

KOPKAN, J

THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

ARJENT CAPITAL MARKETS LLC,
CHICAGO TRADING MANAGERS LLC,
SPENCER MONTGOMERY and BRIAN
REYNOLDS,

Defendants.

MAR 19 2013
JUDITH LAW

USDC SDNY
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DOC #:
DATE FILED: 3/19/13

Case No. 12-CV-1832 (LAK)

ECF Case

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**FINAL JUDGMENT AND CONSENT ORDER FOR PERMANENT INJUNCTION,
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF AGAINST
SPENCER MONTGOMERY and BRIAN REYNOLDS**

I. INTRODUCTION

On March 13, 2012, Plaintiff Commodity Futures Trading Commission ("Commission" or "CFTC") filed a Complaint against individual Defendants Spencer Montgomery ("Montgomery") and Brian Reynolds ("Reynolds") ("Settling Defendants"), and two company Defendants, Chicago Trading Managers, LLC ("CT Managers") and Arjent Capital Markets LLC ("Arjent"), seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for alleged violations of the Commodity Exchange Act.

II. CONSENTS AND AGREEMENTS

To effect settlement of the allegations in the Complaint against them, without a trial on the merits or any further judicial proceedings, Settling Defendants Montgomery and Reynolds:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Spencer Montgomery and Brian Reynolds (“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 CFTC 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 Commodity Exchange Act (“CEA” or “Act”), 7 U.S.C. § 13a-1 (2006);

5. Admit the jurisdiction of the CFTC over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1, *et seq.*;

6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006);

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.* (2011), 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 Montgomery and/or Reynolds now or in the future reside outside the jurisdiction of this Court;

9. Agree 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 facts and 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 CFTC is not a party. Settling Defendants Montgomery and Reynolds 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, Montgomery and Reynolds neither admit nor deny the allegations of the Complaint or the facts and conclusions of law in this Consent Order, except as to jurisdiction and venue, which they admit. Further, Montgomery and Reynolds agree and intend that the allegations contained in the Complaint and all of the facts and conclusions of law 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 Montgomery or Reynolds; (b) any proceeding pursuant to Section 8a of the Act, 7 U.S.C. § 12a, and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 *et seq.* (2011); and/or (c) any proceeding to enforce the terms of this Consent Order.

12. Agree to provide immediate notice to this Court and the CFTC by certified mail, in the manner required by paragraph 53 of Part VII of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States, and

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 them in any other proceeding.

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 Stipulations of Fact and Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), as set forth herein.

THE PARTIES HEREBY AGREE:

III. STIPULATIONS OF FACT

A. 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, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2011).

15. Defendant Montgomery is an individual who resides in New York State. From in or about June 2008 and continuing through at least November 2009 (the "Relevant Period"), Montgomery was a managing member of Arjent and CT Managers. Montgomery also was a member of the National Futures Association registered with the Commission as an associated person for CT Managers.

16. Defendant Reynolds is an individual who resides in Colorado. Throughout the Relevant Period, Reynolds was a managing member of Arjent and CT Managers.

B. Defaulting Defendants

17. Arjent is a Colorado Limited Liability Company formed on or about February 16, 2007, with its principal place of business in Boulder, Colorado. Throughout the Relevant Period, Arjent was registered as a broker dealer with the U.S. Securities and Exchange Commission and the Chicago Board Options Exchange. Arjent ceased operations in March 2010 and was dissolved by Reynolds effective September 4, 2011.

18. CT Managers is a limited liability company organized in Delaware on or about April 2008, with its principal places of business in Boulder, Colorado. CT Managers was a

member of the National Futures Association registered with the Commission as a commodity pool operator and commodity trading advisor.

C. Violations of the Commodity Exchange Act

19. As set forth more fully in the Complaint, beginning in or about June 2008 and continuing through at least November 2009, Montgomery, Reynolds and CT Managers managed and operated at least two commodity pools whose funds were invested with Arjent: Chicago Trading Partners US LLC and Chicago Trading Partners International Ltd. (collectively the "CT Pools").

20. The pool participants in the CT Pools (hereinafter, the "CT Pool Participants") invested approximately \$9 million during the Relevant Period.

21. All pool participant funds were aggregated in an account at a clearing firm (the "Futures Commission Merchant" or "FCM") in Arjent's name ("the Arjent Trading Account").

22. Montgomery and Reynolds assigned subaccounts to pools, which were used to track each pool's equity in the Arjent Trading Account.

23. Pool participants were not told that some subaccounts in the Arjent Trading Account had negative balances (the "Arjent Debits") which when netted as a whole, as required by the FCM, made the actual value of the pool participants' subaccounts substantially less.

24. During the Relevant Period, the FCM's daily records for the Arjent Trading Account netted the Arjent Debits against the investments of the CT Pools, thus offsetting the Arjent Debits against the CT Pools' subaccounts.

