

III.

The Commission finds the following:

A. Summary

During the Relevant Period, Respondents violated Section 4(a) of the Act by offering to enter into, entering into, confirming the execution of, and conducting an office or business for the purpose of soliciting, accepting orders for, and otherwise dealing in illegal, off-exchange retail commodity transactions. Specifically, the transactions were financed precious metals transactions with individual investors who were not eligible contract participants (“ECPs”) or eligible commercial entities (“ECEs”). In connection with those financed precious metals transactions, WorldPMX accepted money from or extended credit to these customers to margin, guarantee, or secure trades when it was not registered with the Commission as a futures commission merchant (“FCM”), thereby violating Section 4d(a)(1) of the Act. Respondents received commissions and fees totaling \$1,048,807 for these transactions.

B. Respondents

WorldPMX, Inc. is a Florida corporation with its principal place of business in Fort Lauderdale, Florida, which hired telemarketers to solicit retail customers to invest in financed precious metals transactions. WorldPMX ceased doing business in August 2013. WorldPMX has never been registered with the Commission.

Sean F. McCabe is an individual whose last known address is in Sunny Isles, Florida. McCabe is the owner, chief executive officer, and controlling person of WorldPMX. He was responsible for establishing and maintaining the relationship with its precious metals wholesaler and clearing firms, hiring telemarketers, and supervising its office staff. Prior to opening WorldPMX, beginning in or around 2009, McCabe worked as a telemarketer for a precious metals company, and then opened several successive telemarketing firms of his own which offered leveraged, margined, or financed precious metals transactions to retail customers. McCabe’s previous firms operated in a similar manner to WorldPMX. McCabe incorporated WorldPMX in June 2011. McCabe has never been registered with the Commission.

C. Other Relevant Entity

AmeriFirst Management, LLC (“AmeriFirst”) is a Florida limited liability company that held itself out on its website as a clearing and financing firm for precious metals dealers and claimed to provide dealers with “tangible assets in a growing physical market.” On its website, AmeriFirst offered gold, silver, and platinum in bar and coin form and provided customer financing options for precious metals dealers such as WorldPMX. AmeriFirst operated throughout the United States using a network of over 30 dealers including WorldPMX. AmeriFirst ceased doing business in or about February 2013. AmeriFirst has never been registered with the Commission.

D. Facts

WorldPMX's Illegal off-Exchange Commodity Transactions

From at least March 2012 to February 2013, WorldPMX operated an office and business to solicit retail customers to invest in financed precious metals transactions (including, for example, transactions in leveraged or financed gold, silver, platinum, and palladium). WorldPMX used independent telemarketers to solicit the majority of retail customers who invested in financed precious metals transactions through AmeriFirst. McCabe supervised the telemarketers' solicitation calls and also directly solicited retail customers to purchase financed precious metals transactions.

WorldPMX operated two websites, www.worldpmx.com and www.wpmx.com, and sent prospective customers a promotional brochure (which also could be downloaded from its websites). Retail customers looking to secure their "financial future by owning precious metal" could place orders to buy or sell financed metals by calling WorldPMX's trading desk at 855-GOLD-250. WorldPMX would contact AmeriFirst to execute the customers' buy or sell orders, and then confirm the execution of the transaction to the customer.² None of the leveraged, margined, or financed precious metals transactions offered by WorldPMX were conducted on or subject to the rules of a board of trade designated or registered by the Commission as a contract market or derivatives transaction execution facility.

To purchase a certain quantity of metal, customers needed to deposit only a percentage of the total metal value, as little as 20%. According to WorldPMX's customer agreements, the customer would receive a loan for the remainder of the metal's value. WorldPMX charged retail customers interest on the loan, approximately 4.5% above prime, as well as a service charge which was paid to AmeriFirst. WorldPMX's customers also paid WorldPMX a commission of up to 15% of the total metal value and paid AmeriFirst a mark-up on the spot price of the metal, typically 3%. Due to these high fees, finance charges, and commissions, WorldPMX's customers never even broke even on their investments, and never earned a profit, because much of their principal investments were consumed by the charges.

