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UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES COMMODITY  
FUTURES TRADING COMMISSION,

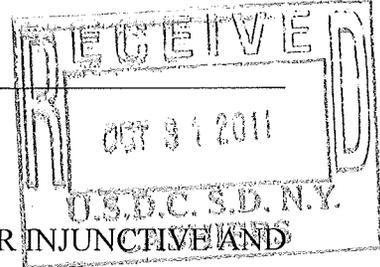
Plaintiff,

v.

INTERNATIONAL COMMODITY  
ADVISORS, a Delaware limited  
partnership, and GREGORY W. SEITZ, an  
individual,

Defendants.

Civil Action No.



COMPLAINT FOR INJUNCTIVE AND  
OTHER EQUITABLE RELIEF AND  
CIVIL MONETARY PENALTIES  
UNDER THE COMMODITY  
EXCHANGE ACT

Plaintiff, the United States Commodity Futures Trading Commission (“Commission” or “CFTC”), by its attorneys, alleges as follows:

**I. SUMMARY**

1. From at least October 18, 2010 through approximately December 13, 2010 (the “Relevant Period”), Defendants International Commodity Advisors (“ICA”), by and through and its principal, Gregory W. Seitz (“Seitz”) (collectively, the “Defendants”), managed and traded clients’ funds in retail, leveraged foreign currency (“forex”) transactions and operated a forex pooled investment vehicle named ICA Forex CP I LP (“ICA Forex Pool”) without being registered as a Commodity Pool Operator (“CPO”), as required under Section 2(c)(2)(C)(iii)(I)(cc) of the Commodity Exchange Act (the “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), to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i),

17 C.F.R. § 5.3(a)(2)(i) (2011), and without having any valid exemption from the requirement to register as a CPO.

2. ICA failed to disclose material information to its participants and prospective participants, which operated as fraud or deceit upon participants and prospective participants, in violation of Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B), including that it was acting as a CPO while being unlawfully unregistered or without claiming a valid exemption from such registration and that the counterparty to the retail leveraged forex transactions that were offered or entered into with the ICA Forex Pool was not registered with the Commission, as required by law.

3. During the Relevant Period, Defendant Seitz was the controlling person of ICA and knowingly induced, directly or indirectly, the acts constituting ICA's violations alleged in the Complaint. Therefore, Defendant Seitz is liable for ICA's violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

4. By virtue of this conduct and the further conduct described herein, Defendants ICA and Seitz have engaged, are engaging, or are about to engage in acts and practices in violation of Section 2(c)(2)(iii)(I)(cc) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B), and Commission Regulations 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011) and 5.4, 17 C.F.R. § 5.4 (2011), for operating a forex pooled investment vehicle as described above, without ICA being registered as a CPO, and for failing to disclose material information to its pool participants, or prospective pool participants.

5. Accordingly, the Commission brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2), to enjoin Defendants' unlawful acts and practices and to compel their compliance

with the Act and Regulations. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre-judgment and post-judgment interest, and such other relief as this Court may deem necessary or appropriate.

6. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

## II. JURISDICTION AND VENUE

7. The Commodity Exchange Act establishes a comprehensive system for regulating registrants pursuant to the Act. Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), authorizes the Commission to seek injunctive and other relief against any person or entity whenever it shall appear to the Commission that such person or entity has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any Commission rule, regulation, or order.

8. This Court has jurisdiction over this matter as alleged herein pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2)(C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C). Specifically, from October 18, 2010 through approximately December 13, 2010, the ICA Forex Pool entered into leveraged forex transactions with Paragon FX. The ICA Forex Pool was not an eligible contract participant (“ECP”) because it was not formed and operated by a person who was either registered as a CPO or who possessed a valid exemption from being registered as such. Consequently, Section 2(c)(2)(C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C), applies to the agreements, contracts, or transactions that ICA Forex Pool, a non-ECP, offered or entered into with counterparty Paragon FX, LLC (“Paragon FX”).

9. Venue properly lies with the Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), because Defendants transact or have transacted business, among other places, in this District, and the acts and practices in violation of the Act are occurring or have occurred, among other places, within this District.