25. Montgomery and Reynolds were both aware of the above-described characteristics of the Arjent Trading Account because of their roles in establishing, organizing, maintaining and monitoring the Account.

26. Montgomery and Reynolds had access to comprehensive information relating to the Arjent Trading Account, and were aware of the net liquidating value of the Arjent Trading Account through either accessing this information or discussing the net liquidating value amongst Arjent's managing members.

27. Montgomery and Reynolds knew that if the Arjent Trading Account was liquidated by the FCM or otherwise, the FCM would only provide funds and/or assets totaling the net liquidating value of the Arjent Trading Account as a whole.

28. Over the course of the Relevant Period, the debits in the Arjent Trading Account increased because of, among other things, Montgomery's and Reynolds' compensation, the compensation paid to others associated with Arjent and the trades placed by traders in the Arjent Trading Account whose trading resulted in losses in excess of the assets they had deposited.

29. By June 2009, the Arjent Debits were millions of dollars. In December 2009, Arjent provided to its FCM a draft Arjent disclosure statement ("Disclosure Statement"), which disclosed that "[s]ince October 2009, Arjent has carried negative capital balances of approximately \$6.8 million," which resulted from debit balances caused by trading losses incurred by certain of its members, some of which were "Arjent's managing members or entities operated by Arjent's managing members."

30. Montgomery, Reynolds and CT Managers issued and/or caused to be issued through a third party administrator statements reporting the Net Asset Values ("NAVs") for each CT Pool that did not reflect the dilution of the assets caused by the Arjent Debits.

31. The misstatements made to the CT Pool Participants were material.

32. In or about June 2009, a third commodity pool (the "Third Party Pool") invested \$1.5 million with Arjent, and was similarly assigned a subaccount within the Arjent Trading Account.

33. As with the CT Pools, Montgomery and Reynolds and Arjent issued and/or caused to be issued a statement to the Third Party Pool in August 2009 that inflated the valuations for the account as of July 31, 2009. The statement also falsely indicated that the account was clearing at a non-existent affiliate of the FCM.

34. The subaccount valuations reported to the Third Party Pool in August 2009 for the month ending July 31, 2009, totaled with the valuation statements provided to the CT Pool Participants for that month, exceeded the actual value of the Arjent Trading Account by more than \$3,000,000.

35. The misstatement made to the Third Party Pool was material.

36. Montgomery and Reynolds provided and/or facilitated the provision of account statements to the CT Pool Participants and at least one statement to the Third Party Pool, while aware that the Arjent Debits in the Arjent Trading Account were not disclosed to the CT Pool Participants and/or the Third Party Pool, and that in various months the total Net Asset Values reported in the statements to the CT Pool Participants and the cash balance of the Third Party Pool's investment were greater than the total assets held in the Arjent Trading Account.

37. In connection with the winding up of Arjent and CT Managers' business, two Arjent managing members paid the CT Pool Participants the amount reported on their respective account statements.

D. Montgomery and Reynolds Controlled CT Managers and Argent

38. Throughout the Relevant Period, both Montgomery and Reynolds made decisions for and carried out the business of Arjent and CT Managers.

39. Montgomery and Reynolds controlled the bank accounts of Arjent and CT Managers, controlled access to the Arjent Trading Account, decided whether to accept new CT Pool Participants and pools, approved and denied redemption requests, authorized the payment of salaries and draws, carried out the day-to-day business for each entity, and generally made decisions on behalf of each entity.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

IV. CONCLUSIONS OF LAW

A. Jurisdiction and Venue

40. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), which provides that whenever it shall appear to the CFTC 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 CFTC 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.

41. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), because the acts and practices in violation of the Act occurred within this District.

B. Violations of CEA Section 4b

42. By the conduct described in paragraphs 14 through 38 above—deemed admitted by Arjent and CT Managers due to their failure to answer the Complaint and the entry of Certificates of Default against them—, Montgomery, Reynolds, Arjent and CT Managers cheated and defrauded or attempted to cheat and defraud and willfully deceived or attempted to deceive CT Pool Participants and

the Third Party Pool; willfully made or caused to be made to CT Pool Participants and the Third Party Pool false reports and willfully entered or caused to be entered false records for pool participants and the Third Party pool by, among other things, knowingly or recklessly issuing or causing the issuance of account statements that fraudulently misrepresented the NAV of the CT Pool Participants' investment and issuing or causing the issuance of at least one statement that fraudulently misrepresented the cash balance of the Third Party Pool's investment, in or in connection with orders to make, or the making of, contracts of sale of commodities in interstate commerce or for future delivery made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of other persons, in violation of Sections 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009).

