



UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

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In the Matter of )

ALEKS A. KINS )

Registrant. )

) CFTC DOCKET NO. SD 15 -03

**NOTICE OF INTENT TO SUSPEND, REVOKE, OR RESTRICT REGISTRATION OF  
ALEKS A. KINS AS AN ASSOCIATED PERSON**

**I.**

The Commodity Futures Trading Commission (“Commission”) has received information from its staff which tends to show, and the Commission’s Division of Enforcement (“Division”) alleges and is prepared to prove, that:

1. AlphaMetrix, LLC (“AlphaMetrix”) is a Delaware limited liability company with its principal place of business located in Chicago, Illinois. Since July 2005, AlphaMetrix has been registered with the Commission as a commodity pool operator (“CPO”) and commodity trading advisor (“CTA”) pursuant to Section 4m of the Act, 7 U.S.C. § 6m (2012).

2. Aleks A. Kins (“Kins”) has been registered with the Commission as an associated person (“AP”) of AlphaMetrix, pursuant to Section 4k of the Act, 7 U.S.C. § 6k (2012), since July 2005. Kins is the President and CEO of AlphaMetrix and its parent, AlphaMetrix Group, LLC (“AMG”).

3. AMG was a parent of a number of entities, including AlphaMetrix. In connection with its business operation, AMG ran intercompany balances between and among its affiliates,

including AlphaMetrix. During at least 2013, AMG encountered cash flow issues and other financial difficulties.

4. In connection with its business of operating commodity pools, AlphaMetrix agreed to rebate certain fees to participants of commodity pools (the “pool participants”) operated by AlphaMetrix by reinvesting the rebates in the pools in the name of and on behalf of the participants. Between January 1, 2013 and October 31, 2013, AlphaMetrix was obligated to reinvest at least \$2.8 million of rebates in this manner. However, instead of reinvesting the rebates, AlphaMetrix transferred the funds to bank accounts of AMG to meet AMG’s financial obligations. Meanwhile, account statements that AlphaMetrix emailed to the pool participants during this time period reflected increases in the net asset value of the pool participants’ investment as if the rebates had been reinvested in the pools, even though they were not. These activities were carried out at the direction of officers and employees of AlphaMetrix and AMG in an effort to resolve AMG’s financial obligations and resulted in violations of the Act. These officers and employees were subject to Kins’ supervision. Kins failed to reasonably supervise persons who were subject to his supervision with a view to preventing violations of the Act.

5. The facts set forth in paragraphs 1-4 above constitute a basis for statutory disqualification from registration under Section 8a(3)(C) of the Act, 7 U.S.C. § 12a(3)(C), pursuant to which the current registration of Kins may be suspended, restricted, or revoked.

## II.

Pursuant to Commission Regulation 3.60(a), 17 C.F.R. § 3.60(a) (2013), Kins is hereby notified that a public proceeding shall be conducted in accordance with the provisions of Commission Regulation 3.60, 17 C.F.R. § 3.60 (2013), on the following questions:

1. Whether Kins is subject to statutory disqualification under Section 8a(3)(C) of the Act, as set forth in Section I, above; and

2. If the answer to question 1 is affirmative, whether the registration of Kins as an AP should be conditioned, suspended, restricted, or revoked. Such proceeding shall be held before an Administrative Law Judge or a Presiding Officer, in accordance with Commission Regulations 3.60 and 10.8, 17 C.F.R. §§ 3.60 and 10.8 (2013), and all post-hearing procedures shall be conducted pursuant to Commission Regulation 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j) (2013).

In accordance with the provisions of Commission Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3) (2013), Kins is entitled to file a response challenging the evidentiary bases of the statutory disqualification or show cause why, notwithstanding the accuracy of the allegations, its registration should not be suspended, revoked, or restricted. Such response must be filed with the Proceedings Clerk, Office of Hearings and Appeals, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581, and served upon Stephanie Reinhart, Senior Trial Attorney, Division of Enforcement at 525 W. Monroe Street, Suite 1100, Chicago, Illinois 60661, within thirty (30) days after the date of service of this Notice upon Kins in accordance with the provisions of Commission Regulation 3.60(b). If Kins fails to file a timely response to this Notice, the allegations set forth herein shall be deemed to be true and the presiding officer may issue an Order of Default in accordance with the provisions of Commission Regulation 3.60(g), 17 C.F.R. § 3.60(g)(2013).

**III.**

The Proceedings Clerk shall serve this Notice of Intent to Suspend, Revoke, or Restrict Registration of Kins by registered or certified mail pursuant to Commission Regulation 3.50, 17 C.F.R. § 3.50 (2013).

By the Commission.

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

Dated: December 18, 2014