### III. PARTIES

10. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the responsibility for administering and enforcing the provisions of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 1 *et seq.*, and the Commission Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

11. Defendant **International Commodity Advisors** (NFA No.: 0420150) is a Georgia corporation with its principal place of business in Marietta, Georgia. ICA became registered as a commodity trading advisor (“CTA”) in April 2010.

12. Defendant **Gregory W. Seitz** (NFA No.: 0412816) is an individual residing in Marietta, Georgia. Seitz is the owner and principal of ICA, and he has acted as both an agent and principal of ICA since its inception in connection with the operation of the ICA Forex Pool. Seitz became registered as an associated person and principal of ICA in April 2010.

### IV. OTHER RELEVANT ENTITIES AND PERSONS

13. **Gustave O. Woehr** (NFA No.: 0411585) is an individual residing in Dallas, Texas. Woehr is a principal of ICA, and he has acted as both an agent and principal of ICA since its inception in connection with the operation of the ICA Forex Pool. Woehr operates ICA’s branch office in Dallas, Texas and became registered as an associated person and principal of ICA in April 2010.

14. **Paragon FX Enterprises, LLC** (“Paragon FX”) is a limited liability corporation organized under the laws of New York on or about March 10, 2010. The registered agent of Paragon FX is Basil Fayadh of Brooklyn, New York. Paragon FX has never been registered with the Commission or the National Futures Association in any capacity.

## **V. FACTS**

### **A. Statutory and Regulatory Background**

15. On October 18, 2010, the Commission enacted new regulations implementing certain provisions of 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), and the CRA with respect to off-exchange retail forex transactions.

#### ***Statutory and Regulatory Requirements Regarding Registration of Forex CPOs***

16. Pursuant to Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §2(c)(2)(C)(iii)(I)(cc), an entity must be registered pursuant to a Commission Regulation or Rule in order to operate or solicit funds for any pooled investment vehicle that is not an ECP in connection with forex transactions.

17. Pursuant to Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an “eligible contract participant” (“ECP”), as defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, and that engages in retail forex transactions is defined as a “commodity pool operator” (“CPO”)

18. Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, defines an ECP as, “a commodity pool that (I) has total assets exceeding \$5,000,000; and (II) is formed and operated by a person subject to regulation under [the] Act.”

19. Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011), requires any person or entity acting as a CPO, as defined by Commission Regulation 5.1(d)(1), to be registered as such.

***Regulations Requiring Retail Foreign Exchange Dealers to be Registered***

20. Commission Regulation 5.1(h)(1), 17 C.F.R. § 5.1(h)(1) (2011), defines a retail foreign exchange dealer (“RFED”) for purposes of Part 5 of the Commission’s Regulations relating to off-exchange retail foreign currency transactions as “any person that is, or that offers to be, the counterparty to a retail forex transaction, except for a person described in sub-paragraph (aa), (bb), (cc)(AA), (dd), (ee) or (ff) of section 2(c)(2)(B)(i)(II) of the Act.” These exceptions pertain to certain financial institutions, brokers and dealers registered under the Securities Exchange Act of 1934 and associated persons thereof, futures commission merchants and affiliated persons thereof, financial holding companies, and investment bank holding companies, and do not apply to Paragon FX.

21. Commission Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2011), requires any person acting as an RFED, as defined by Commission Regulation 5.1(h)(1), to be registered as such.

***Applicability of Section 4o(1)(B) of the Act, 7 U.S.C. § 6o(1)(B) to Forex CPOs***

22. Section 2(c)(2)(C)(ii)(I) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(ii)(I), states in relevant part that Section 4o of the Act, to be codified at 7 U.S.C. § 6o, applies to agreements, contracts or transactions in foreign currency described in Section 2(c)(2)(C)(i) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(i).

23. Commission Regulation 5.25, 17 C.F.R. § 5.25 (2011), states in relevant part that Section 4o of the Act, to be codified at 7 U.S.C. § 6o, shall apply to retail forex transactions that are subject to

the requirements of Part 5 of the Commission's Regulations as though Section 4o was set forth therein and included specific references to retail forex transactions and the persons defined in Commission Regulation 5.1, 17 C.F.R. § 5.1 (2011).

24. Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B), in relevant part, makes it unlawful for any CPO, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any participant or prospective participant.