During the Relevant Period, WorldPMX solicited and accepted a total of at least \$2.4 million from nineteen customers to finance precious metals transactions. WorldPMX sent the funds it received from fifteen of those customers to AmeriFirst. Most, if not all, of WorldPMX's customers were not ECPs or ECEs.

² The Commission brought an action against AmeriFirst in the Southern District of Florida, *CFTC v. AmeriFirst Management, LLC, et al.*, No. 0:13-cv-61637-WPD (complaint filed July 27, 2013). On September 17, 2013, the Court entered a Consent Order of Permanent Injunction and Other Statutory and Equitable Relief finding that AmeriFirst violated Section 4(a) of the Act, 7 U.S.C. § 6(a), by engaging in illegal off-exchange commodity transactions with retail customers and that the Commission had jurisdiction over those transactions. *See* Consent Order dated Sept. 17, 2013 (ECF Docket No. 17). AmeriFirst agreed to pay restitution and a civil monetary penalty, with the amounts to be determined by the Court. *See* Consent Order dated Sept. 17, 2013, at ¶¶ 44-48. On July 24, 2014, the Court entered a Supplemental Consent Order assessing restitution in the amount of \$25,515,732.85 and a civil monetary penalty of \$10 million against the AmeriFirst defendants. *See* Supplemental Consent Order dated July 24, 2014 (ECF Docket No. 28), at ¶¶ 15, 24.

WorldPMX collected commissions of \$927,154 and fees of \$121,653, for a total of \$1,048,807, in connection with the retail financed precious metals transactions executed through AmeriFirst.

WorldPMX claimed that AmeriFirst was the source of metals underlying the transactions, but in fact AmeriFirst never sold, possessed, owned, or held title to any precious metals in connection with the leveraged, margined, or financed precious metals transactions offered to WorldPMX's customers. *See* Consent Order, *CFTC v. AmeriFirst Management, LLC, et al.*, No. 0:13-cv-61637-WPD (S.D. Fla. Sept. 17, 2013), slip op. at 2 and 6. Likewise, WorldPMX did not have possession of, or title to, any physical metals in connection with the leveraged, margined, or financed precious metals transactions offered to WorldPMX's customers.

McCabe Controlled WorldPMX and Participated in Its Illegal Off-Exchange Transactions

McCabe was the sole owner and shareholder of WorldPMX. He exercised control over WorldPMX's daily operations, made all hiring and firing decisions regarding WorldPMX employees and telemarketers, and supervised the administrative staff.

McCabe participated in key aspects of WorldPMX's illegal off-exchange commodities operations by supervising the telemarketers' solicitation calls and also directly soliciting retail customers to enter into financed precious metals transactions. He negotiated and signed the clearing agreement with AmeriFirst and received statements from AmeriFirst detailing transactions placed by WorldPMX in connection with its customers' metals transactions.

As the sole signatory on WorldPMX's bank accounts, McCabe signed checks in connection with WorldPMX's retail commodity business, including payments to WorldPMX's independent telemarketers and employees. He also controlled the movements of funds, including sending customer funds to AmeriFirst and depositing funds received from AmeriFirst.

IV.

LEGAL DISCUSSION

A. Statutory Background

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Public Law 111-203, 124 Stat. 1376 (2010) (the "Dodd-Frank Act") amended the Commodity Exchange Act to add, among other things, new authority over certain leveraged, margined, or financed retail commodity transactions, including authority to prohibit fraud in connection with such transactions. Specifically, Section 742(a) of the Dodd-Frank Act added a new Section 2(c)(2)(D) to the Act.³ Section 2(c)(2)(D) broadly applies to any agreement, contract, or transaction in any commodity that is entered into with, or offered to (even if not entered into with), a non-ECP or a non-ECE on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis as those terms are commonly used in the industry. 7 U.S.C. § 2(c)(2)(D)(i). Section 2(c)(2)(D)

³ Section 2(c)(2)(D) of the Act became effective July 16, 2011.

further provides, in relevant part, that such an agreement, contract, or transaction shall be subject to Sections 4(a), 4(b), and 4b of the Act “as if the agreement, contract, or transaction was a contract of sale of a commodity for future delivery.” 7 U.S.C. § 2(c)(2)(D)(iii).

