

CLERK'S OFFICE U.S. DIST. COURT
AT ABINGDON, VA
FILED

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION**

MAR - 5 2010

JOHN R. BORRORAN, CLERK
BY: *[Signature]*
DEPUTY CLERK

U.S. COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff,

v.

RONALD W. SMITH, JR. D/B/A
SAFEGUARD 3030 INVESTMENT
CLUB, an individual,

Defendant, and

ANGELA A. DUTY SMITH, an
individual;
TIGRE SYSTEMS, INC., a Wyoming
corporation,

Relief Defendants.

CASE NO. 1:10CV00009

**ORDER OF PRELIMINARY INJUNCTION
AND FOR OTHER EQUITABLE RELIEF
AGAINST DEFENDANT**

Plaintiff U.S. Commodity Futures Trading Commission ("Commission") has filed a Complaint for Injunctive Relief, Civil Monetary Penalties, and Other Equitable Relief and moved for a preliminary injunction against defendant Ronald W. Smith, Jr. doing business as Safeguard 3030 Investment Club (Defendant or "R. Smith"). The Court has considered the pleadings, exhibits, and memorandum filed in support of the Commission's motion for preliminary injunction, and any opposition papers filed thereto.

As it appears to the Court that there is good cause to believe that Defendant R. Smith has engaged, is engaging in, or is about to engage in violations of the Commodity Exchange Act (the

Act), 7 U.S.C. §§ 1 *et seq.* (2006), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (CRA)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008) and that this is a proper case for granting a preliminary injunction to preserve the status quo, protect public customers from further loss and damage, and enable the Commission to fulfill its statutory duties, the Court finds as follows:

I.

Jurisdiction and Venue

IT IS HEREBY ORDERED that:

1. The Court has jurisdiction over the transactions at issue in this case pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2), for conduct that occurred on or after June 18, 2008, the date of enactment of the CRA. Section 6c(e) of the Act, 7 U.S.C. § 13a-1 (2006), authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such 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 thereunder.

2. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), in that Defendant is found, inhabits, or transacts business in this district, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this district.

II.

Prohibition from Violations of the Act

IT IS FURTHER ORDERED that:

Defendant R. Smith, all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of defendant, and all persons insofar as they are acting in active concert or participation with defendant who receive actual notice of this Order by personal service or otherwise, shall be prohibited and restrained from directly or indirectly:

1. in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g) of the Act, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market—

- (A) cheating or defrauding or attempting to cheat or defraud the other person;
- (B) willfully making or causing to be made to the other person any false report or statement or willfully entering or causing to be entered for the other person any false record; [or]
- (C) willfully deceiving or attempting 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 or, in the case of paragraph (2), with the other person.

in violation of Section 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, to be codified at

§ 6b(a)(2)(A)-(C), which applies to defendant's foreign currency (forex) transactions "as if" they were a contract of sale of a commodity for future delivery. Section 2(c)(2)(C)(iv) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iv).

III.

Force and Effect

IT IS FURTHER ORDERED that:

This Order shall remain in full force and effect until further order of this Court and that this Court retains jurisdiction of this matter for all purposes. The Order Granting Plaintiff's Ex Parte Motion for Statutory Restraining Order, An Accounting, Expedited Discovery, and Order To Show Cause re: Preliminary Injunction, and Other Equitable Relief previously ordered by the Court shall remain in full force and effect until further order of this Court.

SO ORDERED, this 5th day of March, 2010, at Abingdon, Virginia



CHIEF UNITED STATES DISTRICT JUDGE