

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

U.S. COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

CASE NO.: 4:11-CV-0064-RAS-DDB

LARRY BENNY GROOVER

Defendant,

and

JOANNE GROOVER

Relief Defendant.

**CONSENT ORDER OF PERMANENT INJUNCTION  
AND FOR OTHER EQUITABLE RELIEF AGAINST DEFENDANTS**

Plaintiff U.S. Commodity Futures Trading Commission (“Commission”) has filed a Complaint for Injunctive and Other Equitable Relief and for Civil Monetary Penalties Pursuant to the Commodity Exchange Act (“Complaint,” DE #1) and moved for a preliminary injunction. The court entered a Statutory Restraining Order on February 11, 2011 (DE #6) and a Consent Order of Preliminary Injunction on February 17 (DE #14).

**I. CONSENTS AND AGREEMENTS**

To effect settlement of the matters alleged in the Complaint without a trial on the merits or any further judicial proceedings, Defendant Larry Benny Groover (“Groover”) and Relief Defendant Joanne Groover (“Mrs. Groover”) (collectively, “Defendants”) hereby:

1. Consent to entry of this Consent Order of Permanent Injunction and Equitable Relief Against Defendants (“Consent Order”);
2. Affirm that Defendants have read and agreed to this Consent Order voluntarily, and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order, other than as set forth specifically herein;
3. Acknowledge proper service of the summons and Complaint;
4. Admit the jurisdiction of this court over them and the subject matter of this action pursuant to Section 6c of the Commodity Exchange Act, to be codified at 7 U.S.C. § 13a-1, as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (subtitled “CFTC Reauthorization Act of 2008” (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008) (the “Act”);
5. Admit that venue properly lies with this court pursuant to Section 6c of the Act, to be codified at 7 U.S.C. § 13a-1;
6. Waive:
  - a. any and all claims that they 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 Regulations, 17 C.F.R. § 148.1, et seq. (2009), relating to, or arising from, this action;
  - b. any and all claims that they 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, 204-207 (2007), relating to, or arising from, this action;

- c. any and all claims of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief; and
- d. any and all rights of appeal in this action;

7. Consent to the continued jurisdiction of this court for the purpose of enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this case, even if Defendants now, or in the future, reside outside the jurisdiction;

8. Agree that neither the Defendants nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or Findings of Fact or Conclusions of Law contained in this Consent Order, or creating, or tending to create, the impression that the Complaint or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect the Defendants': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. The Defendants shall undertake all steps necessary to ensure that all of their agents and employees under their authority or control understand and comply with this agreement; and

9. By consenting to the entry of this Consent Order, the Defendants neither admit nor deny the allegations of the Complaint or the Findings of Fact and Conclusions of Law contained in this Consent Order, except as to jurisdiction and venue, which they admit. However, Defendants agree and intend that the allegations of the Complaint shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (i) any

current or subsequent bankruptcy proceeding filed by, or on behalf of, or against either of the Defendants; (ii) any proceeding to enforce this Consent Order; and (iii) any proceeding pursuant to Sections 8a(1)-(2) of the Act, to be codified at 7 U.S.C. §§ 12a(1)-(2), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 et seq. (2011). Each Defendant shall provide immediate notice of any bankruptcy filed by, on behalf of, or against that Defendant and shall provide immediate notice of any change of address, telephone number, or contact information in the manner required by this Consent Order.

10. No provision of this Consent Order shall in any way limit or impair the ability of any person to seek any legal or equitable remedy against any of the Defendants or any other person in any other proceeding.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The court therefore directs the entry of findings of fact, conclusions of law and a permanent injunction and equitable relief, pursuant to § 6c of the Act, to be codified at 7 U.S.C. § 13a-1, as set forth herein.

### **A. Jurisdiction and Venue**

11. This court has jurisdiction over this action pursuant to Section 6c of the Act, to be codified at 7 U.S.C. § 13a-1.

12. This court has personal jurisdiction over Defendants, who acknowledge service of the summons and Complaint and consent to the court's jurisdiction over them.