Section 2(c)(2)(D)(ii) of the Act excepts certain transactions from the Commission’s jurisdiction. Section 2(c)(2)(D)(ii)(III)(aa) excepts a contract of sale that “results in actual delivery within 28 days or such other longer period as the Commission may determine by rule or regulation based upon the typical commercial practice in cash or spot markets for the commodity involved.”⁴ Section 2(c)(2)(D)(ii)(III)(bb) excepts a contract of sale that creates an enforceable obligation to deliver between a seller and a buyer that have the ability to deliver and accept delivery, respectively, in connection with the line of business of the seller and buyer.

The Commission has stated that a determination of whether “actual delivery” has occurred within the meaning of Section 2(c)(2)(D)(ii)(III)(aa) requires a consideration of evidence beyond the four corners of the contract documents.⁵ This interpretation of the statutory language is based on Congress’s use of the word “actual” to modify “delivery” and on the legislative history of Section 2(c)(2)(D)(ii)(III)(aa). Consistent with this interpretation, in determining whether actual delivery has occurred within 28 days, the Commission will employ a functional approach and examine how the agreement contract or transaction is marketed, managed, and performed, instead of relying solely on language used by the parties in the agreement, contract, or transaction. Unless the Commission provides otherwise, the 28 days for actual delivery is 28 days from the date the agreement, contract, or transaction is confirmed to the buyer or seller, typically a retail customer.

Other than these exceptions, Congress did not express any intent to limit the reach of Section 2(c)(2)(D). Rather, in enacting the statute Congress expressed its intent that Section 2(c)(2)(D) should be applicable to a broad range of agreements, contracts, and transactions.

B. The Commission Has Jurisdiction

The Respondents offered precious metals transactions to, and entered into such transactions with, persons who were not ECPs or ECEs. Generally, these customers were unsophisticated, individual investors who did not meet the \$10 million discretionary investment threshold to be considered ECPs.⁶ Moreover, Respondents offered and entered into such transactions on a margined or leveraged basis, or financed by them or AmeriFirst. Respondents’

⁴ The Commission has not adopted any regulations permitting a longer actual delivery period for any commodity pursuant to Section 2(c)(2)(D)(ii)(III)(aa). Accordingly, the 28-day actual delivery period set forth in this provision remains applicable to all commodities.

⁵ See Retail Commodity Transactions Under Commodity Exchange Act, 78 Fed. Reg. 52,426 (Aug. 23, 2013).

⁶ As is relevant to this matter, Section 1a(18)(xi) of the Act, 7 U.S.C. § 1a(18)(xi) (2012), defines an ECP as an individual who has amounts invested on a discretionary basis, the aggregate of which is in excess of \$10,000,000, or which is in excess of \$5,000,000 and who enters into the agreement, contract, or transaction in order to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.

retail financed precious metals transactions fall squarely within the Commission's jurisdiction under Section 2(c)(2)(D) of the Act.

WorldPMX and McCabe's retail financed precious metals transactions executed through AmeriFirst do not fall under the exceptions provided in Section 2(c)(2)(D)(ii)(III) of the Act. First, the transactions did not result in actual delivery to the customer. WorldPMX claimed that AmeriFirst was the source of the metals underlying these transactions, but AmeriFirst never sold, possessed, owned, or held title to any precious metals in connection with these leveraged, margined, or financed transactions. *CFTC v. AmeriFirst Management, LLC, et al.*, No. 0:13-cv-61637-WPD (S.D. Fla. Sept. 17, 2013), slip op. at 6. WorldPMX also did not have possession of, or title to, any physical metals in connection with the leveraged, margined, or financed transactions offered to its customers. Since these transactions did not result in actual delivery of any commodities, the exception contained in Section 2(c)(2)(D)(ii)(III)(aa) of the Act does not apply. Second, Respondents' transactions also do not fall within the exception contained in Section 2(c)(2)(D)(ii)(III)(bb) of the Act, as they do not appear to have been made in connection with any line of business of their retail customers.

