UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of Brookshire Raw Materials Management, LLC, Registrant.	CFTC DOCKET NO. SD 11-02

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OPINION AND ORDER ACCEPTING OFFER OF SETTLEMENT OF BROOKSHIRE RAW MATERIALS MANAGEMENT, LLC

I.

On this date, the Commodity Futures Trading Commission ("Commission" or "CFTC") filed a Notice of Intent to Revoke Registrations ("Notice") against registrant Brookshire Raw Materials Management, LLC ("BRM" or "Registrant"). The Notice alleges BRM's registrations as a Commodity Pool Operator ("CPO") and Commodity Trading Advisor ("CTA") are subject to revocation under Section 8a(2)(C) of the Commodity Exchange Act ("Act"), 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 the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. § 12a(2)(C). To resolve this matter, BRM has submitted an Offer of Settlement ("Offer") that the Commission has determined to accept.

II.

BRM acknowledges service and receipt of the Notice, and this Opinion and Order ("Order"). Prior to the taking of any testimony, and prior to any adjudication on the merits, BRM consents to the entry of this Order and to the use of the findings in this Order only in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party.

III.

The Commission finds the following:

A. Respondent Brookshire Raw Materials Management, LLC

BRM is a Delaware limited liability company with a main business office at 1000 Hart Road, Suite 210, Barrington, Illinois 60010 and a branch business office located at 219 Dufferin St., Suite 200-A, Toronto, Ontario, Canada. BRM is the registered CPO and CTA to a

commodity pool entitled Brookshire Raw Materials Group Trust ("the Trust" or "the pool"), and is also the managing owner of the Trust. It is also a member of the National Futures Association ("NFA"). BRM is charged with managing the Trust and directing its trading activities. It is also responsible for preparing monthly and annual reports to the pool participants as required by the Commission and the NFA.

B. Facts

John M. Marshall ("Marshall"), Stephen Z. Adams ("Adams"), BRM, Brookshire Raw Materials Group, Inc. ("BRMG") and Brookshire and Company, Ltd. ("BCL") (collectively "Defendants") and relief defendant, the Trust, were charged in a Commission civil injunctive action captioned *CFTC v. Marshall, et al.*, No. 09-CV-1056 (N.D. Ill.) with misappropriating commodity pool participants' funds, failing to return requested pool participant funds, making false statements in connection with commodity futures transactions and destroying and removing records relating to the pool, in violation of Sections 4b(a)(2)(i)-(iii), 4n(3)(A) and 4*o*(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii), 6n(3)(A) and 6*o*(1) (2006), Section 4b(a)(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 4b(a)(1)(A)-(C), and Commission Regulations 1.31 and 4.7(b)(4), 17 C.F.R. §§ 1.31 and 4.7(b)(4) (2008).

The Commission's complaint alleges that between February 2006 and December 2008, the pool collected $8 million from participants and that from at least September 2006 through October 2008, BRM, through control persons Marshall and Adams, made at least $4.6 million in unauthorized withdrawals from the pool.

On February 23, 2010, the parties settled the liability portion only of Commission's injunctive action pursuant to a Consent Order for Permanent Injunction and Other Equitable Relief ("Consent Order of Permanent Injunction"). The Consent Order of Permanent Injunction prohibits the Defendants from engaging in futures industry activities on behalf of others, prohibits them from trading for themselves and permanently enjoins the Defendants from violating the Act and Commission Regulations, as charged, including engaging in violations of the anti-fraud provisions in Sections 4b(a)(1)(C) and 4*o*(1) of the Act. The Consent Order of Permanent Injunction also permanently enjoins Defendants from, among other activities: soliciting funds from any person for the purpose of purchasing or selling any commodity futures, or options on commodity futures; controlling or directing the trading for or on behalf of any other person or entity in any account involving commodity futures or options on commodity futures; and applying for registration or claiming exemption from registration with the Commission, and engaging in any activity requiring such registration or exemption from registration.

C. Legal Discussion

BRM's registrations are subject to statutory disqualification under the Act. Section 8a(2)(C) of the Act, in relevant part, authorizes the Commission to revoke the registration of any person "if such person is permanently . . . enjoined by order . . . of any court of competent jurisdiction . . . including an order entered pursuant to an agreement of settlement to which the Commission . . . is a party, from (i) acting as a futures commission merchant, introducing

broker, floor broker, floor trader . commodity pool operator, commodity trading advisor... or (ii) engaging in or continuing any activity where such activity involves . . . fraud, . . . misappropriation of funds . . . or property, . . . or any transaction in or advice concerning contracts of sale of a commodity for future delivery . . . ." 7 U.S.C. § 12a(2)(C). Because the Consent Order of Permanent Injunction has the effect of permanently enjoining BRM from acting in any all of these registered capacities, subject to one exemption relating to acting as a CTA, and from engaging in fraud or misappropriation, it provides two bases under Section 8a(2)(C) of the Act for the statutory disqualification of BRM and revocation of its current registrations.

IV.

OFFER OF SETTLEMENT

BRM has submitted an Offer in which BRM acknowledges service of the Notice; admits the jurisdiction of the Commission with respect to the matters set forth in the Notice; waives a hearing, all post-hearing procedures, judicial review by any court, any all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer, any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or Part 148 of the Commission Regulations, 17 C.F.R. §§ 148.1-30 (2010), relating to, or arising from, this action, any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-68 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to or arising from this action, and any claim of double jeopardy based on the institution of this proceeding or the entry in this proceeding of any order for relief. In addition, BRM stipulates that the record basis on which this Order is entered consists of the Notice and the findings to which BRM consented in the Offer, which are incorporated in this Order.[1]

V.

FINDING

Based upon the foregoing, the Commission finds that BRM's registrations as a CPO and CTA shall be revoked pursuant to Section 8a(2)(C) of the Act, as amended, to be codified at 7 U.S.C. § 12a(2)(C).

VI.

Accordingly, IT IS HEREBY ORDERED THAT:

BRM's registrations as a CPO and CTA are hereby revoked.

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[1] In its Offer, BRM agrees to the use of the findings in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party.

The provisions of this Order shall be effective immediately. A copy of this Order shall be served on BRM at the address set forth in the Notice, on all contract markets, and on the NFA.

By the Commission:

David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: March 16, 2011