FILED IN CHAMBERS
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JAMES N. HATTEN, Clerk
By: Deputy Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

Commodity Futures Trading Commission,	)	
Plaintiff,	)	**CASE NO.: 1:07-CV-2436 JEC**
v.	)	
Saxon Financial Services, Inc.	)	
Defendant.	)	

FINAL ORDER OF JUDGMENT

This matter is before the Court on the motion of plaintiff U. S. Commodity Futures Trading Commission ("CFTC" or "Commission") for entry of a final judgment for permanent injunction, disgorgement, civil monetary penalty, and ancillary equitable relief against defendant Saxon Financial Services, Inc. ("Saxon").

This Court in its Order of November 17, 2008 found Saxon to be in default and granted default judgment as to the liability of Saxon. The Court has now considered the entire record in this matter, including the Complaint and the Plaintiff's Motion and *Memorandum in Support of Application for Entry of Order of Permanent Injunction, Disgorgement, Civil Monetary Penalty, and Ancillary Equitable Relief Against Defendant Saxon Financial Services, Inc.* containing calculations for disgorgement and a civil monetary penalty. The Court finds that good cause exists for the entry of the relief requested and grants the CFTC's motion for final judgment and

the requested relief. Accordingly, directs the entry of a permanent injunction, and imposes an order for disgorgement, civil monetary penalty, and other ancillary equitable relief.

ORDER OF PERMANENT INJUNCTION

A. Prohibition on Violations of the Act

Saxon, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Saxon, are permanently restrained, enjoined and prohibited from directly or indirectly cheating or defrauding, or attempting to cheat or defraud other persons in or in connection with the offer to enter into, the entry into, or the confirmation of the execution of any commodity option transaction, in violation of Section 4c(b) of the Commodity Exchange Act (the "Act"), 7 U.S.C. §6c(b) (2006), and/or Commission Regulations 32.9(a) & (c) and 1.1(b)(1) & (3) of the Commission's Regulations, 17 C.F.R. §§ 32.9(a) and (c), and 1.1(b)(1) and (3) (2009).

B. Prohibition on any Activity Related to Trading in anyCommodity

Saxon is permanently restrained, enjoined, and prohibited from engaging, directly or indirectly, in:

a. trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29) (2006));

b. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1)) ("commodity options"), and/or foreign currency (as described in Section 2(c)(2)(C)(i) of the Act as amended by the by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008) § 13101, 122 Stat. 1651 (enacted June 18, 2008) ("forex contracts") for their own personal account or for any account in which they have a direct or indirect interest;

c. having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;

d. 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, and/or forex contracts;

e. 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, and/or forex contracts;

f. 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) (2009); and

g. acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a)(2009)), 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2009).

C. Scope of Injunction

The injunctive provisions of this Order shall bind Saxon, any person who acts in the capacity of officer, agent, servant or employee of Saxon and any person who receives actual notice of this order, by personal service, email or facsimile, insofar as he or she acts in active concert or participation with Saxon.

DISGORGEMENT, CIVIL MONETARY PENALTY, AND ANCILLARY RELIEF

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IT IS HEREBY ORDERED that Saxon shall comply fully with the following terms, conditions and obligations relating to disgorgement, civil monetary penalty, and ancillary relief.

A. Disgorgement

1. Saxon shall make disgorgement in the amount of $1,022,912, plus pre-judgment interest of $73,566, for a total of $1,096,478, plus post-judgment interest ("Disgorgement Obligation"). The Disgorgement Obligation shall commence immediately upon entry of this

Order. The Disgorgement Obligation represents the amount of benefits that Saxon received from customers as commissions paid to Saxon as a result of the course of illegal conduct alleged in the Complaint. The Disgorgement Obligation shall not limit the ability of any customer from proving that a greater amount is owed, and nothing herein shall be construed in any way to limit or abridge the rights of any customers of Saxon that exist under state or common law. Pre-judgment interest was determined by using the underpayment rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2) (2006) from the date of the filing of the Complaint to the date of the judgment herein. Post-judgment interest shall accrue 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 (2006).

2. To effect payment of the Disgorgement Obligation by Saxon and to effectuate the distribution of disgorgement, the Court appoints the National Futures Association ("NFA") as Monitor. The Monitor shall collect disgorgement payments from Saxon 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, NFA shall not be liable for any action or inaction arising from NFA's appointment as Monitor, other than actions involving fraud.

