U.S. COMMODITY FUTURES TRADING COMMISSION
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Office of Proceedings

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Proceedings
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In the Matter of:	*	
PRO TRADING COURSE, LLC, Registrant.	*	CFTC Docket No. SD 12-08

INITIAL DECISION ON DEFAULT

Before: Philip V. McGuire,
Judgment Officer

Appearance: Diane M. Romaniuk, Esq.,
CFTC Division of Enforcement
Chicago, Illinois

Background

By motion filed November 28, 2012, the Commission's Division of Enforcement has moved for entry of a default judgment against Pro Trading Course, LLC ("PTC"), pursuant to Commission rules 3.60(g) and 10.93, 17 C.F.R. §§ 3.60(g) and 10.93 (2012), based on the failure of PTC answer or otherwise appear or respond to the Notice of Intent to Revoke the Registration of Pro Trading Course, LLC ("Notice"), issued by the Commission and filed by the Division on September 20, 2012. On September 21, 2012, the Commission's Office of Proceedings served the Notice on PTC at the address that PTC had provided the National Futures Association for any communications from the Commission.[1] Thus, PTC was properly served pursuant to CFTC rule

[1] *See* Jung Affidavit and Certification, Exhibit 2, Division's November 28th motion.

3.50.[2] PTC defaulted by failing to respond to the Notice, and has not responded to the Division's motion. Accordingly, this matter is ripe for entry of a default judgment.

As a result of its default, PTC has waived a hearing on all of the issues and is precluded from introducing evidence of mitigation and rehabilitation necessary to overcome the presumption of unfitness for registration. In addition, the 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 that PTC is statutorily disqualified from registration under Sections 8a(2)(C) and 8a(2)(E), 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 16, 2010), 7 U.S.C. § 12a(2)(C) and 12a(2)(E). Thus, as set out below, the Division's motion has been granted, PTC has been found to be statutorily disqualified from registration, and PTC's registration has been revoked.

Findings of Fact

1. Pro Trading Course, LLC ("PTC"), is a Delaware limited liability company whose listed address with the Commission is at 141 W. Jackson Blvd., Suite 3125, Chicago, Illinois 60604. PTC has been registered with the Commission as a commodity trading advisor ("CTA")

[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.

since February 5, 2009, pursuant to Section 4m of the Act, as amended by the Dodd- Frank Act, 7 U.S.C. § 6m.

2. On December 7, 2011, the Commission filed a federal civil injunctive action against PTC and Richard C. Regan ("Regan"), PTC's sole principal and controlling person. The CFTC's complaint alleged, *inter alia*, that from February 2009 through approximately September 2010, PTC, while acting as a CTA and through its controlling person, Regan, and its employees, directly or indirectly employed a device, scheme, or artifice to defraud clients or prospective clients, or engaged in transactions, practices or a course of business which operated as a fraud or deceit upon such persons by: one, overstating the advancement opportunity and profit potential of the commodity futures training program PTC was selling; and two, falsely representing that the trading Regan and his team conducted in Virtual Trading Room ("VTR") sessions was actual commodity futures trading when in fact it was only simulated trading, in violation of Section 4o(l)(A) and (B) of the Act, 7 U.S.C. § 6o(l)(A) and (B), and CFTC rule 4.4l(a), 17 C.F.R § 4.41(a). *CFTC v. Richard C. Regan and Pro Trading Course, LLC*, Case No. 11-CV-8679 (N.D. Ill. filed December 7, 2011).[3]

3. On May 29, 2012, the Honorable Judge James B. Zagel of the U.S. District Court for the Northern District of Illinois entered an Order of Default Judgment for Permanent Injunction and Other Ancillary Relief against PTC and Richard C. Regan ("Default Order"). *CFTC v. Richard C. Regan and Pro Trading Course, LLC*, Case No. 11-CV-8679 (N.D. Ill. May 29, 2012).