C. Respondents Violated Section 4(a) of the Act

As stated above, retail commodity transactions within the scope of Section 2(c)(2)(D) of the Act are subject to enforcement under Section 4(a) of the Act, among other provisions, as if such transactions are commodity futures contracts. Section 4(a) of the Act makes it illegal for any person to undertake a variety of actions in connection with retail commodity transactions, including offering to enter into, entering into, executing, confirming the execution of, or conducting any office or business anywhere in the United States for the purpose of soliciting, or accepting any order for, or otherwise dealing in transactions in, or in connection with, a commodity futures contract, unless the transactions are conducted on a regulated exchange.

The Division does not need to prove scienter in order to show a violation of Section 4(a) of the Act; consequently, this is a strict liability offense. *See CFTC v. Sterling Trading Group, Inc.*, 605 F. Supp. 2d 1245, 1356 (S.D. Fla. 2009) (citing with approval the holding in *CFTC v. Noble Metals Int'l, Inc.*, 67 F.3d 766 (9th Cir. 1995), that Section 4(a) of the Act does not have a scienter element).

Respondents offered to enter into, entered into, and confirmed the execution of retail financed precious metals transactions. Respondents also conducted an office or business in the United States for the purpose of soliciting, accepting orders for, and otherwise dealing in retail financed precious metal transactions. *See* Section 2(c)(2)(D)(iii) of the Act, 7 U.S.C. § 2(c)(2)(D)(iii) (applying Section 4(a) to these transactions as if they were futures). None of the retail financed precious metals transactions were conducted on or subject to the rules of a board of trade that has been designated or registered by the Commission as a contract market or derivatives transaction execution facility for precious metals. *See AmeriFirst Management, LLC, et al.*, No. 0:13-cv-61637-WPD (S.D. Fla. Sept. 17, 2013), slip op. at 7. Respondents therefore violated Section 4(a) of the Act.

D. WorldPMX Violated Section 4d(a)(1) of the Act

Section 4d(a)(1) of the Act makes it unlawful for any person to engage as an FCM, unless such person is registered with the Commission as an FCM and such registration has not expired or been suspended or revoked. The Act defines FCM to include, among other things, a corporation that is engaged in soliciting or accepting orders for any agreement, contract, or transaction described in Section 2(c)(2)(D)(i) (retail commodity transactions) and in or in connection with such acceptance of such orders, accepts money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. 7 U.S.C. § 1a(28)(A)(i)(I)(aa)(DD) and (II). WorldPMX acted as an FCM by soliciting and accepting customers' orders for financed precious metals transactions and, in connection with those transactions, accepting at least \$2.4 million from those customers, including customers who were not ECPs. As such, WorldPMX acted as an unregistered FCM. This conduct violated Section 4d(a)(1) of the Act.

E. WorldPMX Is Liable for the Violations of Its Agents

WorldPMX is liable for the violations of its agents, including McCabe. Under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012), as well as Regulation 1.2, 17 C.F.R. § 1.2 (2013), a principal is strictly liable for the violations of its officials, agents, or other persons acting for it within the scope of their employment or office. *Rosenthal & Co. v. CFTC*, 802 F.2d 963, 966 (7th Cir. 1986). McCabe, along with WorldPMX telemarketers, were officials, agents, or other persons acting for WorldPMX in the scope of their employment or office when they violated Section 4(a) of the Act. WorldPMX is therefore liable for these violations.

