

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS**

U.S. COMMODITY FUTURES TRADING COMMISSION,)	
)	
Plaintiff,)	CIVIL ACTION NO.
)	
v.)	4:12-CV-02559
)	
J. HANSEN INVESTMENTS, LLC and JONATHAN HANSEN,)	
)	
Defendants.)	
)	
)	

**CONSENT ORDER FOR PERMANENT INJUNCTION, CIVIL
MONETARY PENALTY AND OTHER EQUITABLE RELIEF AGAINST J. HANSEN
INVESTMENTS, LLC AND JONATHAN HANSEN**

I. INTRODUCTION

On August 24, 2012, Plaintiff U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint against Defendants J. Hansen Investments, LLC and Jonathan Hansen (collectively, “Defendants”), seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 17, 2008), and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (“Dodd-Frank”), §§ 701-774, 124 Stat. 1376, 1641 *et seq.* (effective July 16, 2011), 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. V. 2011), and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* (2012). The Court entered a statutory restraining order against Defendants on August 29, 2012, and a Consent

Order of Preliminary Injunction and Other Equitable Relief against Defendants on September 6, 2012.

II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants J. Hansen Investments, LLC and Jonathan Hansen without a trial on the merits or any further judicial proceedings, Defendants:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants J. Hansen Investments, LLC and Jonathan Hansen (“Consent Order”);
2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, 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;
3. Acknowledge 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, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011);
5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. V. 2011);
6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e) (2006 & Supp. V. 2011);
7. 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 the rules promulgated by the

Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2012), 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, 204-205 (2007), relating to, or arising from, this action;

(c) any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) any and all rights of appeal from this action;

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

9. Agree that they will not oppose enforcement of this Consent Order by alleging that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waives any objection based thereon;

10. Agree that neither they 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 the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect their: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the

Commission is not a party. Defendants shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement; and

11. By consenting to the entry of this Consent Order, Defendants neither admit nor deny the allegations of the Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which they admit. Further, Defendants agree and intend that the allegations contained in the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against Defendants; (b) any proceeding pursuant to Section 8a of the Act, as amended, 7 U.S.C. § 12a, and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 *et seq.* (2012); and/or (c) any proceeding to enforce the terms of this Consent Order.

12. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 71 of Part VI of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States, and

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

III. FINDINGS AND CONCLUSIONS

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable

relief pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

1. The Parties To This Consent Order

14. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, as amended, 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. V. 2011), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2012).

15. Defendant J. Hansen Investments, LLC (“JHI”) is a Texas limited liability company formed on February 5, 2008, with its principal place of business at 1100 NASA Parkway, Suite 314, Houston, Texas 77058. Since April 30, 2010, JHI has been registered with the Commission as a commodity pool operator (“CPO”).

16. Defendant Jonathan Hansen (“Hansen”) is an individual residing in Pearland, Texas. At all times, and with respect to all conduct described in the Complaint, Hansen has exercised sole ownership and control over JHI as the General Manager and Managing Member. Since April 30, 2010, Hansen has been registered with the Commission as an associated person (“AP”) of JHI.

2. Other Relevant Entity

17. The National Futures Association (“NFA”) is a not-for-profit membership corporation and self-regulatory organization that is registered with the Commission as a futures association under Section 17 of the Act. NFA’s membership is comprised of futures commission merchants, commodity trading advisors, commodity pool operators and other futures professionals registered with the Commission. NFA conducts audits and investigations of NFA

member firms, including registered CPOs, to monitor them for compliance with NFA rules, some of which incorporate by reference Commission Regulations.

3. Hansen's Formation and Operation of the Pool

18. From at least April 2009 through January 2012, Defendant Hansen, individually and while acting as the agent and controlling person of JHI, solicited members of the public to invest in a commodity pool he purportedly operated by, among other things, conducting individual meetings with potential participants and word-of-mouth. Defendant Hansen was JHI's only principal and its only employee.

