U.S. COMMODITY FUTURES TRADING COMMISSION
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Office of Proceedings

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In the Matter of:	*	
LINDA FAYE HARRIS,	*	
CDH FOREX INVESTMENTS, LLC, and	*	CFTC Docket No. SD 12-07
CDH GLOBAL HOLDINGS, LLC,	*	
Registrants.	*	

INITIAL DECISION ON DEFAULT

Before: Philip V. McGuire,
Judgment Officer

Appearances: Nathan B. Ploener, Esq.,
Manal Sultan, Esq.
CFTC Division of Enforcement
New York, New York

Background

By motion filed November 30, 2012, pursuant to Commission rules 3.60(g) and 10.93, 17 C.F.R. §§ 3.60(g) and 10.93 (2012), the Commission's Division of Enforcement has moved for entry of a default judgment against CDH Forex Investments, LLC ("CDH Forex"), a commodity pool operator and commodity trading advisor, CDH Global Holdings, LLC ("CDH Global"), a commodity trading advisor, and Linda Faye Harris ("Harris"), an associated person and the sole listed principal with CDH Forex and an associated person and listed principal with CDH Global, based on the failure of Harris, CDH Forex and CDH Global to answer or otherwise appear or respond to the Notice of Intent to Revoke the Registrations of Harris, CDH Forex, and CDH

Global ("Notice"), issued by the Commission and filed by the Division on September 11, 2012. On September 13, 2012, the Commission's Office of Proceedings served the Notice on Harris, CDH Forex and CDH Global at the addresses that they had provided the National Futures Association for any communications from the Commission.[1] Thus, Harris, CDH Forex and CDH Global were properly served pursuant to CFTC rule 3.50[2]. Harris, CDH Forex and CDH Global have neither responded to the Notice nor responded to the Division's motion. Accordingly, this matter is ripe for entry of a default judgment.

As a result of their defaults, Harris, CDH Forex and CDH Global have waived a hearing on all of the issues and are precluded from introducing evidence of mitigation and rehabilitation necessary to overcome the presumption of unfitness for registration. In addition, the well-pled allegations in the Notice, as supplemented by the proposed findings and conclusions in the Division's motion are deemed true and conclusive for purposes of finding: one, that Linda Faye Harris, CDH Forex Investments, LLC, and CDH Global Holdings, LLC are statutorily disqualified from registration under Sections 8a(2)(C) and (E) of the Commodity Exchange Act ("Act"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010) ("Dodd-Frank Act"), §§ 701-774 (enacted July 21, 2010), 7 U.S.C. §§ 12a(2)(C) and (E); and two, that CDH Forex Investments, LLC is also statutorily disqualified under Section

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[1] *See* Jung registered address certifications, Exhibits 1, 2 and 3, Division's November 30th motion.

[2] Pursuant to CFTC rule 3.30(a), 17 C.F.R. § 3.30(a) (2012), the address of each registrant as submitted on its application for registration or as submitted on the biographical supplement shall be deemed to be the address for delivery to the registrant for any communications from the Commission, including any summons, complaint, notice and other written documents or correspondence, unless the registrant specifies another address for this purpose. CFTC rule 3.30(b), 17 C.F.R. § 3.30(b) (2012), provides that each registrant, while registered and for two years after the termination of registration, must notify the National Futures Association of any change of address, and that failure to do so may result in an order of default in any Commission or NFA proceedings. Moreover, pursuant to CFTC rule 3.50, 17 C.F.R. § 3.50 (2012), for purposes of an action for the denial, suspension or revocation of registration, service upon a registrant will be sufficient if mailed by registered mail or certified mail return receipt requested properly addressed to the registrant at the address shown on his application or any amendment thereto, and will be complete upon mailing.

8a(2)(H) of the Act, as amended by the Dodd-Frank Act, 7 U.S.C. §§ 12a(2)(H). Thus, as set out below: the Division's motion has been granted; Harris, CDH Forex and CDH Global have been found to be statutorily disqualified from registration; and the registrations of Harris, CDH Forex and CDH Global have been revoked.

Findings of Fact

1. CDH Forex Investments, LLC is a Texas limited liability company whose current listed address with the Commission is 1011 Surrey Lane, Building 200, Flower Mound, Texas, 75022. CDH Forex has been registered with the Commission as a commodity pool operator since September 17, 2008, and as a commodity trading advisor since May 13, 2008, pursuant to Section 4m of the Act, 7 U.S.C, § 6m (2012).

