

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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2:04 pm, Sep 17, 2015

In the Matter of:

**Terry Lee Phillips, Phillips
Investment & Trust LLC, and
Corporate I Communications &
Technology Inc.,**

Respondents.

CFTC Docket No. 15-30

**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTIONS 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING
FINDINGS AND IMPOSING REMEDIAL SANCTIONS**

I.

The Commodity Futures Trading Commission (“Commission”) has reason to believe that from in or about October 2011 to at least March 2014 (the “Relevant Period”), Terry Lee Phillips and his companies Phillips Investment & Trust LLC and Corporate I Communications & Technology Inc. (collectively “Respondents”) violated Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Commodity Exchange Act (“CEA” or “Act”), 7 U.S.C. §§ 6b(1)(2)(A)-(C), 6o(1)(A)-(B). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondents engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

II.

In anticipation of the institution of an administrative proceeding, Respondents have submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondents consent to the entry of this Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions (“Order”) and acknowledge service of this Order.¹

¹ Respondents consent to the entry of this Order and to the use of these findings in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party; provided, however, that Respondents do not consent to the use of the Offer, or the findings or conclusions in this Order consented to in the Offer, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce

III.

The Commission finds the following:

A. SUMMARY

From at least 2011 through 2014, Respondents fraudulently obtained at least \$113,400 from numerous individual and entity investors for the purpose of trading commodity futures in a designated contract market in violation of the CEA, misrepresenting to investors that Phillips had achieved past success trading futures when he had never actually done so. Respondents misappropriated a large portion of investors' funds for the personal use of Respondent Terry Lee Phillips ("Phillips"), and misrepresented to investors that Phillips was achieving enormous profits trading on their behalf when in fact he was either trading their funds for significant losses or not trading at all. Most of the investors' funds have not been returned.

B. RESPONDENTS

Terry Lee Phillips is an individual residing in Indianapolis, Indiana. Phillips is the sole principal and owner of Phillips Investment and CIC. Phillips has never been registered with the Commission in any capacity.

Phillips Investment & Trust, Inc. ("Phillips Investment") is a limited liability company organized in Indiana on or about June 3, 2013. Phillips Investment has never been registered with the Commission in any capacity.

Corporate I Communications & Technology Inc. ("CIC") is a corporation organized in Indiana on or about November 9, 2005. CIC has never been registered with the Commission in any capacity.

C. FACTS

During the Relevant Period, Respondents solicited and accepted at least \$113,400 from 13 individuals and entities for the purpose of trading commodity futures. Phillips misrepresented to his investors that he had traded futures profitably in the past. In fact, Phillips knew that he had never made any substantial profits trading futures.

Between 2003 and 2011, Phillips opened at least five separate futures trading accounts with various futures commission merchants ("FCMs"). The accounts were opened in the names of business entities Phillips owned, including CIC. Phillips used these accounts to trade futures contracts, including, most often, the E-Mini Dow Futures contract (YM). His trading was consistently unprofitable. In fact, there were only two calendar months – February 2004 and April 2010 – in which Phillips avoided trading losses, netting less than \$500 profit combined in those two months. By contrast, between October 2013 and March 2014, when Phillips traded the

the terms of this Order. Nor do Respondents consent to the use of the Offer or this Order, or the findings or conclusions in this Order consented to in the Offer, by any other party in any other proceeding.

E-Mini Dow Futures contract in a sixth FCM account that he opened in the name of Phillips Investment (the “Phillips Investment Trading Account”), Phillips’ trading resulted in losses of tens of thousands of dollars, most of which Phillips had obtained from various investors. Examples of Respondents’ conduct are described below.

In the fall of 2012, Phillips addressed an undergraduate college class at the invitation of the instructor, who was acquainted with Phillips. Phillips described his business and day-trading success to the class, inducing six students to give CIC cash and personal checks totaling \$2,700, and to sign contracts providing that Phillips would, through trading futures, generate profits of \$400 or more per student per day in exchange for a commission. Later, Phillips misrepresented to the students that he had pooled their funds and generated tens of thousands of dollars in profits trading on their behalf. In fact, Phillips did not actually engage in trading with their funds, and was not making any other futures trading profits at that time.

