

**UNITED STATES OF AMERICA**  
*before the*  
**COMMODITY FUTURES TRADING COMMISSION**

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**In the Matter of:**

**Linuxor Asset Management LLC,  
Abbas A. Shah, & Linuxor Capital  
Management, LLC**

**Registrants,**  
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CFTC Docket No. SD 09-02

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**ORDER OF DEFAULT**

On September 1, 2009, the Commodity Futures Trading Commission (“Commission”) issued and served a Notice of Intent to Revoke Registration to Linuxor Asset Management (“LAM”), Abbas A. Shah (“Shah”), and Linuxor Capital Management (“LCM”) pursuant to Regulation 3.60(a) and Sections 8a(2)(C),(E) and (H) of the Commodity Exchange Act (the “Act”) (Commission’s Notice of Intent to Revoke Registration Pursuant to Sections 8a(2)(C),(E) and (H) of the Commodity Exchange Act, As Amended, Sept. 1, 2009). 17 C.F.R. § 3.60(a) (2009); 7 U.S.C. § 8a (2009). On September 29, 2009, this Court issued an Order directing Respondents to respond to the Notice of Intent by October 15, 2009, or a default judgment would be issued against them (Notice and Order, Sept. 29, 2009).

Respondents failed to respond to the Court’s October 15, 2009 deadline. On November 19, 2009, the Division of Enforcement (“Division”) filed Motions for an Entry of Default and Revocation of Registrations (“Motion for Default”), with supporting Findings of Fact and Conclusions of Law. Having considered the Division’s Motion for Default and accompanying papers, the Court’s findings of fact and conclusions of law are set forth below.

### **Findings of Fact**

1. Linuxor Asset Management LLC (“LAM”) is a Delaware limited liability company with its principal place of business at 20 Exchange Place, 45<sup>th</sup> floor, New York, NY 10005.
2. Abbas A. Shah is a resident of New York, NY.
3. Linuxor Capital Management LLC (“LCM”) is a Delaware limited liability company with its principal place of business at 20 Exchange Place, 45<sup>th</sup> floor, New York, NY 10005.
4. Since December 2001, LAM has been registered with the Commission as a Commodity Pool Operator (“CPO”) pursuant to Section 4m(1) of the Act, and operating under the exemptions of Regulation 4.7. 7 U.S.C. § 6m(1) (2009); 17 C.F.R. § 4.7 (2009).
5. Since December 2001, Shah has been registered with the Commission as an Associated Person (“AP”) of LAM pursuant to Section 4k(2) of the Act. 7 U.S.C. § 6k(2) (2009). Shah owns LAM and LCM and is listed as the sole principal of both registrants.
6. In March 2002, Respondents formed a commodity pool called Linuxor Global Macro Fund LP (“Linuxor Pool”). LAM acted as the CPO of the Pool.
7. Since March 2003, LCM has been registered with the Commission as Commodity Trading Advisor (“CTA”) pursuant to Section 4m(1) of the Act. 7 U.S.C. § 6m(1) (2009).
8. On September 19, 2005, the Commission filed a four-count Complaint in the U.S. District Court for the Southern District of New York against LAM and Shah. *CFTC v. Shah et al.*, Case No. 05-CV-8091, (LAK) (S.D.N.Y. 2005). The Complaint alleged that LAM and Shah violated the anti-fraud Sections 4b(a)(2)(i)-(iii) and 4o(1) of the Act, and Regulations 4.7(b)(2)-(3) and 4.20(b)-(c). 7 U.S.C. §§ 6b(a)(2)(i)-(iii) and 6o(1) (2009); 17 C.F.R. §§ 4.7(b)(2)-(3) and 4.20(b)-(c) (2009).

9. On February 25, 2008, the District Court in *CFTC v. Shah* issued a partial summary judgment in the Commission's favor. The Court found that LAM and Shah failed to distribute any quarterly reports to pool participants, were late in distributing the 2002 annual report, and had commingled Pool funds in LCM's bank accounts. The Court held that LAM and Shah violated Commission Regulations 4.7(b)(2)-(3) and 4.20(b)-(c). 17 C.F.R. §§ 4.7(b)(2)-(3) and 4.20(b)-(c) (2009); *CFTC v. Shah*, 05-CV-8091, (LAK) (S.D.N.Y. Feb. 25, 2008).

