

III.

The Commission finds the following:

A. Summary

On or about October 19, 2012, Stropp provided to the Commission, through its Division of Enforcement (“Division”), a signed and notarized Financial Disclosure Statement (“Statement”). He provided the Statement in connection with the Commission’s investigation into potentially unlawful sales of off-exchange leveraged metals contracts by Stropp and his company Barclay Metals, Inc. (“Barclay”). In his Statement, Stropp made false material statements and omitted material facts, including both his control of, and his spouse’s ownership interest in, another entity selling leveraged metals contracts (“Company A”), and his ownership and control of two of Company A’s bank accounts (“the Bank Accounts”).

B. Respondent

Sean Stropp is an individual who resides in Jupiter, Florida. Stropp has never been registered with the Commission.

C. Facts

1. The Barclay Investigation

In the fall of 2011, the Commission initiated an investigation into Barclay and its principals to determine whether they traded illegal off-exchange leveraged metals contracts and/or engaged in fraud. Stropp was one of Barclay’s principals. In connection with the Division’s investigation, the Division requested that Stropp submit the Statement. On or about October 19, 2012, Stropp complied and submitted a signed and notarized statement. On or about November 26, 2012, Stropp submitted an Offer of Settlement. On January 28, 2013, the Commission issued an Order finding that Stropp, Barclay and others engaged in illegal, off-exchange metals transactions in violation of Section 4(a) of the Act. *In re Barclay Metals, Inc. et al.*, CFTC Docket No. 13–13.

2. The Financial Disclosure Statement

In connection with its investigation, the Division requested that Stropp provide the Statement. In the Statement, Stropp was asked to provide specific information about his assets, liabilities, business interests, monthly income and monthly expenses. This Statement was material to the Division’s investigation.

With respect to his financial accounts, Stropp was asked to identify in the Statement:

[A]ll financial institution accounts..., including commodities and securities accounts in your name, your spouse’s name or your dependent’s name; under your, your spouse’s or dependent’s control; in which you, your spouse or your dependents have had a beneficial

interest, or to which you, your spouse or your dependents are a signatory, at any time during the last 5 years.

In response to this question, Stropp listed account names "SRS Financial," "Biz Corporate Solutions, Inc." and "Sean Stropp." He stated that each account had a current account balance of zero.

With respect to his business interests, Stropp was required to identify in the Statement:

List all businesses for which you, your spouse or your dependents are an officer, director or owner.

In response to this question, Stropp listed "Barclay Metals" and "Lloyd's Asset Management" and identified each business entity as a "brokerage" of which he was an "owner."

In the Statement, Stropp declared that the Statement was "true, correct and complete" and that he had:

[N]o other assets, owned either directly or indirectly, or income of any nature other than as shown herein, or attached to the financial disclosure statement.

Stropp declared, "The statements herein and attached hereto represent my financial condition as of the following date: 10-19-12." The Statement was signed by Stropp and notarized on October 19, 2012.

3. Stropp Omitted to State Certain Business Interests and Bank Accounts and Made False and Misleading Statements

Stropp's Statement omitted material information, which was necessary to make the Statement not misleading. Further, Stropp knew such omissions made the Statement false and misleading. Specifically, on or about March 6, 2012, Stropp and a business associate formed or caused to be formed Company A in the State of New York. Stropp's spouse was an officer, director or owner of Company A, and Stropp controlled Company A beginning in at least March 6, 2012 and continuing through at least October 19, 2012. In addition, on or about March 12, 2012, Stropp opened the Bank Accounts. Stropp and/or his spouse were the beneficial owners of and controlled the Bank Accounts through at least October 19, 2012. Moreover, Stropp's spouse was a signatory on the Bank Accounts through at least October 19, 2012. Stropp failed to mention Company A or the Bank Accounts in the Statement.

Stropp also knowingly made false and misleading statements about his financial condition. In particular, Stropp declared that the Statement was true, correct and complete and that he owned no other assets and had no other income other than that identified in the Statement.

IV.