Beginning in late 2012, the college instructor provided CIC and Phillips Investment with a total of \$33,200, which included funds from a church charity and a trust benefitting his elderly mother. Phillips deposited most of these funds in the Phillips Investment Trading Account. Phillips provided the college instructor with a fictitious account statement indicating he had achieved large profits trading on the college instructor’s behalf. In reality, Phillips had lost a large portion of the college instructor’s investment and was not making any futures trading profits at the time.

In August 2013, six friends and acquaintances of Phillips, all Indiana or Illinois residents, formed an Indiana limited liability company (the “LLC Investor”) for the purpose of pooling their funds so that Phillips could trade futures on their behalf. In September 2013, Phillips Investment obtained \$30,000 from the LLC Investor, some of which funds were deposited in the Phillips Investment Trading Account. Phillips provided the LLC Investor with fictitious account statements indicating that he had achieved large profits trading on the LLC Investor’s behalf. However, Phillips was not making any futures trading profits and had lost much of the funds provided by the LLC Investor.

Between August and December 2013, an Indiana resident acquainted with Phillips provided Phillips Investment with a total of \$35,000 for the purpose of trading futures. Some of these funds were deposited in the Phillips Investment Trading Account. Phillips later provided this individual with a fictitious account statement indicating that he had achieved tens of thousands of dollars in profits. Phillips had lost a significant portion of this individual’s investment and had not generated any profits trading futures.

In every instance where Phillips provided false reports of profits to investors, he knew that his statements did not accurately reflect his trading performance.

Most of the funds Respondents illegally obtained from their investors—at least \$94,500—have not been returned to investors, despite many inquiries by investors and demands for repayment.

IV.

LEGAL DISCUSSION

During the Relevant Period, in connection with commodity futures transactions made or to be made for, on behalf of, or with investors who provided funds to Respondents for the purpose of trading futures, Respondents cheated, defrauded or attempted to cheat or defraud such investors, willfully made or caused to be made to such investors false reports or statements, or willfully entered or caused to be entered for such investors false records, and willfully deceived or attempted to deceive investors in regard to orders or contracts or the disposition or execution of orders or contracts, or in regard to acts of agency performed by Respondents with respect to orders or contracts for or with such investors, in violation of Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C). Respondents did so by knowingly or recklessly misrepresenting Phillips' prior trading history and Respondents' intentions with respect to funds received from investors, by knowingly or recklessly distributing false account statements to investors, and by misappropriating investors' funds.

During the Relevant Period, Respondents operated as unregistered commodity pool operators ("CPOs"), as defined in Section 1a(11)(A)(i)(I) of the Act, in that they engaged in a business that is in the nature of an investment trust, syndicate or similar form of enterprise, and in connection therewith, solicited, accepted or received funds, securities, or other property from others for the purpose of trading futures.² Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A)-(B), make it unlawful for a CPO to use the mails or any means or instrumentality of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any pool participant or prospective pool participant, or to engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any pool participant or prospective pool participant. Unlike Sections 4b(a)(1) and 4o(1)(A) of the Act, the language of Section 4o(1)(B) does not require "knowing" or "willful" conduct as a prerequisite for liability. *Commodity Trend Service, Inc. v. CFTC*, 233 F.3d 981, 993 (7th Cir. 2000). The same conduct that constitutes violations of Section 4b(a)(1) of the Act, as described above, also constitutes violations of Sections 4o(1)(A) and (B) of the Act. *See, e.g., CFTC v. Skorupskas*, 605 F. Supp. 923, 932-33 (E.D. Mich. 1985). By their fraudulent actions during the Relevant Period, each Respondent, through the use of the mails or other means or instrumentalities of interstate commerce, while acting as a CPO, directly or indirectly employed a device, scheme, or artifice to defraud investors, or engaged in transactions, practices or a course of business which operated as a fraud or deceit upon such investors, in violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A)-(B).