10. On December 17, 2008, the District Court entered a Consent Order of Permanent Injunction and Other Equitable Relief ("Consent Order") against Shah and LAM. *CFTC v. Shah*, 05-CV-8091, (LAK) (S.D.N.Y. Dec. 17, 2008).

11. The Consent Order stipulated that Shah and LAM violated section 4b(a)(2)(i)-(iii) and 4c(1) of the Act by knowingly sending two false emails to a pool participant that (1) falsely represented the Pool had recovered more than half of its losses, and (2) misrepresented the net asset value of the Pool by more than \$3 million. In addition, the Consent Order found that Shah and Lam had violated Commission Regulations 4.7(b)(2)-(3) and 4.20(b)-(c), by failing to distribute quarterly reports to the Pool participants, distributing the 2002 Pool Annual Report late, and commingling Pool funds with non-Pool property.

12. As a result, the Consent Order, among other things, (1) ordered a permanent injunction against Shah and LAM from further violations of the Act and Regulations, (2) permanently prohibited Shah and LAM from trading commodity futures or options for themselves or others, (3) permanently prohibited them from applying for registration with the Commission or acting in a capacity requiring registration, and (4) ordered them to pay a civil monetary penalty of \$200,000.

### Conclusions of Law

1. Pursuant to Section 8a(2)(C) of the Act, the Commission may revoke the registration of any person “if such person is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction..., including an order entered pursuant to an agreement of settlement to which the Commission or any Federal or State agency or other governmental body is a party, from (i) act as a ... introducing broker... or (ii) engaging in or continuing any activity where such activity involves ... fraud ...” 7 U.S.C. § 12a(2)(C) (2009).
2. Pursuant to Section 8a(2)(E) of the Act, the Commission may revoke the registration of any person “if such person, within ten years ... has been found in a proceeding brought by the Commission or any Federal or State agency or other governmental body, or by agreement of settlement to which the Commission or any Federal State or agency or other governmental body is a party, (i) to have violated any provision of this Act... where such violation involves fraud...” 7 U.S.C. § 12a(2)(E) (2009).
3. Pursuant to Section 8a(2)(H) of the Act, a person’s registration may be revoked “if refusal , suspension, or revocation of the registration of any principal of such person would be warranted because of statutory disqualification...” and provided that the “principal” referred to above is a general partner of a partnership or a person who owns more than 10% of the corporation. 7 U.S.C. § 12a(2)(H) (2009).
4. As set forth above, LAM and Shah entered into a Consent Order containing stipulated facts and conclusions of law that they committed fraud in violation of the Act, and other regulatory violations, which permanently enjoins them from further violations of the Act and Regulations. Thus, pursuant to Sections 8a(2)(C) and (E) of the Act, good cause exists for revoking the CPO registration of LAM and the AP registration of Shah. 7 U.S.C. § 12a(2)(C)(E)

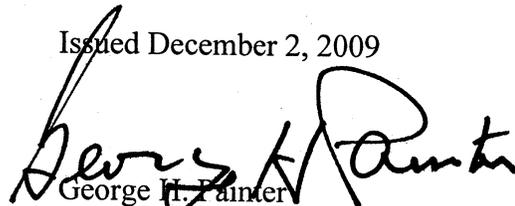
(2009). Furthermore, because Shah is a principal of LCM, and as a result of the aforementioned Consent Order against Shah, good cause exists for revoking the CTA registration of LCM pursuant to Section 8a(2)(H) of the Act. 7 U.S.C. § 12a(2)(H) (2009).

**Order**

Therefore, pursuant to Sections 8a(2)(C)(E) and (H) of the Act, Respondents are statutorily disqualified from registration with this Commission. 7 U.S.C. § 12a(2)(C)(E)(H) (2009). Accordingly, LAM's registration as a CPO is REVOKED, Shah's registration as an AP is REVOKED, and LCM's registration as a CTA is REVOKED, all of which is effective the date this decision becomes final.

*So ordered.*

Issued December 2, 2009

  
George H. Palmer  
Administrative Law Judge