13. Venue properly lies with this court pursuant to Section 6c(e) of the Act, to be codified at 7 U.S.C. § 13a-1(e), in that Defendants are found in, inhabit, and/or transact business in this district, and the acts and practices in violation of the Act, the Act, as amended by the

CRA, and Regulations have occurred, are occurring, or are about to occur within this district, among other places.

**B. The Parties**

14. Plaintiff U.S. Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, as amended, to be codified at 7 U.S.C. §§ 1 et seq. and the Commission's Regulations (Regulations) promulgated thereunder, 17 C.F.R. §§ 1.1 et seq. (2011). The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

15. Defendant Larry Benny Groover is an individual residing in Gunter, Texas (Grayson County). Groover has never been registered with the Commission in any capacity.

16. Relief Defendant Joanne Groover is Groover's wife and also resides in Gunter, Texas. Mrs. Groover has never been registered with the Commission in any capacity. Mrs. Groover is a joint account holder in the bank account in which customer funds were deposited. In addition, Mrs. Groover owns certain leveraged or margined off-exchange foreign currency contract ("forex") trading accounts in which customers' funds were deposited for trading.

**C. Groover's U.S. Securities and Exchange Commission ("SEC") and Criminal History**

17. In October 1986, the U.S. Securities and Exchange Commission ("SEC") filed a civil action against Groover in the United States District Court for the District of Columbia.

18. In its Complaint, the SEC alleged that Groover (and others) offered and sold unregistered securities through misrepresentations and omissions.

19. Subsequently, Groover consented to a final judgment, which permanently enjoined him from violating the registration provisions of the Securities Act of 1933, the anti-

fraud provisions of the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940. Groover was also ordered to make contributions to a fund for the benefit of customers.

20. In April 1987, the SEC issued an order instituting administrative proceedings, making findings and barring Groover from associating with a broker, dealer or investment adviser for five years.

21. In 1989, Groover was indicted by a grand jury for conspiracy, securities fraud, mail fraud and concealment by trick, scheme and device and aiding and abetting.

22. In 1991, Groover was convicted in the United States District Court for the District of Utah of conspiracy, securities fraud, false statements, and mail fraud in the matter United States v. Larry B. Groover, Criminal Action File No. 89-CR-0231S. The presiding judge sentenced Groover to two years of imprisonment and five years of probation and ordered Groover to pay his victims \$16,000 in restitution.

23. By July 1997, Groover had paid less than \$4,000 under the restitution order and had his probation revoked, resulting in his incarceration.

**D. Groover's Forex Trading Accounts**

24. Mrs. Groover opened at least four forex trading accounts ("the forex trading accounts") at futures commission merchant ("FCM") FX Solutions and/or its foreign affiliates between May 4, 2005 and the present.

25. Although the forex trading accounts were opened by Mrs. Groover, Groover controlled the forex trading accounts and the trading therein.

26. Groover needed Mrs. Groover's name to open the forex trading accounts because the forex FCMs asked all new account applicants whether they had ever been a party to an

investigation, complaint or settlement with the National Futures Association (“NFA”), Commission, SEC or other regulatory or criminal agencies.

27. Groover, as a defendant to both an SEC administrative proceeding and an SEC civil action for fraud, knew that he would have to answer that question in the affirmative.

28. When Mrs. Groover opened her first forex trading account with FX Solutions in May 2005, she listed her e-mail address as larrygroover@juno.com. On subsequent account applications, that e-mail address is either listed as a primary address for Mrs. Groover or a secondary address for her.

29. Later that month, Groover corresponded by e-mail with someone at FX Solutions about problems with Mrs. Groover’s account, noting several times that he made good and bad trades in the account and signing the e-mail “Larry.”

30. In addition, Groover’s customers were told that Groover (not Mrs. Groover) was trading forex for them.

**E. Groover’s Forex Solicitation and Misappropriation**

31. From May 4, 2005 to February 4, 2010, approximately \$3,100,000 was deposited into the forex trading accounts. During that period, the forex trading accounts suffered trading losses and/or fees of approximately \$2,100,000, while Mrs. Groover withdrew the remaining approximately \$1,000,000.