F. McCabe Is Liable for WorldPMX's Violations as Its Controlling Person Under Section 13(b) of the Act

McCabe is directly liable for violations of Section 4(a) of the Act. In addition, McCabe controlled WorldPMX and knowingly induced WorldPMX's conduct constituting violations of the Act and did not act in good faith; therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012), McCabe is liable for WorldPMX's violations of Sections 4(a) and 4d(a)(1) of the Act. Section 13(b) of the Act states that a controlling person of an entity is liable for the violations of that entity, provided that the controlling person knowingly induced, directly or indirectly, the violations or did not act in good faith. "A fundamental purpose of Section [13(b)] is to allow the Commission to reach behind the corporate entity to the controlling individuals of the corporation and to impose liability for violations of the Act directly on such individuals as well as the corporation itself." *CFTC v. R.J. Fitzgerald & Co., Inc.*, 310 F.3d 1321, 1334 (11th Cir. 2002) (internal quotation marks and citation omitted).

To establish controlling person liability under Section 13(b), the Division must show both (1) control; and (2) lack of good faith or knowing inducement of the acts constituting the violation. See 7 U.S.C. § 13(b); see also *In re First Nat'l Trading Corp.*, [1992-1994 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,142 at 41,787 (CFTC Jul. 20, 1994), *aff'd without opinion sub nom. Pick v. CFTC*, 99 F.3d 1139 (6th Cir. 1996). To establish the first element, control, a defendant must possess general control over the operation of the entity principally

liable. *See, e.g., R.J. Fitzgerald*, 310 F.3d at 1334 (recognizing an individual who “exercised the ultimate choice-making power within the firm regarding its business decisions” as a controlling person). Evidence that a respondent is an officer, founder, principal, or the authorized signatory on the company’s bank accounts indicates the power to control a company. *In re Spiegel*, [1987-1990 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 24,103 at 34,767 (CFTC Jan. 12, 1988). The Division must also show that a respondent possessed specific control, which is “the power or ability to control the specific transaction or activity upon which the primary violation was predicated.” *Monieson v. CFTC*, 996 F.2d 852, 860 (7th Cir. 1993) (internal quotation marks and citation omitted). The respondent does not need to participate in or benefit from the wrongdoing; the issue is whether the defendant has the power to address the illegal conduct. *Id.* (finding, in a trade allocation case, the fact that the defendant had the authority to dismiss or discipline traders for wrongdoing, to put an end to the traders’ placement of orders without account numbers as soon as he knew of it, or at least to order a full investigation was sufficient to show specific control).

In addition to control, the Division must show the controlling person knowingly induced, directly or indirectly, the acts constituting the violation, or did not act in good faith. To show knowing inducement, the Division must show that a defendant had actual or constructive knowledge of the core activities that constituted the violation and allowed the activities to continue. *In re Spiegel*, [1987-1990 Transfer Binder] Comm. Fut. L. Rep. (CCH) at 34,767 (“[I]f the controlling person knowingly induces acts that amount to a violation, he will not escape liability merely because he acted in good faith.”) (“[W]e reject the view that a controlling person must know that the acts at issue amount to a violation in order to be held to have ‘knowingly’ induced the acts constituting the violation.”).

McCabe was the owner and operator of WorldPMX. He managed the day-to-day operations, supervising the telemarketers and engaging in solicitations himself. McCabe was the ultimate decision-maker and controlled all aspects of WorldPMX’s business. McCabe had both general control over WorldPMX and specific control over the conduct underlying WorldPMX’s violations, *i.e.*, WorldPMX’s offering to enter into, entering into, and confirming the execution of retail financed precious metals transactions, and WorldPMX’s conducting an office and business in the United States for soliciting, accepting, and otherwise dealing in retail financed precious metals transactions that were not conducted on or subject to the rules of a designated or registered contract market or derivatives transaction execution facility for such commodity. Thus, McCabe is liable for WorldPMX’s violations as a controlling person.

V.

FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, Respondents violated Sections 4(a) and 4d(a)(1) of the Act, 7 U.S.C §§ 6(a) and 6d(a)(1).

VI.