Judge Zagel's Default Order made findings of fact and conclusions of law including, among others, that during the relevant period, PTC, while acting as a CTA, directly or indirectly employed a device, scheme, or artifice to defraud clients or prospective clients, or engaged in

[3]Exhibit 1, Division's November 28th motion.

transactions, practices or a course of business which operated as a fraud or deceit upon such persons. The devices, schemes, artifices, transactions, practices or courses of business included, but were not limited to:

> one, using false and misleading promotional material and sales solicitations which overstated the advancement opportunity and profit potential of the commodity futures training program PTC was selling, while failing to disclose that no PTC commodity futures trader ever advanced beyond Level 1 of the program or received monthly profit "payouts" approximating those depicted on its "Payout Charts," after completing PTC's training program;
>
> two, using false and misleading promotional material and sales solicitations in selling the VTR, which represented that the trading Regan and his team conducted in VTR sessions was actual commodity futures trading, while failing to disclose that Regan and his team conducted only simulated trading in their VTR sessions; and
>
> three, using false and misleading advertisements which represented that PTC was hiring commodity futures traders, while failing to disclose that PTC charged enrollment fees for its training program and never hired any applicant, after completion of its training program.

The Default Order found that by engaging in the foregoing conduct, PTC violated Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B), and CFTC rule 4.41(a), 17 C.F.R § 4.41(a) (2012).

4. Based on these findings, the Default Order permanently restrains, enjoins and prohibits PTC: one, from acting as a CTA and using the mails or any means or instrumentality of interstate commerce, to directly or indirectly employ a device, scheme, or artifice to defraud any client or prospective client, or engage in transactions, practices or a course of business which operate as a fraud or deceit upon such persons, in violation of Section 4o(l)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B); and two, from advertising in a manner which employs a device, scheme or artifice to defraud clients or prospective clients or involves transactions,

practices or a course of business which operate as a fraud or deceit upon any such persons, in violation of Commission rule 4.41(a), 17 C.F.R. § 4.41(a) (2012).

5. The Commission filed the Notice of Intent to Revoke the Registration of Pro Trading Course, LLC ("Notice") on September 20, 2012. On September 21, 2012, the Commission's Office of Proceedings properly served the Notice on PTC. The Notice and accompanying documents were served via certified mail to PTC's address listed with the Commission: 141 West Jackson Blvd., Suite 3125, Chicago, Illinois 60604. PTC failed to respond to the Notice.

Conclusions of Law

Section 8a(2)(C) of the Commodity Exchange Act ("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 . . . (ii) engaging in or continuing any activity when such activity involves ... fraud ...." The U.S. District Court for the Northern District of Illinois 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 Illinois is a court of competent jurisdiction.

On May 29, 2012, the United States District Court for the Northern District of Illinois entered an Order of Default Judgment for Permanent Injunction and Other Ancillary Relief against Pro Trading Course, LLC and Richard C. Regan ("Default Order"). The Default Order made findings of fact and conclusions of law that PTC, while acting as a CTA, directly or indirectly employed a device, scheme, or artifice to defraud clients or prospective clients, or engaged in transactions, practices or a course of business which operated as a fraud or deceit upon such persons, in violation of Section 4o(l)(A) and (B) of the Act, 7 U.S.C. § 6o(l)(A) and (B), and Commission rule 4.41(a), 17 C.F.R § 4.41(a) (2012). As a result of these findings, the Default Order permanently enjoined PTC from directly or indirectly engaging in fraudulent conduct in violation of the Act.

The Default Order therefore constitutes a valid basis for revoking the commodity trading advisor registration of Pro Trading Course, LLC, pursuant to Sections 8a(2)(C) and (E) of the Act, as amended.

ORDER

Pro Trading Course, LLC is statutorily disqualified from registration under Sections 8a(2)(C) and (E) of the Commodity Exchange Act. Accordingly: it is concluded that Pro Trading Course, LLC is unfit for registration; the Division's motion for entry of a default judgment is hereby granted; and the registration of Pro Trading Course, LLC is hereby revoked.

Dated December 14, 2012.

Philip V. McGuire,
Judgment Officer