**B. ICA's Initial Trading with Paragon FX**

25. Upon information and belief, Seitz formed ICA in approximately April 2010 to manage and trade client forex accounts. ICA is a corporation registered under the laws of the state of Georgia.

26. On April 27, 2010, ICA registered with the Commission as a CTA and became a Member of the National Futures Association ("NFA"). NFA is a not-for-profit membership corporation and a self-regulatory organization that is registered with the Commission as a futures association under Section 17 of the Act. NFA conducts audits and investigations of NFA member firms, including registered CTAs and CPOs, to monitor them for compliance with NFA rules, some of which incorporate by reference Commission Regulations. ICA's principal, Seitz, registered with the Commission as an Associated Person and became an Associate Member of NFA on this same date. Seitz operated ICA's main office in Marietta, Georgia.

27. On or about June 24, 2010, ICA began trading managed forex customer accounts, most if not all of which were retail, with Forex Capital Markets Ltd. ("FXCM UK"). FXCM UK was neither registered with the Commission nor a member of NFA. On or about August 13, 2010, FXCM UK terminated its relationship with ICA.

28. On or about August 17, 2010, ICA began trading managed forex customer accounts with Paragon FX after a substantial number of ICA's clients who had accounts at FXCM UK closed those accounts when ICA's relationship with FXCM UK terminated and opened managed forex accounts at Paragon FX. Paragon FX is neither registered with the Commission nor a member of NFA. In August 2010, approximately 80 ICA managed forex accounts, most if not all of which were retail, were opened at Paragon FX.

**C. ICA's Failure to Register as a CPO or File a Notice of Exemption**

29. In October 2010, ICA formed the ICA Forex Pool as a Delaware limited partnership named "ICA Forex CP I," and almost all of ICA's retail managed forex accounts at Paragon FX were transferred into the ICA Forex Pool effective October 18, 2010.

30. In October 2010, ICA, through its agents, including Seitz, distributed a Confidential Private Placement Memorandum ("PPM") for the ICA Forex Pool to the ICA Forex Pool participants. The PPM stated that ICA, as the General Partner of the ICA Forex Pool, "intends to register with the CFTC as a commodity pool operator," and that "[u]ntil such time as the General Partner is registered as a CPO, the General Partner will rely on the exemption under CFTC Rule 4.13(a)(1)."

31. On October 18, 2010, Seitz, on behalf of the ICA Forex Pool, opened a forex account with Paragon FX, and from that date through approximately December 13, 2010, ICA managed and operated the ICA Forex Pool account at Paragon FX. Paragon FX is not a financial institution, registered broker dealer (or an associated person thereof), insurance company, financial holding company, or investment bank holding company, as defined in Section 2(c)(2)(B)(II)(aa)-(bb), (dd)-(ff) of the Act, as amended, to be codified at 7 U.S.C. § 2(c)(2)(B)(II)(aa)-(bb), (dd)-(ff). As alleged above, during the Relevant Period, Paragon FX offered to, and entered into forex transactions, on a leveraged or margined basis, with the ICA Forex Pool. The ICA Forex Pool was not an ECP because ICA was

neither registered as required by law as a CPO nor did it possess a valid exemption from being registered as such. These forex transactions neither resulted in delivery within two days nor created an enforceable obligation to deliver between a buyer and a seller who had the ability to deliver and accept delivery, respectively, in connection with their line of business. Rather, these forex transactions remained open from day to day and ultimately were offset.

32. ICA failed to register as a CPO as required and was not entitled to an exemption from registration as a CPO pursuant to Commission Regulation 4.13 or otherwise.

33. ICA failed to disclose to ICA Forex Pool participants that ICA was unlawfully unregistered nor that it claimed a valid exemption from such registration requirement.

**D. ICA Traded Opposite an Unregistered RFED**

34. Paragon FX, by offering to, or entering into, foreign currency agreements, contracts, or transactions with the ICA Forex Pool subsequent to October 18, 2010, was unlawfully acting as an RFED without being registered as such, in violation of Section 2(c)(2)(C)(iii)(aa) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(aa), and Commission Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2011).

35. ICA failed to disclose to the ICA Forex Pool participants that the ICA Forex Pool had entered into forex transactions with an entity (Paragon FX) that was not registered as an RFED, as required by law.