19. Defendant Hansen created and operated JHI to facilitate his futures trading activities. JHI is a limited liability company registered under the laws of the state of Texas and registered with the Commission as a CPO. On its website, JHI describes its activities, in relevant part, as follows: "What JHI does is a day trading style of investing on highly leveraged financial instruments called futures. The leverage of the instruments traded is mitigated by wholly over-marginalizing the capital pool, giving us the opportunity to turn trading of these instruments into a long term growth strategy."

20. As a result of Hansen's solicitations, Hansen received and accepted approximately \$1,117,160 from at least ten individuals for investment in the Pool. Most participants were friends and acquaintances of Hansen and Hansen's parents. Hansen represented to actual and prospective participants that he was developing trading software and possessed proprietary formulas for trading purposes.

21. Pool participants signed a JHI participation agreement stating that "JHI will invest funds into S&P E-mini futures contracts, via proprietary indicators, systems, and strategies." Pool participants also signed a limited partnership agreement whereby Hansen was the general partner of JHI and the pool participants were limited partners.

4. Hansen's Misappropriation of Pool Participant Funds

22. During the relevant period, pool participants provided Hansen with deposits ranging from \$1,000 and \$10,000 to open accounts with JHI. Following the initial deposits, pool participants provided Hansen with additional deposits ranging from \$1,000 to \$140,000. The pool participants deposited these funds by issuing checks payable to JHI or directly to Hansen.

23. Hansen deposited most of the pool participants' funds into JHI's Compass Bank account. He also deposited some of the participants' funds into his personal Compass Bank account.

24. Of the approximately \$1,117,160 received from pool participants during the relevant period, Hansen transferred only approximately \$134,965 to Hansen's personal or JHI's futures trading accounts at Dorman Trading, a registered FCM. Hansen controlled these accounts.

25. The majority of the pool participants' funds remained in JHI's Compass Bank account.

26. Hansen commingled pool participants' funds with his own funds by, among other things, transferring participants' funds from JHI's Compass Bank account to Hansen's Compass Bank account or to Hansen's personal futures trading account containing his own funds.

27. Hansen used the misappropriated funds for his personal use, including for car payments, office rent, restaurants and utilities. He never disclosed to pool participants that their funds would be, or had been, used for these purposes.

28. Hansen paid out approximately \$227,343 of pool participants' funds to certain participants who requested withdrawals from their accounts.

5. Hansen's Omissions, False Statements to Pool Participants, and Misrepresentations

29. During the relevant period, Hansen failed to disclose to actual and prospective pool participants that: (1) only a small portion of pool participants' funds were deposited into futures trading accounts; (2) Hansen misappropriated the majority of participants' funds to pay for personal expenses and to pay certain participants; and (3) Hansen's personal and JHI's futures trading accounts sustained consistent losses. Actual and prospective pool participants would have found such information important to them in determining whether to trust their funds to Hansen.

30. Hansen further concealed and perpetuated the fraud by preparing and distributing to pool participants false account statements via e-mail. These monthly account statements falsely reported profits purportedly earned in the pool participant's account as a result of Hansen's trading and inflated the value of the participant's account. Actual pool participants would have found such information important to them in determining whether to allow their funds to remain with Hansen and JHI.

31. Despite the gains reported to participants in the monthly account statements, there was no trading activity in Hansen's personal or JHI's futures trading accounts for certain months during the relevant period. Hansen traded only approximately 20 out of 34 months during the relevant period.

32. In addition to the monthly account statements, Hansen prepared and distributed to pool participants false monthly trading memoranda via e-mail from approximately October 2009 through January 2012. These trading memoranda falsely reported monthly trading returns ranging from 0.58% to 2.20% and annual returns ranging from 10% to 30%.