2. CDH Global Holdings, LLC is a Texas limited liability company whose current listed address with the Commission is also 1011 Surrey Lane, Building 200, Flower Mound, Texas, 75022. CDH Global has been registered with the Commission as a commodity trading advisor since December 1, 2009, pursuant to Section 4m of the Act, 7 U.S.C, § 6m (2012).

3. Linda Faye Harris, whose current listed address with the Commission is in Lewisville, Texas, has been registered as an associated person of CDH Forex since July 1, 2008. Harris is the sole listed principal of, and owns a 10% or more financial interest in, CDH Forex, and Harris has the power, directly or indirectly, through agreement or otherwise, to exercise a controlling influence over the activities of CDH Forex which are subject to regulation by the Commission.

From November 30, 2009 until on or about August 24, 2010, Harris was a listed principal of CDH Global. From December 1, 2009 until August 24, 2010, Harris was registered as an associated person of CDH Global.

4. On October 25, 2011, the Commission filed a federal civil injunctive action against Linda Faye Harris, CDH Forex, CDH Global, as well as Chance Domel Harris who was never registered. *See CFTC v. CDH Forex Investments, LLC et. al*, Case No. 3:11-cv-02862-F (N.D. TX) ("*CFTC v. CDH Forex*")), which alleged, inter alia, that from August 2008 through July 2010, the defendants fraudulently solicited and accepted funds from the general public to trade pooled investments and managed accounts in off-exchange forex. As a result of the defendants' fraudulent solicitation, individuals invested over $2.2 million, out of which the defendants generated substantial trading losses and misappropriated about $353,897 to pay rent on the Harris' family home, to make payments on a leased BMW, and to pay credit card bills. Defendants also were charged with misrepresenting the profitability of their trading programs in their promotional material and issuing false account statements to investors in the pooled account in order to perpetuate the fraud. The CFTC complaint also charged Linda Harris with providing false, fictitious, or fraudulent statements to the NFA, including falsified trading account statements and falsified bank statements, in order to hide the ongoing fraud from the NFA.

5. Following a hearing held on June 12, 2012, in *CFTC v. CDH Forex*, the Honorable Judge Royal Ferguson of the United States District Court for the Northern District of Texas entered an Order for Entry of Default Judgment, Permanent Injunction, Civil Penalties and Other Equitable Relief Pursuant to Federal Rule of Civil Procedure 55(b)(2) ("Default Order"). At the hearing, Linda Faye Harris appeared and conceded all allegations in the Commission's Complaint of violations of the Act, but contested only the amount of the proposed restitution award and civil monetary penalty. The Court found none of her arguments credible and entered the Order as submitted by the CFTC. The Default Order contained findings of fact and conclusions of law, which found, *inter alia*, that Harris had fraudulently solicited at least $2.2

million from customers out of which total trading losses and misappropriated funds equaled at least $1,361,897, and made material false statements to pool participants.

The Default Order also found that Harris had provided false, fictitious, or fraudulent statements to the NFA, including falsified trading account statements and falsified bank statements, to hide the ongoing fraud from the NFA.

The Default Order further found that by engaging in this conduct, Harris had violated Sections 4b(a)(2)(A)-(C) and 9(a)(4) of the Act, 7 U.S.C. §§ 6b(a)(2)(A)-(C) and 13(a)(4), and that such violations of the Act had occurred within the course and scope of Harris's employment with CDH Forex and CDH Global. Accordingly, the Court: one, found that CDH Forex and CDH Global were liable for such violations of Act pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission rule 1.2, 17 C.F.R. §1.2; and two, permanently enjoined Harris, CDH Forex and CDH Global from directly or indirectly committing any further fraud in violation of Sections 4b(a)(2)(A)-(C), and 9(a)(4) of the Act, 7 U.S.C. §§ 6b(a)(2)(A)-(C), and 13(a)(4).

6. The Commission filed the Notice on September 11, 2012. On September 13, 2012, the Commission's Office of Proceedings properly served, via certified mail return receipt requested, the Notice on Harris, CDH Forex and CDH Global at Harris's, CDH Forex's and CDH Global's listed addresses with the Commission, and an extra copy to Harris at another Texas address which she gave to the Division, in accordance with CFTC rule 3.50, 17 CFR § 3.50 (2012). The filing deadline for Harris's, CDH Forex's and CDH Global's responses to the Notice was October 18, 2012. To date, Harris, CDH Forex and CDH Global have failed to respond to the Notice.

