

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

CASE NO. 1:11-CV-448

v.

HON. ROBERT J. JONKER

JEFFERY L. GROENDYKE d/b/a
JG FOREX FUND,

Defendant.

_____ /

STATUTORY RESTRAINING ORDER
ON EX PARTE RECORD

Having read the Complaint for Injunctive and Other Equitable Relief and Motion for *Ex Parte* Statutory Restraining Order (“Motion”) filed by Plaintiff Commodity Futures Trading Commission (“CFTC” or “Commission”); the Memorandum in Support of its Motions for Injunctive and Other Equitable Relief submitted in support of the CFTC’s Motion; the Declarations of Joseph Patrick and James Sanders, and all other matters of record; and having heard Plaintiff’s counsel *ex parte*, but on the record; and for the reasons stated during the hearing,

THE COURT FINDS:

1. The Court has jurisdiction over the subject matter of this case.
2. Rule 65, and Section 6c of the Commodity Exchange Act (the “Act”), 7 U.S.C. § 13a-1, 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

(“Dodd-Frank Act”), 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. §§ 1 *et seq.*, authorizes this Court to enter an *ex parte* statutory restraining order against Defendant Jeffrey L. Groendyke d/b/a JG Forex Fund (“Defendant”).

3. It appears that there is good cause to believe that Defendant has engaged, is engaging in or is about to engage in violations of Section 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A), (B) and (C) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6b(a)(2)(A), (B) and (C), and Regulations 5.2(b)(1), (2) and (3), and 5.3(a)(2)(i), 17 C.F.R. 5.2(b)(1), (2) and (3), and 5.3(a)(2)(i).

4. It further appears that there is good cause to believe that immediate and irreparable harm to the Court’s ability to grant effective final relief for Defendant’s commodity pool customers in the form of monetary redress may occur from the sale, transfer, assignment, or other disposition by Defendant of assets entrusted to him by his pool customers, or destruction of records unless Defendant is immediately restrained and enjoined by order of this Court. Accordingly, there is good cause to issue this Order.

5. It further appears to the satisfaction of the Court that this is a proper case for granting an *ex parte* statutory restraining order to preserve the status quo and to protect public commodity pool participants from further loss and damage, and that the procedural prerequisites of Rule 65(b) for *ex parte* relief have been satisfied.

ORDER

DEFINITIONS

For the purposes of this Order, the following definitions apply:

6. “Assets” means any legal or equitable interest in, right to, or claim to, any real or personal property, including but not limited to chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes accounts including bank accounts and accounts at financial institutions, credits, receivables, lines of credit, securities, contracts including spot and futures contracts, insurance policies, and all cash, wherever located.

7. “Document” is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

8. “Defendant” means Jeffrey L. Groendyke d/b/a JG Forex Fund, and any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee or attorney of Defendant, and any person who receives actual notice of this Order by personal service or otherwise, including United Parcel Service, Federal Express, electronic mail and facsimile, insofar as he or she is acting in concert or participation with Defendant.

RELIEF GRANTED

STATUTORY RESTRAINING ORDER

I. ASSET FREEZE

IT IS ORDERED that Defendant is restrained and enjoined from directly or indirectly withdrawing, transferring, removing, dissipating, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, converting, or otherwise disposing of any funds, assets or other property entrusted to Defendant by a commodity pool customer, wherever located, including funds, property or assets held outside the United States, except as ordered by the Court. The assets affected by this Paragraph include not only the assets in the form originally entrusted to Defendant, but also all proceeds of such assets and all assets into which the originally entrusted assets have been transferred. This includes, without limitation, the following accounts:

- A. Account number XXXXXX2368 in the name of Jeffery L. Groendyke carried at Forex Capital Markets, LLC (“FXCM”), a registered futures commission merchant (“FCM”) and registered foreign exchange dealer (“RFED”) located in New York, NY;
- B. Account number XXXXXX8450 in the name of Jeffery L. Groendyke also carried at FXCM;
- C. Account number XX3630 in the name of Jeffery Lee Groendyke carried at Oanda Corporation, a registered FCM and RFED located in Toronto, Canada;
- D. Account number XXX-X0728 carried at Roenthal Collins Group, LLC, a registered FCM located in Chicago, IL.

IT IS FURTHER ORDERED that, pending further order of this Court, that the custodian of the specifically identified accounts in the preceding paragraph shall, upon receiving notice of this Order by any means, including facsimile, electronic mail, United Parcel Service and Federal Express, shall:

- A. Prohibit Defendant and any other person from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any such accounts except as directed by further order of the Court;
- B. Cooperate with all reasonable requests of the CFTC relating to the implementation of this Order, including producing records relating to Defendant's accounts and Defendant's businesses.

II. PROHIBITION OF DESTRUCTION OF BOOKS AND RECORDS

IT IS FURTHER ORDERED that Defendant and all persons or entities who receive notice of this Order by personal service or otherwise, including electronic mail, facsimile, United Parcel Service and Federal Express, are restrained and enjoined from directly or indirectly destroying, mutilating, erasing, altering, concealing or disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or business or personal finances of Defendant.

III. ACCESS TO AND INSPECTION OF BOOKS AND RECORDS

IT IS FURTHER ORDERED that representatives of the CFTC be allowed immediately to inspect the books, records, and other documents of Defendant and his agents including, but not limited to, electronically stored data, tape recordings, and computer discs, wherever they may be

situated and whether they are in the possession of Defendant or others, and to copy said documents, data and records, either on or off the premises where they may be situated.

IV. COURT MAINTAINS JURISDICTION

IT IS FURTHER ORDERED that this Order shall remain in full force and effect through May 17, 2011, or such later time as the Court may lawfully provide on an *ex parte* or agreed basis under Rule 65(b)(2), or under Rule 65(a) after notice and an opportunity for Defendant to be heard.

V. FURTHER COURT HEARINGS

IT IS FURTHER ORDERED that this matter is set for a status conference on **May 17, 2011 at 11:00 a.m.** Plaintiff is required to be present through counsel. Defendant is required to be present personally and through any counsel he elects to employ.

IT IS FURTHER ORDERED that Plaintiff's Motion for Preliminary Injunction (docket # 3) is set for hearing on **May 27, 2011 at 9:30 a.m.** Plaintiff is required to be present through counsel. Defendant is required to be present personally and through any counsel he elects to employ. This will be an evidentiary hearing.

IT IS SO ORDERED.

Dated: May 3, 2011

/s/ Robert J. Jonker
ROBERT J. JONKER
UNITED STATES DISTRICT JUDGE