LEGAL DISCUSSION

Section 6(c)(2) of the Act makes it unlawful:

for any person to make any false or misleading statement of a material fact to the Commission ... or to omit to state in any such statement any material fact that is necessary to make any statement of material fact made not misleading in any material respect, if the person knew, or reasonably should have known, the statement to be false or misleading.

7 U.S.C. § 9(2) (2012).

Stropp knowingly made false or misleading statements of material facts, and omitted to state material facts, to the Commission, through the Division. In particular, Stropp falsely stated that the Statement included all his known assets and that the Statement was true, correct and complete. In addition, Stropp failed to disclose in the Statement that his spouse was an owner, officer or director of Company A and that he controlled Company A. Stropp also failed to disclose that he and/or his spouse were the beneficial owners of and controlled the Bank Accounts and that his spouse was a signatory on the Bank Accounts.

These misstatements and omissions were material to the Division's investigation. Each false or misleading statement or omission of a material fact is a separate violation of Section 6(c)(2) of the Act, 7 U.S.C. § 9(2) (2012).

V.

FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that on or about October 19, 2012, Respondent violated Section 6(c)(2) of the Act, 7 U.S.C. § 9(2) (2012).

VI.

OFFER OF SETTLEMENT

Respondent has submitted the Offer in which he, 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 he 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 he 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 which Respondent 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 Respondent violated Section 6(c)(2) of the Act, 7 U.S.C. § 9(2) (2012);
 2. orders Respondent to cease and desist from violating Section 6(c)(2) of the Act, 7 U.S.C. § 9(2) (2012);
 3. orders Respondent to pay a civil monetary penalty in the amount of \$250,000, plus post-judgment interest;
 4. orders that Respondent be permanently prohibited from, directly or indirectly, engaging in 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), and all registered entities shall refuse him trading privileges; and
 5. orders Respondent 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. Respondent shall cease and desist from violating Section 6(c)(2) of the Act, 7 U.S.C. § 9(2) (2012).
- B. Respondent shall pay a civil monetary penalty in the amount of Two Hundred and Fifty Thousand Dollars (\$250,000) within ten (10) days of the date of entry of this Order (the "CMP Obligation"). 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 (2006). Respondent shall pay the 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 is to be made by electronic funds transfer, Respondent shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the Respondent and the name and docket number of this proceeding. The Respondent 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.

- C. Respondent is permanently prohibited from, directly or indirectly, engaging in 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 (2012)) and all registered entities shall refuse him trading privileges.
- D. Respondent shall comply with the following conditions and undertakings set forth in the Offer:

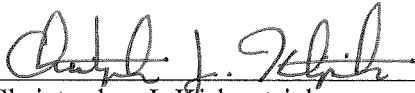
1. Public Statements: Respondent agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement.

2. Respondent agrees that he shall never, directly or indirectly:
 - a. enter 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) (2013)) ("commodity options"), swaps (as that term is defined in Section 1a(47) of the Act, to be codified at 7 U.S.C. § 1a(47) and as further defined in Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx) (2013)) ("swaps"), security futures products, and/or foreign currency (as described in Section 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") for Respondent's own personal account(s) or for any account(s) in which Respondent has a direct or indirect interest;
 - b. have any commodity futures, options on commodity futures, commodity options, swaps, security futures products, and/or forex contracts traded on Respondent's behalf;
 - c. control or direct 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, swaps, security futures products, and/or forex contracts;
 - d. solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, security futures products and/or forex contracts;
 - e. apply for registration or claim exemption from registration with the Commission in any capacity, and engage 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) (2013); and/or
 - f. act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2013)), 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, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013).

- E. Cooperation with the Commission: Respondent 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.
- F. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission or the Monitor of partial payment of Respondent's CMP Obligation shall not be deemed a waiver of his 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.
- G. Change of Address/Phone: Until such time as Stropp satisfies in full his CMP Obligation as set forth in this Consent Order, Stropp 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.

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

By the Commission.



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

Dated: March 18, 2014