32. From June 18, 2008 to February 4, 2010 (“the Relevant Period”), Groover solicited and received approximately \$1.4 million from at least 22 different individuals/entities in amounts ranging from \$2,000 to \$200,000 to trade forex.

33. Groover co-mingled these funds in a Wells Fargo bank account with his and Mrs. Groover's personal funds, including approximately \$33,000 in benefits received from the Social Security Administration.

34. During the Relevant Period, Groover transferred only approximately \$647,500 of the approximately \$1.4 million he received from customers to the forex trading accounts.

35. During the Relevant Period, the forex trading accounts suffered losses of approximately \$600,000. The money that was not lost was either transferred to Groover's Wells Fargo account or remained in an offshore forex trading account.

36. During the Relevant Period, Groover misappropriated the funds not deposited into the forex accounts by, among other things, making payments to past customers with new customer funds, making payments for personal expenses (such as health and medical care, dining, cable television, auto repair, gasoline, groceries and insurance), purchasing software and trade publications and making payments directly to himself or to Mrs. Groover.

37. During the Relevant Period, Groover did not disclose to his prospective customers or existing customers that a significant portion of their funds would not be used for forex trading.

**F. Groover's Scheme Accelerated in August 2009**

38. As Groover's scheme advanced, he continued to solicit and receive money for forex trading, but nearly ceased trading forex.

39. From August 18, 2009 to February 4, 2010, Groover received approximately \$722,000 from 14 different individuals for the purposes of trading forex.

40. However, from August 18, 2009 to February 4, 2010, Groover transferred only approximately \$109,000 of the \$722,000 from customers to offshore forex FCMs.

41. Instead, Groover misappropriated the remaining approximately \$613,000 in customer funds, primarily in order to repay previous customers.

42. Returns provided to Groover customers did not come from profits Groover made trading forex. Rather, returns provided to Groover customers came from either existing Groover customers' original investments or money invested by subsequent Groover customers. Groover, thus, operates a Ponzi scheme, misappropriating customer funds.

43. Groover knowingly or with reckless disregard of the truth made the above material misrepresentations and omissions in order to induce customers to invest and trade with him.

**G. The RJW Enterprises, LLC Forex Account**

44. In August, 2007, Ronald J. Washington ("Washington") was introduced to Groover.

45. Washington decided to invest \$250,000 in an account with Groover directing forex trading.

46. In order to do so, Washington formed an entity called RJW Enterprises, LLC ("RJW").

47. On September 4, 2007, Washington wrote a check to RJW for \$250,000. \$230,000 of the \$250,000 was deposited into a forex trading account in RJW's name at FX Solutions.

48. On August 21, 2008, Groover faxed to Washington an account statement indicating that, as a result of his forex trading, RJW's funds had grown 5% monthly since September 2007. The account statement indicated that the balance in RJW's account was \$393,378.09.

49. This account statement was completely false. In reality, in less than a month's time, Groover lost nearly the full balance of the RJW account trading forex. From September 19, 2007 to October 15, 2007, the RJW account at FX Solutions incurred \$211,505 in trading losses and \$17,226 in fees.

50. Some or all of Groover's customers were not "eligible contract participants" as that term is defined in the Act. See Section 1a of the Act, to be codified at 7 U.S.C. § 1a (an "eligible contract participant," as relevant here, is an individual with total assets in excess of (i) \$10 million, or (ii) \$5 million and who enters the transaction "to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual").

51. The forex transactions conducted by Groover at FCMs on behalf of Groover's customers were entered into on a leveraged or margined basis. Groover was required to provide only a percentage of the value of the foreign currency contracts that he purchased.

52. The forex transactions conducted by Groover at FCMs neither resulted in delivery within two days nor created an enforceable obligation to deliver between a seller and a buyer that had the ability to deliver and accept delivery, respectively, in connection with their lines of business; rather, these forex contracts remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an obligation to do so).

53. Neither Groover nor the FCMs that were the counterparties to the forex transactions were financial institutions, registered broker dealers, insurance companies, bank holding companies, or investment bank holding companies, or the associated persons of such entities.

54. By virtue of his actions, Groover has engaged, is engaging, or is about to engage in acts and practices that violate Section 4b(a)(2)(A)-(C) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(A)-(C).