In addition to Phillips' own violations of the Act, Phillips directly controlled Phillips Investment and CIC and did not act in good faith or knowingly induced, directly or indirectly, Phillips Investment and CIC's acts in violation of the Act. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Phillips is liable for Phillips Investment and CIC's violations of Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C),

² To the extent that Respondents pooled less than \$400,000, contributed by fewer than 15 participants, they may have been eligible for an exemption from registration as a CPO. *See* Commission Regulation 4.13(a)(2), 17 C.F.R. § 4.13(a)(2).

6o(1)(A)-(B). Likewise, the acts, omissions, and failures of Phillips in violation of the Act, as discussed above, occurred within the scope of his position as an official of Phillips Investment and/or CIC; therefore, Phillips Investment and CIC are liable for Phillips' acts, omissions, and failures in violation of the Act, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2.

V.

FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that, during the Relevant Period, Respondents Terry Lee Phillips, Phillips Investment & Trust LLC, and Corporate I Communications & Technology Inc. violated Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1)(A)-(B).

VI.

OFFER OF SETTLEMENT

Respondents have submitted the Offer in which they, without admitting or denying the findings and conclusions herein:

- A. Acknowledge receipt of service of this Order;
- B. Admit the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waive:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;
 - 3. All post-hearing procedures;
 - 4. Judicial review by any court;
 - 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 6. Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504, and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1-30, relating to, or arising from, this proceeding;
 - 7. 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, 204-205 (2007), relating to, or arising from, this proceeding; and

8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief;
- D. Stipulate that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondents have consented in the Offer;
- E. Consent, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondents violated Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1)(A)-(B);
 2. Orders Respondents to cease and desist from violating Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1)(A)-(B);
 3. Orders Phillips and Phillips Investment, jointly and severally, to pay restitution in the amount of seventy-nine thousand eight hundred dollars (\$79,800), plus post-judgment interest, within thirty (30) days of the date of entry of this Order;
 4. Orders Phillips and CIC, jointly and severally, to pay restitution in the amount of fourteen thousand seven hundred dollars (\$14,700), plus post-judgment interest, within thirty (30) days of the date of entry of this Order;
 5. Orders Respondents to pay, jointly and severally, a civil monetary penalty in the amount of one hundred forty thousand dollars (\$140,000), plus post-judgment interest, within thirty (30) days of the date of entry of this Order;
 6. Appoints the National Futures Association ("NFA") as Monitor in this matter;
 7. Orders that Phillips Investment and CIC are permanently prohibited from engaging, directly or indirectly, in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), and from engaging, directly or indirectly, in entering into any transactions involving commodity interests (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy)) for their own accounts or for any accounts in which they have a direct or indirect interest, or having any commodity interests traded on their behalf; and orders that all registered entities shall refuse them trading privileges;
 8. Orders that, for a period of five (5) years after the date of entry of this Order, Phillips is prohibited from engaging, directly or indirectly, in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), and from engaging, directly or indirectly, in entering into any transactions involving commodity interests (as that term is defined in

Regulation 1.3(yy), 17 C.F.R. § 1.3(yy)) for his own accounts or for any accounts in which he has a direct or indirect interest, or having any commodity interests traded on his behalf; and orders that all registered entities shall refuse him trading privileges during that period;

9. Orders that Respondents are permanently prohibited from 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 interests; soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests; 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); and/or acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent, or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)), registered, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R § 4.14(a)(9);
10. Orders Respondents and their successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VII of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VII.

ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondents shall cease and desist from violating Sections 4b(a)(1)(A)-(C) and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1)(A)-(B).
- B. Phillips and Phillips Investment shall pay, jointly and severally, restitution in the amount of seventy-nine thousand eight hundred dollars (\$79,800), plus post-judgment interest, within thirty (30) days of the date of entry of this Order. Phillips and CIC shall pay, jointly and severally, additional restitution in the amount of fourteen thousand seven hundred dollars (\$14,700), plus post-judgment interest, within thirty (30) days of the date of entry of this Order. In total, Respondents shall pay restitution in the amount of ninety-four thousand five hundred dollars (\$94,500), plus post-judgment interest, within thirty (30) days of the date of entry of this Order (the "Restitution Obligation"). If the Restitution Obligation is not paid in full within thirty (30) days of the date of entry of this Order, then post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

To effect payment by Respondents and the distribution of restitution to Respondents' customers, the Commission appoints the NFA as "Monitor." The Monitor shall collect payments of the Restitution Obligation from Respondents 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, it shall not be liable for any action or inaction arising from its appointment as Monitor other than actions involving fraud.