OFFER OF SETTLEMENT

Respondents have submitted an 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 (2012) and 28 U.S.C. § 2412 (2012), 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 (2013), 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 4(a) and 4d(a)(1) of the Act, 7 U.S.C. §§ 6(a) and 6d(a)(1) (2012);

2. orders Respondents to cease and desist from violating Sections 4(a) and 4d(a)(1) of the Act;
3. orders Respondents, jointly and severally, to pay restitution in the amount of one million forty-eight thousand eight hundred seven dollars (\$1,048,807), plus post-judgment interest;
4. orders Respondents, jointly and severally, to pay a civil monetary penalty of one-hundred forty thousand dollars (\$140,000), plus post-judgment interest;
5. orders that Respondents be 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 of the Act, as amended, 7 U.S.C. § 1a), and all registered entities shall refuse them trading privileges; and
6. 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 Respondents' Offer.

VII.

ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondents shall cease and desist from violating Sections 4(a) and 4d(a)(1) of the Act, 7 U.S.C. §§ 6(a) and 6d(a)(1) (2012).
- B. Respondents shall, jointly and severally, pay restitution in the amount of one million forty-eight thousand eight hundred seven dollars (\$1,048,807) within ten (10) days of the date of entry of the Order ("Restitution Obligation"). Should Respondents not satisfy their Restitution Obligation in full within ten (10) days of the date of entry of the Order, post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of the 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 make their payments of the Restitution Obligation under this Order to the National Futures Association, the monitor appointed by the court in *CFTC v. AmeriFirst Management, LLC, et al.*, No. 0:13-cv-61637-WPD (S.D. Fla. July 24, 2014) ("Monitor"). Respondents shall make their payments of the Restitution Obligation under this Order in the name of the "WorldPMX/McCabe (AmeriFirst Transactions) Settlement Fund" and shall send such payments by electronic funds transfer, 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 Respondents 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 such funds in an equitable fashion to Respondents' customers identified by the Commission or may defer distribution until such time as the Monitor deems 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.

- C. Respondents shall, jointly and severally, pay a civil monetary penalty of one-hundred forty thousand dollars (\$140,000) within ten (10) days of the date of entry of this Order (the "CMP Obligation"). 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 (2012). 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 --- AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: (405) 954-5644

If payment is to be made by electronic funds transfer, Respondents shall contact Linda Zurhorst 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 Respondents 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 and to the Deputy Director, Division of Enforcement, Commodity Futures Trading Commission, 140 Broadway, 19th Floor, New York, NY 10005.

- D. Respondents 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 of

the Act, 7 U.S.C. § 1a), and all registered entities shall refuse them trading privileges.

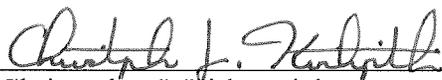
E. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Public Statements: Respondents agree that neither they nor any of their successors and assigns, 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 the Order or creating, or tending to create, the impression that the 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. Respondents agree that they shall never engage, directly or indirectly, in:
 - a. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh)) ("commodity options"), security futures products, swaps (as that term is defined in Section 1a(47) of the Act, 7 U.S.C. § 1a(47) (2012)), and as further defined by Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx)) ("swaps"), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts"), for Respondents' own personal account(s) or for any account(s) in which Respondents have a direct or indirect interest;
 - b. having any commodity futures, options on commodity futures, commodity options, security futures products, swaps, and/or forex contracts traded on Respondents' behalf;
 - c. 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, security futures products, swaps, and/or forex contracts;
 - d. 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, security futures products, swaps and/or forex contracts;
 - e. applying for registration or claiming exemption from registration with the Commission in any capacity, or engaging in any activity requiring such registration or exemption from registration with the Commission except as provided in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9); and/or

- f. acting as 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 of the Act, 7 U.S.C. § 1a) registered, required to be registered, or exempted from registration with the Commission except as provided in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).
3. 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. 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.
4. Cooperation with the Commission: Respondents shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto.
5. Partial Satisfaction: Respondents understand that any acceptance by the Commission or the Monitor of partial payment of Respondents' Restitution Obligation or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to the Order or a waiver of the Commission's right to seek to compel payment of any remaining balance.
6. Change of Address/Phone: Until such time as Respondents satisfy in full their Restitution Obligation or 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, 2014