**H. Mrs. Groover is a Proper Relief Defendant**

55. Pursuant to federal common law, Mrs. Groover is a relief defendant because she has received ill-gotten funds from Groover's fraudulent conduct to which she is not legitimately entitled, and, therefore, must disgorge all ill-gotten gains regardless of whether she actually violated the anti-fraud provisions of the Act, as amended by the CRA.

**I. Violations of the Act**

56. Section 4b(a)(2)(A)-(C) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(A)-(C), makes it unlawful

for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g), that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market — (A) to cheat or defraud or attempt to cheat or defraud the other person; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; [or] (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contact for or, in the case of paragraph (2), with the other person.

57. Section 4b(a)(2)(A)-(C) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(A)-(C), applies to Groover's forex transactions "as if" they were contracts of sale of a commodity for future delivery. Section 2(c)(2)(C)(iv) of the Act, to be codified at 7 U.S.C. § 2(c)(2)(C)(iv).

58. As set forth above, from at least June 18, 2008 to at least February 4, 2010, in or in connection with forex contracts, Groover made, or caused to be made, for or on behalf of other persons, Groover cheated or defrauded or attempted to cheat or defraud customers or prospective

customers; willfully made or caused to be made false reports or statements to another person; and willfully deceived or attempted to deceive customers or prospective customers by, among other things, (i) misappropriating customer funds that were to be used to trade forex; and (ii) making, causing to be made, and distributing reports and statements to Groover customers that contained false account values, false returns on investment, and other misinformation, all in violation of Section 4b(a)(2)(A) and (C) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(A) and (C).

59. As set forth above, from at least June 18, 2008 through the present, in or in connection with forex contracts, Groover knowingly made, caused to be made, and distributed reports and statements to at least one Groover customer that contained false account values, false returns on investment, and other misinformation, in violation of Section 4b(a)(2)(B) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(B).

### **III. ORDER OF PERMANENT INJUNCTION AND ANCILLARY RELIEF**

#### **IT IS HEREBY ORDERED THAT:**

Groover shall be permanently restrained, enjoined and prohibited from directly or indirectly engaging in conduct that violates Section 4b(a)(2)(B) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(B) and more specifically:

60. Groover and all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of his, and all persons insofar as they are acting in concert or participation with Groover who receive actual notice of this order by personal service or otherwise, shall be prohibited and restrained from, directly or indirectly:

- a. Engaging in conduct in violation of 4b(a)(2)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(2)(A)-(C);

- b. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, 7 U.S.C. § 1a);
- c. Entering into any transactions involving futures, options, commodity options (as that term is defined in Regulation 32.1(b)(1)), 17 C.F.R. § 32.1(b)(1) (2011), (commodity options), and/or foreign currency (as described in Section 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, to be codified at 7 U.S.C. § 2(c)(2)(B) and 2(c)(2)(C)(i)) (forex contracts) for his own personal account or for any account in which he has a direct or indirect interest;
- d. Having any futures, options, commodity options, and/or forex contracts traded on his behalf;
- e. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving futures, options, commodity options, and/or forex contracts;
- f. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any futures, options, commodity options, and/or forex contracts;
- g. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging 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) (2011); and
- h. Acting as a principal (as that term is defined in Regulation 3.1(a)), agent or any other officer or employee of any person registered, exempted from

registration or required to be registered with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011).

**IV. ORDER OF RESTITUTION, CIVIL MONETARY PENALTY  
AND ANCILLARY RELIEF**

**IT IS HEREBY ORDERED THAT:**

61. Defendants shall comply fully with the following terms, conditions and obligations relating to the payment of restitution and a civil monetary penalty. The equitable and statutory relief provisions of this Consent Order shall be binding upon Defendants and any person who is acting in the capacity of officer, agent, employee, servant, or attorney of Defendants, and any person acting in active concert or participation with Defendants.