3. Saxon shall make its required disgorgement payments under this Order in the name of "Saxon Settlement Fund" and shall send such disgorgement payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's, or bank money order to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606 under cover of a letter that identifies Saxon as the payer, the

name and Docket number of this action, and the name of this Court. Saxon shall simultaneously transmit copies of the cover letter and form of payment to: (a) the Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581; and (b) the Chief, Office of Cooperative Enforcement, Division of Enforcement, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

4. Disgorgement funds shall be distributed to Saxon's customers by the Monitor in an equitable manner as determined by the Monitor. The Monitor shall oversee the distribution of funds of the Disgorgement Obligation and shall have the discretion to defer distribution until such time as it may deem appropriate. In the event that the amount of disgorgement payments made by Saxon to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative costs of the making a distribution to customers is impractical, the Monitor may, in its discretion, treat such disgorgement payments as civil monetary penalty payments, which the Monitor shall forward to the CFTC following the instructions for the civil monetary penalty as set forth in Section B, below.

5. To the extent that any funds accrue to the U.S. Treasury as a result of the Disgorgement Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in the preceding paragraph.

B. Civil Monetary Penalty

1. Pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), judgment is entered against Saxon as of the date of this Order for a civil monetary penalty in the amount of $3,289,434, plus post-judgment interest ("CMP Obligation"). In accordance with Section 6c of

the Act, 7 U.S.C. § 13a-1 (2006), the amount of the civil monetary penalty represents triple the monetary gain received by Saxon as measured by the amount of customer commissions received by Saxon. Post-judgment interest shall accrue 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 (2006).

2. Saxon 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 by other than electronic funds transfer, Saxon shall make the payment payable to the U.S. Commodity Futures Trading Commission and send it to the following address:

Commodity Futures Trading Commission
Division of Enforcement
Attention: Marie Bateman – AMZ-300
DOT/FAA/MMAC
6500 South MacArthur Boulevard
Oklahoma City, OK 73169
Telephone: 405-954-6569

If the payment is to be made by electronic funds transfer, Saxon shall contact Marie Bateman or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Saxon shall accompany the payment of the CMP Obligation with a cover letter that identifies the payer and the name and docket number of this proceeding. Saxon shall simultaneously transmit copies of the cover letter and the form of payment to the (a) Director, Division of Enforcement, Commodity Futures Trading Commission, at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and (b) Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

C Ancillary Equitable Relief

1. Application of Payments

All payments by Saxon pursuant to this Order shall first be applied to satisfaction of the Disgorgement Obligation. After satisfaction of the Disgorgement Obligation, payments by Saxon pursuant to this Order shall be applied to satisfy the CMP Obligation.

Any acceptance by the CFTC and/or Monitor of partial payment of Saxon's Disgorgement Obligation and/or CMP Obligation shall not be deemed a waiver of the respective requirement to make further payments pursuant to this Order, or a waiver of the CFTC 's and/or Monitor's right to seek to compel payment of any remaining balance.

2. Prohibition on Transfer of Assets

Saxon shall not transfer, or cause others to transfer, funds or other property to the custody, possession, or control of any person or entity for the purpose of concealing such funds from this Court, the CFTC, or the Monitor until the Disgorgement Obligation and CPM Obligation have each been satisfied in full.

3. Cooperation

Saxon shall cooperate fully with the CFTC and any government agency seeking to enforce the provisions of this Order in carrying out all duties with respect to the Disgorgement Obligation and CMP Obligation. Saxon shall cooperate fully with the CFTC and any government agency seeking to enforce the provisions of this Order in explaining its financial income and earnings, status of assets, financial statements, asset transfers and tax returns, and shall provide any information as may be required by the CFTC and any government agency seeking to enforce the provisions of this Order.

4. Notice

All notices required by this Order shall be sent by certified mail, return receipt requested. Saxon shall provide the CFTC and the Monitor with written notice of all changes to its contact telephone number and/or mailing address.

D. Jurisdiction

This Court shall retain jurisdiction of this cause to assure compliance with this Order and for all other purposes related to this action. This Order shall be interpreted and enforced according to the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Northern District of Georgia, Atlanta Division, and all provisions of the Act and Commission Regulations relating or referring to the obligations hereunder.

DONE AND ORDERED this 21 day of July, 2009.

JULIE E. CARNES
UNITED STATES DISTRICT JUDGE

Presented by:

THOMAS J. KELLY
SENIOR TRIAL ATTORNEY
U.S. COMMODITY FUTURES TRADING COMMISSION

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