C. Violations of CEA Section 4o

43. Further, by the conduct described in paragraphs 14 through 38 above—deemed admitted by Arjent and CT Managers due to their failure to answer the Complaint and the entry of Certificates of Default against them—, CT Managers and Montgomery, a commodity pool operator and associated person of a commodity pool operator, acting with scienter, used the mails or other means or instrumentalities of interstate commerce directly or indirectly to employ a device, scheme, or artifice to defraud the CT Pool Participants and the Third Party Pool, or to engage in transactions, practices or courses of business which operated as a fraud and deceit upon the CT Pool Participants and the Third Party Pool, all in violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006).

D. Derivative Liability

44. Montgomery and Reynolds controlled Arjent and CT Managers, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, Arjent's and CT Managers' act or acts in violation of Section 4b(1)(A)-(C) of the Act; therefore, pursuant to Section 13(b) of the

Act, 7 U.S.C. § 13c(b) (2006), Montgomery and Reynolds are also liable for Arjent's and CT Managers' violations of those Sections of the Act.

45. Montgomery and Reynolds controlled CT Managers, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, CT Managers' act or acts in violation of Section 4o(1)(A) and (B) of the Act; therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006), Montgomery and Reynolds are also derivatively liable for CT Managers' violations of those Sections of the Act.

46. Reynolds aided, abetted, counseled, commanded, induced and/or procured the act or acts of Montgomery and CT Managers in violation of Section 4o(1)(A) and (B) of the Act; therefore, pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a) (2006), Reynolds is also derivatively liable for Montgomery's and CT Managers' violations of those Sections of the Act.

47. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Settling 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.

V. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

48. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), Settling Defendants Montgomery and Reynolds are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. cheating or defrauding, or attempting to cheat or defraud, other persons; or willfully making or causing to be made to other persons any false report or statement or willfully entering or causing to be entered for the person any false record; or willfully deceiving or attempting to deceive other persons 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 other persons, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person, in violation of Sections 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009).

- b. as a commodity trading advisor, associated person of a commodity trading advisor, commodity pool operator, or associated person of a commodity pool operator, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly employing any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant, in violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B).

49. Settling Defendants are also permanently restrained, enjoined and prohibited from directly or indirectly:

- a. 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 (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh)) (“commodity options”), security futures products, swaps (as that term is defined in Section 1a(47) of the Act, as

amended, and as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. 1.3(xxx)) (“swaps”) and/or 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”);

- b. 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, swaps and/or forex contracts;
- c. 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) (2011); and/or
- d. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2011)), 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) (2011).

VI. CIVIL MONETARY PENALTY

50. Defendant Montgomery shall pay a civil monetary penalty in the amount of One Hundred and Forty Thousand Dollars (\$140,000) (“Montgomery’s CMP Obligation”), plus post-judgment interest, within ten (10) days of the date of the entry of this Consent Order. If Montgomery’s 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 Montgomery’s 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).

51. Defendant Reynolds shall pay a civil monetary penalty in the amount of One Hundred and Forty Thousand Dollars (\$140,000) ("Reynolds' CMP Obligation"), plus post-judgment interest, within ten (10) days of the date of the entry of this Consent Order. If Reynolds' 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 Reynolds' 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).

52. Settling Defendants shall each pay their respective CMP Obligations 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, Settling Defendants Montgomery and Reynolds shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Settling Defendants shall accompany payment of their respective CMP Obligations with a cover letter that identifies Settling Defendants, respectively, by name and the name and docket number of this proceeding. Settling

Defendants Montgomery and Reynolds 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, NW, Washington, D.C. 20581.

53. Partial Satisfaction: Any acceptance by the CFTC of partial payment of Settling Defendants Montgomery's or Reynolds' CMP Obligations shall not be deemed a waiver of their respective obligations to make further payments pursuant to this Consent Order, or a waiver of the CFTC's right to seek to compel payment of any remaining balance.

VII. MISCELLANEOUS PROVISIONS

54. 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 the CFTC:

Director, Division of Enforcement
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, DC 20581

Stephen J. Obie
Associate Director/Regional Counsel
Division of Enforcement
Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005
Telephone: (646) 746-9766
Fax: (646) 746-9940

Notice to Settling Defendants:

Brian Reynolds
864 Iris Avenue
Boulder, CO 80304
Telephone: (303) 434-4694

Spencer Montgomery
481 Glen Street
Glen Falls, NY 12801

Telephone: (518) 745-9892

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

55. Change of Address/Phone: Until such time as each Settling Defendant satisfies in full his respective CMP Obligation as set forth in this Consent Order, each Settling Defendant 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.

56. 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.

57. 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.

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

59. 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 Montgomery and/or Reynolds to modify or for relief from the terms of this Consent Order.