**A. Restitution**

62. Restitution Obligation: Groover is hereby ordered to pay restitution in the amount of \$1,349,014.36, plus post-judgment interest. Groover shall pay this restitution within ten (10) days of the date of entry of this Consent Order. Post-judgment interest on this restitution obligation shall accrue beginning on the eleventh (11th) day after the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

63. Appointment of Monitor and Collection and Distribution of Restitution: To effect payment by Groover and distribution of restitution, the court appoints the NFA as Monitor. The Monitor shall collect the restitution payment from Groover, including the frozen funds identified below, and make distributions as set forth below. Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, the Monitor shall not be liable for any action or inaction arising from its appointment as Monitor, other than actions involving fraud.

64. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Groover's investors, whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any restitution payments.

65. Groover shall make restitution payments under this Consent Order in the name of the "Groover Restitution Fund" and shall send such restitution payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to and sent to the Office of Administration, National Futures Association, 300 S. Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under a cover letter that identifies the name and docket number of this proceeding. Groover shall simultaneously transmit a copy of the cover letter and the form of payment to the Director, Division of Enforcement, United States Commodity Futures Trading Commission, at the following address: 1155 21st Street, N.W., Washington, DC 20581, and to the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

66. The Monitor shall oversee Groover's restitution obligation and shall have the discretion to determine the manner of distribution of funds in an equitable fashion to Groover's identified customers. In the event that the amount of restitution payments to the Monitor are of a de minimis nature such that the Monitor determines that the administrative costs of the making a restitution distribution is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth below.

67. Nothing herein shall be construed in any way to limit or abridge the rights of any customer that exist under federal, state, or common law to assert a claim for recovery against

Defendants subject to any offset or credit that Defendants may be entitled to claim under the law governing that customer's claim. Subsequent to the entry of this Consent Order, Defendants shall provide the Commission and the Monitor with immediate notice of any filing or compromise and settlement of any private or governmental actions relating to the subject matter of this Consent Order in the manner required by Part VI of this Consent Order.

68. Frozen Accounts, Transfer of Funds, Disgorgement by Mrs. Groover and Partial Satisfaction of Restitution Obligation: Upon the entry of this Consent Order, the Commission shall promptly provide each of the financial institutions identified in this paragraph with a copy of this Consent Order. Within thirty (30) days of receiving a copy of this Consent Order, each of the financial institutions identified in this paragraph are specifically directed to liquidate and release any and all funds held by Defendants in any account number identified below, whether the account is held singly or jointly with Groover or Mrs. Groover, or in any other capacity, and to convey by wire transfer only to an account designated by the Monitor, any and all funds contained in those accounts, less any amounts required to cover the banks' outstanding administrative or wire transfer fees. At no time during the liquidation, release and/or wire transfer of these funds pursuant to this Consent Order shall the Defendants be afforded any access to, or be provided with, any funds from these accounts. Defendants, as well as all banks and financial institutions listed in this Consent Order, shall cooperate fully and expeditiously with the Commission and Monitor in the liquidation, release and wire. The accounts to be liquidated, released and transferred are identified below. Groover and/or Mrs. Groover are ordered to disgorge \$44,890.10 held in these accounts.

- a. All accounts held by, or on behalf of, or in the name of Groover and/or Mrs. Groover at Wells Fargo, including the accounts identified specifically as:

**Joanne Groover #xxx-xxx-4851**

**Well-Groved Consulting #xxx-xxx-9925**

- b. All accounts held by, or on behalf of, or in the name of Groover and/or Mrs. Groover at PFG Best, including the account identified specifically as:

**Joanne Groover #xxxx9602**

- c. Accrual of Funds to U.S. Governmental Entities: To the extent that any funds accrue to any U.S. governmental entity, including but not limited to the U.S. Treasury, as a result of the restitution obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Consent Order Defendants.

**B. Civil Monetary Penalty**

69. Pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Regulation 143.8(a)(1)(i), 17 C.F.R. § 143.8(a)(1)(i) (2011), this court may impose an order directing Groover to pay a civil monetary penalty (“CMP”), to be assessed by the court, in amounts of not more than the greater of (1) triple the monetary gain to Groover for each violation of the Act and Regulations; or (2) \$130,000 for each violation of the Act, the Act and Regulations occurring from October 23, 2004 through October 22, 2008, and \$140,000 for each violation of the Act, the Act, as amended by the CRA, and Regulations occurring on or after October 23, 2008.