**E. NFA's Investigation and Emergency Enforcement Action**

36. In early November 2010, NFA conducted an investigation and audit of ICA and ICA principals Seitz and Woehr. ICA, Seitz and Woehr failed to produce adequate records and documentation regarding their forex business to demonstrate that ICA was in compliance with NFA

requirements. Additionally, ICA has not provided NFA with a complete accounting of the ICA Forex Pool's records.

37. On November 16, 2010, NFA issued a Member Responsibility Action, in relevant part, against ICA and an Associate Responsibility Action against ICA principals Seitz and Woehr prohibiting ICA, Seitz and Woehr from (i) soliciting or accepting any funds from clients or participants, soliciting investments for any pools or other investment vehicles, or placing any trades on behalf of clients or participants, pools or investors; and (ii) disbursing or transferring any funds of clients or participants, investors or pools over which they exercise control without prior approval from NFA.

**F. Seitz was the Controlling Person of ICA**

38. Seitz acted as the controlling person of ICA by, among other things, holding himself out as ICA's President and Managing Partner and handling the day-to-day operations for ICA. Seitz organized ICA as a corporation under the laws of the state of Georgia. Additionally, Seitz opened a corporate account in the name of ICA with Paragon FX on August 17, 2010. He is also the sole signatory to the ICA Forex Pool's account opening agreement with Paragon FX.

**VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND THE COMMISSION'S REGULATIONS**

**COUNT ONE:**

**VIOLATION OF SECTION 2(c)(2)(C)(iii)(I)(cc) OF THE ACT, AS AMENDED BY THE CRA, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), AND COMMISSION REGULATION 5.3(a)(2)(i): FAILURE TO REGISTER AS A COMMODITY POOL OPERATOR**

39. The allegations set forth in paragraphs 1 through 38 are realleged and incorporated herein by reference.

40. Pursuant to Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011), any person, unless registered in such capacity as the Commission shall determine,

shall not operate or solicit funds, securities or property for any pooled investment vehicle that is not an ECP in connection with agreements, contracts or transactions described in Section 2(c)(2)(C)(i) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(i), entered into with or to be entered into with a person who is not described in item (aa), (bb), (dd), (ee) or (ff) of Section 2(c)(2)(B)(i)(II) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(B)(i)(II). Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), defines a CPO for purposes of Part 5 of the Commission's Regulations relating to off-exchange foreign currency transactions, as any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP as defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, and that engages in retail forex transactions.

41. Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i)(2011), requires any person or entity acting as a CPO as defined by Commission Regulation 5.1(d)(1) to be registered as such.

42. During the Relevant Period, ICA acted as a CPO as defined by Commission Regulation 5.1(d)(1), relating to off-exchange foreign currency transactions, because it operated or solicited funds for a pooled investment vehicle that is not an ECP, as defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, and engaged in retail forex transactions. ICA failed to register with the Commission as a CPO in violation of Section 2(c)(2)(C)(iii)(I)(cc), as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011).

43. Defendant Seitz controlled ICA, directly or indirectly, and knowingly induced, directly or indirectly, the acts constituting ICA's violations of Section 2(c)(2)(C)(iii)(I)(cc), as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i),

17 C.F.R. § 5.3(a)(2)(i) (2011), alleged in this Complaint. Seitz is therefore liable for these violations as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

44. Each instance that ICA acted as a CPO, as defined by Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1), relating to off-exchange foreign currency transactions, but failed to register with the Commission as a CPO, is alleged as separate and distinct violations of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011).

**COUNT TWO:**  
**VIOLATION OF SECTION 4o(1)(B) OF THE ACT:**  
**FAILURE TO DISCLOSE MATERIAL INFORMATION, WHICH OPERATED AS A FRAUD**  
**OR DECEIT, TO EXISTING OR PROSPECTIVE POOL PARTICIPANTS**

45. The allegations of paragraphs 1 through 38 are realleged and incorporated herein by reference.

46. During the Relevant Period, ICA acted as a CPO as defined by Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), relating to off-exchange foreign currency transactions, because it operated or solicited funds for a pooled investment vehicle that is not an ECP, as defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, and engaged in retail forex transactions.