33. Some of the monthly trading memoranda also reported false returns for months when there was no trading in either Hansen's personal or JHI's futures trading accounts. For example, Hansen falsely reported in the May 2010 trading memorandum: "First of all, trading in April went very well, and I am happy to report our best month to date. Period returns were 2.01%, breaking the 2% mark for the first time and continuing to make up ground towards the 20% APR target for this fiscal year." In fact, there was no trading in either Hansen's personal or JHI's futures trading accounts during April 2010. Actual and prospective pool participants would have found such information important to them in determining whether to trust their funds to Hansen and allow their funds to remain with Hansen and JHI.

34. Hansen knew that the monthly account statements and trading memoranda were false because he had misappropriated most of the pool participants' funds, deposited only a small portion of participants' funds into Hansen's personal and JHI's futures trading accounts, and Hansen's and JHI's futures trading accounts sustained consistent losses.

5. Hansen's Omissions, False Statements to Pool Participants, and Misrepresentations

35. The NFA commenced an unannounced examination of JHI on February 21, 2012.

36. Hansen and JHI failed to cooperate with NFA's examination of JHI.

37. On February 27, 2012, NFA issued an emergency enforcement action against Hansen and JHI prohibiting them from, among other things: (i) placing any trades in any accounts in the name of JHI, Hansen or any other trading account or pools over which either JHI or Hansen exercise control; and (ii) disbursing or transferring any funds over which either JHI, Hansen or any person acting on behalf of JHI exercises control, without prior approval from NFA.

B. Conclusions of Law

1. Jurisdiction and Venue

38. This Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), which provides that whenever it shall appear to the Commission that any 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 promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

39. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e) (2006 & Supp. V. 2011), because the Defendants reside in this jurisdiction and the acts and practices in violation of the Act occurred within this District.

2. Hansen Committed Fraud by Omissions, Misrepresentations, Misappropriation and False Statements in Connection with Commodity Futures in Violation of Sections 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 4b(a)(1)(A)-(C)

40. Section 4b(a)(1)(A)-(C) of the Act, as amended by the CRA and Dodd-Frank, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011), makes it unlawful for any person, 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 – (A) to cheat or defraud or attempt to cheat or defraud the other person; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; or (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order

or contract, or in regard to any act of agency performed, with respect to any order or contract for such other person.

41. During the relevant period, Hansen violated Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011), in that he cheated or defrauded, or attempted to cheat or defraud, and willfully deceived, or attempted to deceive, pool participants by, among other things: (i) misappropriating pool participants' funds; (ii) making fraudulent misrepresentations and omissions to actual and prospective pool participants about using their funds to trade futures contracts; and (iii) making, causing to be made, and distributing statements and memoranda to pool participants that contained false information.

42. Hansen engaged in the acts and practices described above willfully, knowingly or with reckless disregard for the truth.

43. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

3. JHI and Hansen Committed Fraud as a CPO and AP of a CPO, Respectively, in Violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B)

44. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006 & Supp. V. 2011), in relevant part, makes it unlawful for a CPO or an AP of a CPO, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly: (A) to employ any device, scheme, or artifice to defraud any participant; or (B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any participant.

45. During the relevant period, JHI acted as a CPO by soliciting, accepting and receiving funds for the purpose of trading in commodities for future delivery on or subject to the rules of any contract market.

46. During the relevant period, Hansen acted as an AP of a CPO by soliciting and accepting funds for JHI.

47. During the relevant period, Defendants violated Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011), in that while acting as a CPO and an AP of a CPO, they directly or indirectly employed a device, scheme, or artifice to defraud pool participants and prospective participants, and engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon participants or prospective participants. The fraudulent acts include, among other things: (i) misappropriating pool participants' funds; (ii) making fraudulent misrepresentations and omissions to actual and prospective pool participants about using their funds to trade futures contracts; and (iii) making, causing to be made, and distributing statements and memoranda to pool participants that contained false information.

48. Defendants engaged in such acts by use of the mails or other means or instrumentalities of interstate commerce.

49. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

4. Hansen Commingled Pool Participant Funds in Violation of Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012)

50. Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012), provides that no CPO may “may commingle the property of any pool that it operates or that it intends to operate with the property of any other person.”

