10(b)(1)(ii) (2013). All monthly FOCUS Reports and certified year-end financial statements filed with the Commission must, of course, be accurate.

During the relevant period, DBSI failed to timely file accurate Monthly FOCUS Reports and accurate certified year-end financial statements with the Commission. By this conduct, DBSI violated Regulation 1.10(b)(1)(i) and (ii), 17 C.F.R. § 1.10(b)(1)(i), (ii) (2013).

C. Recordkeeping Violations

Regulation 1.35(a)(1) requires FCMs and members of designated contract markets to “keep full, complete, and systematic records, which include all pertinent data and memoranda, of all transactions relating to its business of dealing in commodity interests” 17 C.F.R. § 1.35(a)(1) (2013). Such records include “all orders (filled, unfilled, or canceled), trading cards, signature cards, street books, journals, ledgers, canceled checks, copies of confirmations, copies of statements of purchase and sale, and all other records, data and memoranda, which have been prepared in the course of its business of dealing in commodity interests. . . .” *Id.* Regulation 1.35(b)(1) requires that upon receipt of a customer order, FCMs and members of designated contract markets “shall immediately . . . prepare a written record of the order including the account identification . . . and order number, and shall record thereon, by timestamp or other timing device, the date and time, to the nearest minute, the order is received” 17 C.F.R. § 1.35(b)(1) (2013).

Between October 1, 2009 and March 12, 2012, DBSI failed to create, keep and promptly provide, upon requests of the Commission, order tickets for the block trades it executed for customers during that period in violation of Regulation 1.35(a)(1) and (b)(1), 17 C.F.R. § 1.35(a)(1), (b)(1) (2013). *In re GNP Commodities, Inc.*, [1990-1992 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 1925,360 at 39,217 (FCM’s failure to produce office orders violated recordkeeping requirements). Accordingly, DBSI violated Regulation 1.35(a)(1) and (b)(1), 17 C.F.R. § 1.35(a)(1), (b)(1) (2013).

D. Supervision Violation

Regulation 166.3, 17 C.F.R. § 166.3 (2013), requires that every Commission registrant (except associated persons who have no supervisory duties) diligently supervise the handling by its partners, employees, and agents of all activities relating to its business as a registrant. Regulation 166.3 imposes upon registrants an affirmative duty to supervise their employees and

agents diligently by establishing, implementing, and executing an adequate supervisory structure and compliance programs. In order to prove a violation of Regulation 166.3, the Commission must demonstrate that either: (1) the registrant's supervisory system was generally inadequate; or (2) the registrant failed to perform its supervisory duties diligently. *In re Murlas Commodities*, [1994-1996 Transfer Binder] Comm. Fut. L Rep. (CCH) ¶ 26,485 at 43,161 (CFTC Sept. 1, 1995); *In re Paragon Futures Assoc.*, [1990-1992 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 25,266 at 38,850 (CFTC Apr. 1, 1992); *Bunch v. First Commodity Corp. of Boston*, [1990-1992 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 25,352 at 39,168-69 (CFTC Aug. 5, 1992).

Throughout the relevant period, DBSI, a Commission registrant, failed to supervise diligently the handling by its partners, officers, employees and agents of all commodity interest accounts carried, operated, advised or introduced by DBSI and all other activities of its partners, officers, employees and agents relating to DBSI's business as a Commission registrant, in that, among other things, DBSI repeatedly failed to:

- (a) implement adequate procedures and training regarding its maintenance of accurate books and records;
- (b) establish an adequate system of controls to ensure the proper investment of customers funds and that persons responsible for financial calculations would be made aware of the encumbrance of customer funds;
- (c) monitor and review its financial reporting and implement appropriate systems and accounting procedures to prevent and reduce the likelihood of critical forecasting errors in DBSI's monthly FOCUS Reports and certified year-end financial statements; and
- (d) ensure that persons responsible for supervising the creation and maintenance of accurate books and records, the use, care and protection of customer funds, and the preparation of financial reports filed with the Commission had adequate knowledge of the requirements of the Act and Commission Regulations in such areas.

Evidence of violations that "should be detected by a diligent system of supervision, either because of the nature of the violations or because the violations have occurred repeatedly" is probative of a failure to supervise. *Paragon Futures*, ¶ 25,266 at 38,850. By such acts, DBSI violated Regulation 166.3, 17 C.F.R. § 166.3 (2013).

V. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that DBSI: (1) failed to properly invest segregated customer funds in violation of Regulation 1.25(b)(3)(i)(F), 17 C.F.R. § 1.25(b)(3)(i)(F) (2013); (2) failed to timely file accurate monthly FOCUS Reports and certified year-end financial statements with the Commission in violation of Regulation 1.10(b)(1)(i) and (ii), 17 C.F.R. § 1.10(b)(1)(i), (ii) (2013); (3) failed to maintain accurate books and records in violation of Regulation 1.35(a)(1) and (b)(1), 17.C.F.R. § 1.35(a)(1), (b)(1) (2013); and (4) failed

to adequately supervise its partners, employees, and agents in violation of Regulation 166.3, 17 C.F.R. § 166.3 (2013).