47. During the Relevant Period, ICA, by use of the mails or by any means or instrumentality of interstate commerce, violated Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B) in that, while acting as a CPO as defined by Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), it engaged in a transaction, practice, or course of business which operated as a fraud or deceit upon participants and prospective participants of the ICA Forex Pool by failing to disclose that (1) it was a CPO, as defined by Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), without being registered as such, in violation of Commission Regulation 5.3(a)(2)(i), 17

C.F.R. § 5.3(a)(2)(i) (2011); and (2) Paragon FX was acting as an RFED as defined by Commission Regulation 5.1(h)(1), 17 C.F.R. § 5.1(h)(1) (2011), without being registered as such, contrary to Section 2(c)(2)(C)(iii)(I)(aa), as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa), and Commission Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2011). ICA's omissions as alleged herein were material in that reasonable investors would consider them important in making investment decisions.

48. Defendant Seitz controlled ICA, directly or indirectly, and knowingly induced, directly or indirectly, ICA's violations of Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B). Seitz is therefore liable for these violations as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

49. Each omission of a material fact, including but not limited to those specifically described herein, is alleged herein as a separate and distinct violation of Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B).

## **VII. RELIEF REQUESTED**

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and pursuant to the Court's own equitable powers, enter:

- a) An order finding that Defendants violated Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011);
- b) An order finding that Defendants violated Section 4o(1)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6o(1)(B);

c) An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with the Defendants, including any successor thereof, from engaging, directly or indirectly:

- (i) in conduct in violation of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011);
- (ii) in conduct in violation of Section 4o(1)(B) of the Act, as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 6o(1)(B);
- (iii) trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. 1a);
- (iv) entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Commission Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2011)) (“commodity options”), swaps, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”), for their own personal account or for any account in which they have a direct or indirect interest;
- (v) having any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts traded on their behalf;

- (vi) 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 commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- (vii) soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- (viii) 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011); and
- (ix) acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2011)), agent or any other officer or employee of any person (as the term “person” is defined in Section 1a of the Act, as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 1a, registered, exempted from registration or required to be registered with the Commission, except as provided for in Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011)).

d) An order requiring Defendants and any successors thereof, to disgorge to any officer appointed or directed by the Court all benefits including, but not limited to, salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from the acts or practices which constitute violations of the Act, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

e) An order requiring Defendants to make full restitution to every person or entity whose funds they received or caused another person or entity to receive as a result of the acts and practices which constitute violations of the Act, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

f) An order directing Defendants and any successors thereof, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between it and any of the participants whose funds were received by it as a result of the acts and practices which constitute violations of the Act, as described herein;

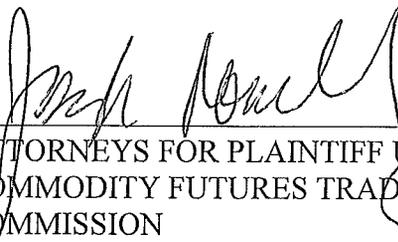
g) An order requiring Defendants to pay civil monetary penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of: (1) \$140,000 for each violation of the Act committed on or after October 23, 2008; or (2) triple the monetary gain to Defendants for each violation of the Act, as amended by the CRA, and the Regulations;

h) An order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and

i) An order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Dated: October 31, 2011

Respectfully submitted,



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ATTORNEYS FOR PLAINTIFF U.S.  
COMMODITY FUTURES TRADING  
COMMISSION

Joseph Rosenberg  
Trial Attorney  
Division of Enforcement  
Eastern Regional Office  
140 Broadway, 19th Floor  
New York, New York 10005  
(646) 746-9765  
(646) 746-9940 (facsimile)  
[jrosenberg@cftc.gov](mailto:jrosenberg@cftc.gov)

Peter M. Haas  
Chief Trial Attorney  
Division of Enforcement  
1155 21st Street, N.W.  
Washington, D.C. 20581  
(202) 418-5377  
(202) 418-5523 (facsimile)  
[phaas@cftc.gov](mailto:phaas@cftc.gov)

Danielle E. Karst  
Trial Attorney  
Division of Enforcement  
1155 21st Street, N.W.  
Washington, D.C. 20581  
(202) 418-6158  
(202) 418-5523 (facsimile)  
[dkarst@cftc.gov](mailto:dkarst@cftc.gov)