51. During the relevant period, Hansen violated Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012), by commingling funds received from pool participants with his own funds by, among other things, transferring pool participants’ funds from JHI’s Compass Bank account to Hansen’s Compass Bank account or to Hansen’s personal futures trading account containing his own funds.

52. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

53. Unless restrained and enjoined by the Court, there is a reasonable likelihood that the Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

54. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), Defendants are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Cheating or defrauding, or attempting to cheat or defraud, other persons in or in connection with any order to make, or the making of, any contract of sale of any

- commodity for future delivery that is made, or to be made, for or on behalf of, or with, any other person in violation of Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 4b(a)(1)(A)-(C) (2006 & Supp. V. 2011);
- b. Employing any device, scheme, or artifice to defraud any actual or prospective pool participant, or engaging in any transaction, practice, or course of business that operates as a fraud or deceit upon any actual or prospective pool participant, by use of the mails or any other means or instrumentalities of interstate commerce, in violation of Section 4o(1) of the Act, 7 U.S.C. 6o(1) (2006 & Supp. V. 2011); and
 - c. Commingling the property of any pool that the CPO operates or that the CPO intends to operate with the property of any other person.

55. Defendants are also 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, as amended, 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 Regulation 1.3 (hh), 17 C.F.R. § 1.3(hh) (2012)) (“commodity options”), security futures products, foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”), or any swap (as that term is defined in Section 1a(47) of the Act and as further defined by Regulation 1.3(xxx) (“swap”)), for their own personal account or for any account in which they may have a direct or indirect interest;

- c. Having any commodity futures, options on commodity futures, commodity options, security futures products, forex contracts, and/or swaps 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, security futures products, forex contracts, and/or swaps;
- 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, security futures products, forex contracts, and/or swaps;
- 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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2012); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2012)), agent or any other officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a) registered, exempted from registration or required to be registered with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2012).

V. RESTITUTION AND CIVIL MONETARY PENALTY

A. Restitution

56. Defendants shall, jointly and severally, pay restitution in the amount of eight hundred seventy eight thousand and one hundred fifty six dollars (\$878,156) (“Restitution Obligation”), plus post-judgment interest, within ten (10) days of the date of entry of this

Consent Order. If the Restitution Obligation is not paid in full within ten (10) days of the date of entry of this Consent Order, then post-judgment interest shall accrue on the Restitution 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 (2006).

57. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants' pool participants, the Court appoints the NFA as Monitor ("Monitor"). The Monitor shall collect restitution payments from Defendants, including the frozen funds identified below, and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA's appointment as Monitor, other than actions involving fraud.

58. Defendants shall make Restitution Obligation payments under this Consent Order to the Monitor in the name "JHI/Jonathan Hansen – Settlement Restitution Fund" and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606 under 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 Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

59. Upon the entry of this Consent Order, the Commission shall promptly provide each of the financial institutions identified in this paragraph with a copy of this Consent Order.

Within thirty (30) days of receiving a copy of this Consent Order, each of the financial institutions identified in this paragraph is specifically directed to liquidate and release all funds in any account number identified below and to convey by wire transfer all funds in these accounts to an account designated by the Monitor. The transfer of such funds shall satisfy in part the Restitution Obligation identified in paragraph 56. At no time during the liquidation, release and/or transfer of funds pursuant to this Consent Order shall the Defendants be afforded any access to, or be provided with, any funds from these accounts. Defendants and all banks and financial institutions listed in this Consent Order shall cooperate fully and expeditiously with the Commission and Monitor in the liquidation, release and transfer of these funds. The accounts to be liquidated, released and transferred are:

BANK/ TRADING FIRM	ACCOUNT NAME	ACCOUNT NO.	BALANCE
Amoco Federal Credit Union	Jonathan Hansen	xxxx6220	\$87.15 (as of 8/29/12)
BBVA Compass Bank	Jonathan B. Hansen	xxxx1461	\$280.40 (as of 9/4/12)
Dorman Trading, LLC	Jonathan Hansen	xxxx2728	\$580,569.72 (as of 8/30/12)
Dorman Trading, LLC	J. Hansen Investments, LLC	xxxx4500	\$40,947.22 (as of 8/30/12)

60. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to

the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible pool participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part V.B. below.

61. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' pool participants to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

62. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' pool participants during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

63. The amounts payable to each of Defendants' pool participants shall not limit the ability of any pool participant from proving that a greater amount is owed from Defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any pool participant that exist under state or common law.

64. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each of the pool participants of Defendants who suffered a loss is explicitly made an intended third-party

beneficiary of this Consent Order and may seek to enforce obedience of this Consent Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order and to hold Defendants in contempt for any violations of any provision of this Consent Order.

65. To the extent that any funds accrue to any U.S. governmental entity, including but not limited to the U.S. Treasury, as a result of the restitution obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Consent Order.

66. Except as provided in paragraph 59 above, upon execution of this Consent Order by the Court, the asset freeze in the Statutory Restraining Order and Consent Order of Preliminary Injunction and Other Equitable Relief is lifted and shall have no further force and effect with respect to Defendants' accounts.

B. Civil Monetary Penalty

67. Defendants shall, jointly and severally, pay a civil monetary penalty in the amount of four hundred eighty three thousand and nine hundred eighty three dollars (\$483,983) ("CMP Obligation"), plus post-judgment interest, within ten (10) days of the date of the entry of this Consent Order. If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Consent Order, then 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 (2006).

68. Defendants shall pay their CMP Obligation 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 other than by electronic funds transfer, then 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: Accounts Receivables – AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: (405) 954-5644

If payment by electronic funds transfer is chosen, Defendants shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation 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 Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

C. Provisions Related to Monetary Sanctions

69. Partial Satisfaction: Any acceptance by the Commission or the Monitor of partial payment of Defendants' Restitution Obligation or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

D. Cooperation

70. Defendants 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.

VI. MISCELLANEOUS PROVISIONS

71. Notice: 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:

Attention: Director of Enforcement
U.S. Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, DC 20581

Notice to Monitor:

Vice President, Compliance
National Futures Association
300 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606; and

Notice to Defendants:

c/o Thomas L. Hunt, Esq.
Thomas L. Hunt & Associates
5353 West Alabama Street, Suite 605
Houston, TX 77056

All such notices to the Commission shall reference the name and docket number of this action.

72. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten (10) calendar days of the change.

73. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

74. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then 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.

75. Waiver: The failure of any party to this Consent Order or of any of Defendants' pool participants at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or pool participant 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.

76. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Defendants to modify or for relief from the terms of this Consent Order.

77. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

78. Authority: Defendant Jonathan Hansen hereby warrants that he is an officer of JHI, and that he has been duly empowered to sign and submit this Consent Order on behalf of JHI.

79. Counterparts and Facsimile Execution: This Consent Order 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 hereto and delivered (by facsimile, e-mail, 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 Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

80. Defendants understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this *Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief*.

IT IS SO ORDERED on this 11th day of February, 2012.



Nancy F. Atlas
United States District Judge

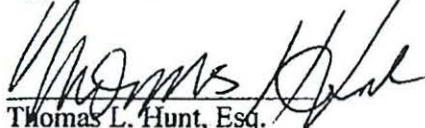
Consented to and approved by:



Jonathan Hansen, individually and in his capacity as a duly authorized representative of J. Hansen Investments, LLC
2814 S. Brompton Drive
Pearland, Texas 77584

Dated: 1/12/13, 2012

Approved as to form:



Thomas L. Hunt, Esq.
Thomas L. Hunt & Associates
5353 West Alabama Street, Suite 605
Houston, TX 77056

Attorney for Defendants JHI and Jonathan Hansen

Dated: 1/14/13, 2012



Danielle Karst
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Dated: 2/8/2013, 2012