VI. OFFER OF SETTLEMENT

DBSI has submitted the Offer in which it, without admitting or denying the findings and conclusions herein:

- A. Acknowledges receipt of service of this Order;
- B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waives:
 - 1. the filing and service of a complaint and notice of hearing;
 - 2. a hearing;
 - 3. all post-hearing procedures;
 - 4. judicial review by any court;
 - 5. any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 6. any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. §504 (2006) and 28 U.S.C. § 2412 (2006), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1-30 (2012), relating to, or arising from, this proceeding;
 - 7. any and all claims that it 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, 204-205 (2007), relating to, or arising from, this proceeding; and
 - 8. any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief;

- D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to DBSI has consented in the Offer;
- E. Consents, solely on the basis of the Offer, to the Commission's entry of this Order, that:
1. makes findings by the Commission that DBSI violated Regulations 1.25(b)(3)(i)(F), 1.10(b)(1)(i) and (ii), 1.35(a)(1) and (b)(1) and 166.3, 17 C.F.R. §§ 1.25(b)(3)(i)(F), 1.10(b)(1)(i), (ii), 1.35(a)(1), (b)(1) and 166.3 (2013);
 2. orders DBSI to cease and desist from violating Regulations 1.25(b)(3)(i)(F), 1.10(b)(1)(i) and (ii), 1.35(a)(1) and (b)(1) and 166.3, 17 C.F.R. §§ 1.25(b)(3)(i)(F), 1.10(b)(1)(i), (ii), 1.35(a)(1), (b)(1) and 166.3 (2013);
 3. orders DBSI to pay a civil monetary penalty in the amount of three million dollars (\$3,000,000), plus post-judgment interest; and
 4. orders DBSI and its successors and assigns, to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VII of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VII. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. DBSI shall cease and desist from violating Regulations 1.25(b)(3)(i)(F), 1.10(b)(1)(i) and (ii), 1.35(a)(1) and (b)(1) and 166.3, 17 C.F.R. §§ 1.25(b)(3)(i)(F), 1.10(b)(1)(i), (ii), 1.35(a)(1), (b)(1) and 166.3 (2014);
- B. Civil Monetary Penalty: DBSI shall pay a civil monetary penalty in the amount of three million dollars (\$3,000,000), plus post-judgment interest, within ten (10) days of the date of the entry of this Order (the “CMP Obligation”). Should DBSI not satisfy its CMP Obligation within ten (10) days of the date of entry of this Order, post judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961. DBSI shall pay this penalty 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 Commodity Futures Trading Commission and sent to the address below:

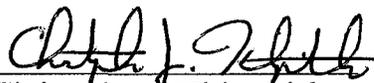
Commodity Futures Trading Commission
Division of Enforcement
ATTN: Nikki Gibson AMZ-300
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: 405-954-7262

If payment by electronic funds transfer is chosen, DBSI shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. DBSI shall accompany payment of the penalty with a cover letter that identifies DBSI and the name and docket number of this proceeding. DBSI shall simultaneously transmit copies of the cover letter and the form of payment to: 1) the Chief, Office of Cooperative Enforcement, Division of Enforcement, Commodity Futures Trading Commission, at the same address, and 2) Regional Counsel, Commodity Futures Trading Commission, Chicago Regional Office, 525 West Monroe, 11th Floor, Chicago, IL 60661. In accordance with Section 6(e)(2) of the Act, 7 U.S.C. § 9a(2), if this amount is not paid in full within fifteen (15) days of the due date, DBSI shall be prohibited automatically from the privileges of all registered entities, and, if registered with the Commission, such registration shall be suspended automatically until it has shown to the satisfaction of the Commission that payment of the full amount of the penalty, with interest thereon to the date of the payment, has been made.

- C. DBSI and its successors and assigns shall comply with the following undertaking set forth in its Offer:
1. **Public Statements:** DBSI agrees that neither it nor any of its successors and assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect DBSI's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. DBSI and its successors and assigns shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.
 2. **Cooperation with the Commission:** DBSI shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto.
 3. **Partial Satisfaction:** DBSI understands and agrees that any acceptance by the Commission of partial payment of DBSI's CMP Obligation shall not be deemed a waiver of its obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
 4. **Change of Address/Phone:** Until such time as DBSI satisfies in full its CMP Obligation as set forth in this Order, DBSI shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten (10) calendar days of the change.

The provisions of this Order shall be effective on this date.

By the Commission


Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: December 22, 2014