70. In determining the amount of the CMP to be paid by Groover, the court has considered the egregiousness, duration, and scope of the fraud and violations of the Act. A

proper showing having been made, Groover is hereby assessed a total CMP in the amount \$1,349,014.36, plus post-judgment interest. Groover shall pay this CMP beginning within ten (10) days of the date of entry of this Consent Order. Post-judgment interest shall accrue beginning on the eleventh (11th) day after the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

71. Groover shall pay the CMP 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 by other than electronic funds transfer, the payment shall be made payable to the United States Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission  
Division of Enforcement  
Attn: Linda Zurhorst  
DOT/FAA/MMAC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone: (405) 954-5644

If the payment is to be made by electronic funds transfer, contact , or her successor, at the above address for payment instructions, and shall fully comply with those instructions. Groover shall accompany the payment of the CMP with a cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Groover shall simultaneously transmit copies of the cover letter and the form of payment to the Director, Division of Enforcement, United States Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, N.W., Washington, DC 20581; and to the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address. Defendants.

**C. Provisions Related to Monetary Sanctions**

72. Satisfaction: Upon full satisfaction of the restitution and CMP obligations, satisfaction of judgment will be entered as to the Defendants.

73. Priority of Payments: All payments by Groover pursuant to this Consent Order shall first be applied to satisfaction of the restitution obligation ordered in this Consent Order. After satisfaction of the restitution obligation ordered in this Consent Order, payments by Groover pursuant to this Consent Order shall be applied to satisfy the CMP ordered in this Consent Order.

74. Partial Satisfaction: Any acceptance by the CFTC and/or Monitor of partial payment of the restitution obligation or CMP obligation ordered in this Consent Order shall not be deemed a waiver of Groover's requirement to make further payments pursuant to this Consent Order, or a waiver of the CFTC's right to seek to compel payment of any remaining balance. (2011).

**V. MISCELLANEOUS PROVISIONS**

75. Upon execution of this Consent Order by the Court, the asset freeze in the Statutory Restraining Order and Consent Order of Preliminary Injunction and Other Equitable Relief is lifted and shall have no further force and effect with respect to all of Defendants' accounts, with the exception of those accounts described in paragraph 51 of this Consent Order.

76. Notices: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Director of Enforcement  
U.S. Commodity Futures Trading  
Commission  
1155 21st Street, N.W.

Jennifer J. Chapin, Esq.  
Division of Enforcement  
U.S. Commodity Futures Trading  
Commission

Washington, DC 20581

4900 Main Street  
Suite 500  
Kansas City, MO 64112

Notice to Defendants:

Larry and Joanne Groover  
112 East Oak Street  
Gunter, TX 75058

77. Entire Agreements and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties hereto; and (3) approved by order of this court.

78. Invalidation: If any provision of this Consent Order or the application of any provisions or circumstances is held invalid, the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

79. Waiver: The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

80. Acknowledgements: Upon being served with copies of this Consent Order after entry by the court, Defendants shall sign acknowledgements of such service and serve such acknowledgements on the court and the Commission within seven (7) calendar days.

81. Continuing Jurisdiction of this Court: This court shall retain jurisdiction of this case to assure compliance with this Consent Order and for all other purposes related to this action.

82. Counterparts and Facsimile Execution: This agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this agreement that is delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this agreement.

There being no just reason for delay, the clerk of the court is hereby directed to enter this Consent Order of Permanent Injunction and Other Equitable Relief Against Defendants.

IT IS SO ORDERED.

**SIGNED this the 4th day of January, 2012.**

  
\_\_\_\_\_  
RICHARD A. SCHELL  
UNITED STATES DISTRICT JUDGE

**CONSENTED AND APPROVED BY:**

/s/ \_\_\_\_\_  
Jennifer J. Chapin, MO Bar #50554  
Jeff Le Riche, MO Bar #46557  
United States Commodity Futures Trading Commission  
Division of Enforcement  
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\_\_\_\_\_/s/ \_\_\_\_\_  
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