UNITED STATES OF AMERICA
before the
COMMODITY FUTURES TRADING COMMISSION

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In the Matter of Futurewise Trading Group, Inc. Respondent.	)	CFTC Docket No. SD 03-06

INITIAL DECISION ON DEFAULT

On February 8, 2002, the Commodity Futures Trading Commission (hereinafter "Commission") filed a complaint against Todd James Snively (hereinafter "Snively"), Commodity Consultants International, Inc. (hereinafter "CCI") and Futurewise Trading Group, Inc. (hereinafter "Futurewise") with the United States District Court for the Eastern District of Michigan, seeking injunctive and other equitable relief for violations of the Commodity Exchange Act (hereinafter "Act"), and Commission Regulations (hereinafter "Regulations"). The district court entered a restraining order against Respondents on February 8, 2002 and a preliminary injunction against Respondents on February 28, 2002. The Commission alleged in its Complaint that Respondents had operated an internet-based commodity futures trading scheme through which Respondents solicited and received over $2.9 million from at least 60 investors. The Commission also alleged that though Respondents permitted investors to trade for their own accounts and place orders with Futurewise and CCI, no actual trading on behalf of investors occurred. The Commission further alleged that Respondents misappropriated investor

funds for personal use. Accordingly, the Commission charged Respondents with violating Sections 4b(a)(i)-(iii)[1] and 4g(a)[2] of the Act and Regulations 1.31[3] and 1.35.[4]

On March 7, 2003, the district court issued a Consent Order of Permanent Injunction and other Equitable Relief against Respondents. The district court deemed the facts alleged in the Complaint to be true and ordered Respondents to permanently cease and desist from further violations of Sections 4b(a)(i)(ii)(iii) of the Act and Regulations 1.31 and 1.35. The district court also permanently enjoined Respondents from trading commodity futures, security futures or options accounts and from applying for registration with the Commission. The district court held Respondents jointly and severally liable for restitution to investors in the amount of $6,274,986.84 plus pre-judgment interest from February 8, 2002 to the date of the Consent Order. Finally, the district court ordered Respondent Snively to pay a civil monetary penalty of $360,000 upon the fulfillment of his restitution obligation to investors.

On September 3, 2003 the Division of Enforcement (hereinafter "Division") filed a Notice of Intent to Suspend, Revoke or Restrict Respondent Futurewise's registrations as a Commodity Trading Advisor, Commodity Pool Operator and Introducing Broker. On the same day the Commission's Office of Proceedings also properly served a copy of the Notice by sending it registered mail to Respondent Futurewise's last known address, as submitted on its application for registration on file with the National Futures Association. The Notice was returned by the U.S. Postal Service as undeliverable. More than twenty days have elapsed since service of the Division's Notice and Respondent Futurewise has failed to file a response.

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[1] 7 U.S.C. §§6b(a)(i)-(iii).
[2] 7 U.S.C. §6g(a).
[3] 17 C.F.R. §1.31.
[4] 17 C.F.R. §1.35.

On December 17, 2003 the Division submitted a Motion for Entry of a Default Order against Respondent Futurewise with proposed findings of fact, conclusions of law and sanctions. The record supports the findings of fact proposed by the Division and they are adopted and incorporated herein by reference only. The Court shall also take judicial notice of the district court's final consent order.

The Division's proposed findings of fact establish conclusively that Respondent Futurewise violated Sections 4b(a)(ii) and (iii) of the Act, as charged in Count One of the complaint, in that it cheated or defrauded, or attempted to cheat or defraud at least 60 investors, and in that it willfully deceived or attempted to deceive those investors regarding their trading accounts, their trading activity and the execution of their orders. As noted in the adopted findings of fact, Respondent Futurewise engaged in an internet-based commodity futures trading scheme through which it solicited and received over $2.9 million from investors. However, Respondent Futurewise conducted no trading on behalf of investors and instead misappropriated investor funds for personal use. Respondent Futurewise also violated Section 4b(a)(ii) of the Act in that it willfully made or caused to be made false reports or statements by preparing and making available to investors false trading account statements. Additionally, Respondent Futurewise violated Section 4g(a) of the Act and Regulations 1.31 and 1.35 in that it denied the Commission access to its books and records.

ORDER

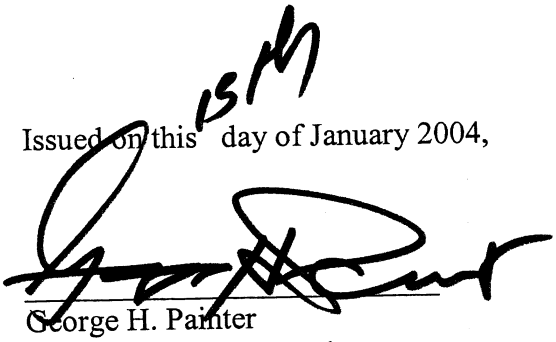
Respondent Futurewise violated Sections 4b(a)(i)(ii)(iii), and 4g(a) of the Commodity Exchange Act, and Commission regulations 1.31 and 1.35, as charged in the complaint. Pursuant to Section 8(a)(2)(C),[5] Respondent Futurewise is statutorily disqualified to serve in a registered capacity and its registrations as a Commodity Trading Advisor, Commodity Pool

[5] 7 U.S.C. §12a(2)(C).

Operator and Introducing Broker are hereby revoked, effective the date this decision becomes final.

IT IS SO ORDERED.

Issued on this 15th day of January 2004,



George H. Painter
Administrative Law Judge

Leah Vu, Law Clerk