Respondents shall make their payments of the Restitution Obligation under this Order in the name of the "Terry Lee Phillips Settlement Fund" and shall send such payments by electronic funds transfer, or U.S. postal money order, certified check, bank cashier's check, or bank money order to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

The Monitor shall oversee Respondents' Restitution Obligation and shall have the discretion to determine the manner of distribution of funds in an equitable fashion to the Respondents' customers or may defer distribution until such time as the Monitor may deem appropriate. In the event that the amount of payments of the Restitution Obligation to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of 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, as discussed below. To the extent any funds accrue to the U.S. Treasury for satisfaction of Respondents' Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Order.

- C. Respondents shall pay, jointly and severally, a civil monetary penalty in the amount of one hundred forty thousand dollars (\$140,000) ("CMP Obligation"), plus post-judgment interest, within thirty (30) days of the date of the entry of this Order. If the CMP Obligation is not paid in full within thirty (30) days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Respondents shall pay the CMP Obligation 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 other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission
Division of Enforcement

ATTN: Accounts Receivables
DOT/FAA/MMAC/AMZ-341
CFTC/CPSC/SEC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-7262 office
(405) 954-1620 fax
nikki.gibson@faa.gov

If payment is to be made by electronic funds transfer, Respondents shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

- D. Phillips Investment and CIC are permanently prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), and from engaging, directly or indirectly, in entering into any transactions involving commodity interests (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy)) for their own accounts or for any accounts in which they have a direct or indirect interest, or having any commodity interests traded on their behalf; and all registered entities shall refuse them trading privileges; and

Phillips is prohibited, for a period of five (5) years after the date of entry of this Order, from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), and from engaging, directly or indirectly, in entering into any transactions involving commodity interests (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy)) for his own accounts or for any accounts in which he has a direct or indirect interest, or having any commodity interests traded on his behalf for a period of five (5) years after the date of entry of this Order; and all registered entities shall refuse him trading privileges during that period.

- E. Respondents are permanently prohibited from 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 interests; soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests; 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); and/or acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent, or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)), registered, required to be

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

F. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Respondents agree that neither they nor any of their successors and assigns or agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents and their successors and assigns shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement.
2. Phillips Investment and CIC agree that they shall never, directly or indirectly:
 - a. trade on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40));
 - b. enter into any transactions involving commodity interests (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy)) for Respondents' own accounts or for any accounts in which Respondents have a direct or indirect interest;
 - c. have any commodity interests traded on their behalf;
 - d. control or direct the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests;
 - e. solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests;
 - f. apply for registration or claim exemption from registration with the Commission in any capacity, and engage 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); and/or
 - g. act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)) registered, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).

3. Phillips agrees that, for a period of five (5) years after the date of entry of this Order, he shall not, directly or indirectly:
 - a. trade on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40));
 - b. enter into any transactions involving commodity interests for his own accounts or for any accounts in which he has a direct or indirect interest; and/or
 - c. have any commodity interests traded on his behalf.
 4. Phillips agrees that he shall never, directly or indirectly:
 - a. control or direct the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests;
 - b. solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests;
 - c. apply for registration or claim exemption from registration with the Commission in any capacity, and engage 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); and/or
 - d. act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)) registered, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).
- G. Cooperation with Monitor: Respondents shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Respondents' customers, whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any restitution payments. Respondents shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.
- H. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission or the Monitor of any partial payment of Respondents' Restitution Obligation or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
- I. Change of Address/Phone: Until such time as Respondents satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Order, Respondents shall

provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within ten (10) calendar days of the change.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 17, 2015