Conclusions of Law

Section 8a(2)(C) of the Act, as amended by the Dodd-Frank Act, 7 U.S.C. § 12a(2)(C), in relevant part, authorizes the Commission to revoke the registration of any person "if such person is permanently … , enjoined by order, judgment, or decree of any court of competent jurisdiction ... including an order entered pursuant to an agreement of settlement to which the Commission ... is a party, from ... engaging in or continuing any activity when such activity involves ... fraud ...." The U.S. District Court for the Northern District of Texas is a court of competent jurisdiction.

Section 8a(2)(E) of the Act, as amended by the Dodd-Frank Act, 7 U.S.C. § 12a(2)(E), in relevant part, authorizes the Commission to revoke the registration of any person "if such person, within ten years preceding the filing of the application [for registration] or any time thereafter, has been found in a proceeding brought by the Commission ..., (i) to have violated any provision of [the] Act.., where such violation involves ... fraud [or] misappropriation of funds . . ." As noted above, the U.S. District Court for the Northern District of Texas is a court of competent jurisdiction.

On June 12, 2012, in *CFTC v. CDH Forex*, the Honorable Judge Royal Ferguson of the United States District Court for the Northern District of Texas entered an Order for Entry of Default Judgment, Permanent Injunction, Civil Penalties and Other Equitable Relief Pursuant to Federal Rule of Civil Procedure 55(b)(2) ("Default Order"). The Default Order: one, found that Harris had violated Sections 4b(a)(2)(A)-(C) and 9(a)(4) of the Act, 7 U.S.C. §§ 6b(a)(2)(A)-(C) and 13(a)(4), for conduct involving fraud and misappropriation, and that CDH Forex and CDH Global were liable for her violations pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission rule 1.2, 17 C.F.R. §1.2; and two, permanently enjoined Harris,

CDH Forex and CDH Global from directly or indirectly committing any further fraud in violation of Sections 4b(a)(2)(A)-(C), and 9(a)(4) of the Act, 7 U.S.C. §§ 6b(a)(2)(A)-(C), and 13(a)(4). The Default Order, therefore, constitutes a valid basis for revoking the registrations of Harris, CDH Forex and CDH Global, pursuant to Sections 8a(2)(C) and (E) of the Act, as amended by the Dodd-Frank Act, 7 U.S.C. §§ 12a(2)(C) and (E).

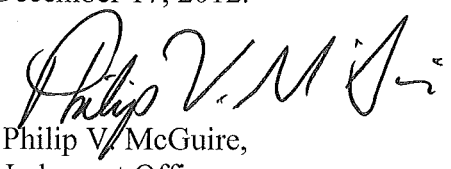
Section 8a(2)(H) of the Act, as amended by the Dodd-Frank Act, 7 U.S.C. § 12a(2)(H), in relevant part, authorizes the Commission to revoke the registration of any person if "revocation of the registration of any principal of such person would be warranted because of a statutory disqualification listed in this paragraph," Section 8a(2)(H) of the Act further provides that the term "principal," as used in Section 8a(2) of the Act, includes a general partner of a partnership or a person who owns more than 10% of the voting shares of a corporation. Because Harris is listed with the Commission as CDH Forex's sole principal, owns a more than 10% financial interest in CDH Forex, and is subject to the revocation of her registration pursuant to Sections 8a(2)(C), and (E) of the Act, as amended, CDH Forex's registration is also subject to revocation pursuant to Section 8a(2)(H) of the Act, as amended.

ORDER

Linda Faye Harris, CDH Forex Investments, LLC, and CDH Global Holdings, LLC are statutorily disqualified from registration under Sections 8a(2)(C) and (E) of the Commodity Exchange Act. In addition, CDH Forex Investments, LLC is also statutorily disqualified from registration under Sections 8a(2)(C), (E) and (H) of the Commodity Exchange Act. Accordingly: it is concluded that Linda Faye Harris, CDH Forex Investments, LLC, and CDH Global Holdings, LLC are unfit for registration; the Division's motion for entry of a default

judgment is hereby granted; and the registrations of Linda Faye Harris, CDH Forex Investments, LLC, and CDH Global Holdings, LLC are hereby revoked.

Dated December 17, 2012.



Philip V. McGuire,
Judgment Officer