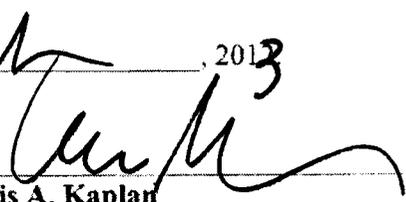
60. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Montgomery and Reynolds, upon any person under the authority or control of Montgomery and/or Reynolds, and upon any person who receives actual notice of this Consent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

61. 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.

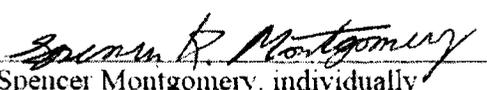
62. Montgomery and Reynolds understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

63. 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 against Settling Defendants Montgomery and Reynolds.

IT IS SO ORDERED on this 14 day of March, 2013


Lewis A. Kaplan
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:


Spencer Montgomery, individually
Glens Falls, NY

Date: 3/3/13

Brian Reynolds, individually
Boulder, Colorado

Date: _____

Approved as to form:

Ranali Esmaili, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway
New York, NY 10036-4039
Attorney for Defendants Brian Reynolds and
Spencer Montgomery

ATTORNEYS FOR PLAINTIFF U.S.
COMMODITY FUTURES TRADING
COMMISSION

Laura Martin, Trial Attorney
Janine Gargiulo, Trial Attorney
Candice Aloisi, Trial Attorney
Manal Sultan, Chief Trial Attorney
David Acevedo, Chief Trial Attorney
Stephen J. Obie, Associate Director/Regional
Counsel

U.S. Commodity Futures Trading Commission
Division of Enforcement
140 Broadway, 19th Floor
New York, NY 10005
Telephone: (646) 746-9766
Fax: (646) 746-9940

Date: _____

IT IS SO ORDERED on this _____ day of _____, 2012.

Lewis A. Kaplan
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Spencer Montgomery, individually
Glens Falls, NY

Date: _____



Brian Reynolds, individually
Boulder, Colorado

Date: 3/13/13

Approved as to form:

Ranah Esmaili, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway
New York, NY 10036-4039
Attorney for Defendants Brian Reynolds and
Spencer Montgomery

ATTORNEYS FOR PLAINTIFF U.S.
COMMODITY FUTURES TRADING
COMMISSION

Laura Martin, Trial Attorney
Janine Gargiulo, Trial Attorney
Candice Aloisi, Trial Attorney
Manal Sultan, Chief Trial Attorney
David Acevedo, Chief Trial Attorney
Stephen J. Obie, Associate Director/Regional
Counsel

U.S. Commodity Futures Trading Commission
Division of Enforcement
140 Broadway, 19th Floor
New York, NY 10005
Telephone: (646) 746-9766
Fax: (646) 746-9940

Date: _____

IT IS SO ORDERED on this _____ day of _____, 2012.

Lewis A. Kaplan
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Spencer Montgomery, individually
Glens Falls, NY

Date: _____

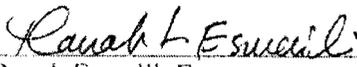
Brian Reynolds, individually
Boulder, Colorado

Date: _____

ATTORNEYS FOR PLAINTIFF U.S.
COMMODITY FUTURES TRADING
COMMISSION

Laura Martin, Trial Attorney
Janine Gargiulo, Trial Attorney
Candice Aloisi, Trial Attorney
Manal Sultan, Chief Trial Attorney
David Acevedo, Chief Trial Attorney
Stephen J. Obie, Associate Director/Regional
Counsel

Approved as to form:

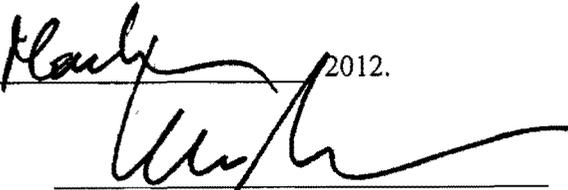


Ranah Esmaili, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway
New York, NY 10036-4039
Attorney for Defendants Brian Reynolds and
Spencer Montgomery

U.S. Commodity Futures Trading Commission
Division of Enforcement
140 Broadway, 19th Floor
New York, NY 10005
Telephone: (646) 746-9766
Fax: (646) 746-9940

Date: _____

IT IS SO ORDERED on this 18 day of March 2012.



Lewis A. Kaplan
UNITED STATES DISTRICT JUDGE

mf

CONSENTED TO AND APPROVED BY:

Spencer Montgomery, individually
Glens Falls, NY

Date: _____

Brian Reynolds, individually
Boulder, Colorado

Date: _____

ATTORNEYS FOR PLAINTIFF U.S.
COMMODITY FUTURES TRADING
COMMISSION



Laura Martin, Trial Attorney
Janine Gargiulo, Trial Attorney
Candice Aloisi, Trial Attorney
Manal Sultan, Chief Trial Attorney
David Acevedo, Chief Trial Attorney
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