

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF LOUISIANA

<p><b>COMMODITY FUTURES TRADING COMMISSION,</b></p> <p style="text-align: center;"><b>Plaintiff,</b></p> <p><b>v.</b></p> <p><b>MICHAEL B. DEPETRILLO, METEOR, LLC, AND NOLA FX CAPITAL MANAGEMENT, LLC,</b></p> <p style="text-align: center;"><b>Defendants.</b></p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p><b>CIVIL ACTION NO: 24-cv-2550</b></p> <p><b>COMPLAINT FOR INJUNCTIVE RELIEF, CIVIL MONETARY PENALTIES, RESTITUTION, AND OTHER EQUITABLE RELIEF UNDER THE COMMODITY EXCHANGE ACT AND COMMISSION REGULATIONS</b></p>
--	--	--

The Commodity Futures Trading Commission (“Commission”), by and through its attorneys, hereby alleges as follows:

**I. SUMMARY**

1. From at least July 2017 and continuing through the present (the “Relevant Period”), Meteor, LLC (“Meteor”), by and through Michael B. DePetrillo (“DePetrillo”), NOLA FX Capital Management, LLC (“NOLA FX Capital”), by and through DePetrillo, and DePetrillo, individually (collectively, “Defendants”), operated a fraudulent scheme in which Defendants solicited and accepted at least \$7.6 million from at least 40 individuals.

2. Defendants represented to these individuals that their funds would be pooled and invested in NOLA FX Fund, LLC (“the Fund”) which would be used to trade foreign currency pairs on a leveraged, margined, or financed basis (“retail forex”). At various times during the

Relevant Period, DePetrillo further represented to certain of these individuals that either Meteor or NOLA FX Capital was the manager of the Fund. In at least one representation, however, DePetrillo identified “NOLA FX Capital,” not the Fund, as the pooled investment vehicle.

3. Instead of trading as promised, Defendants misappropriated pool funds. Defendants used these misappropriated pool funds to: (1) make payments to existing pool participants, in a manner akin to a Ponzi scheme; (2) pay DePetrillo’s personal expenses; and/or (3) conduct personal trading in DePetrillo’s personal trading accounts.

4. To conceal Defendants’ misappropriation, Defendants created and issued fictitious account statements in the name of the Fund and/or NOLA FX Capital. The fictitious account statements purported to show that (1) Defendants had traded forex using pool participant funds and (2) the Fund and/or NOLA FX Capital had achieved significant trading returns for pool participants, because of Defendants’ profitable forex trading.

5. In fact, Defendants never deposited pool participant funds into a trading account belonging to the Fund or NOLA FX Capital, and Defendants never achieved the trading returns represented on the false account statements.

6. At least one of the pool participants was not an eligible contract participant (“ECPs”) pursuant to Section 1a(18)(A)(xi) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 1a(18)(A)(xi).

7. Defendants also did not set up the forex pool in the manner required by the Regulations, did not receive pool participant funds in the name of the forex pool, and commingled pool participant funds with their own funds.

8. By virtue of this conduct, and the conduct further described herein, Defendants have engaged in, are engaging in, or are about to engage in acts and practices in violation of

Sections 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A)-(C), 4k(2), 4m(1), and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6b(a)(2)(A)-(C), 6k(2), 6m(1), and 6o(1)(A)-(B), and Commission Regulations (“Regulations”) 4.20(a)(1), (b)-(c), 5.2(b)(1)-(3), and 5.3(a)(2), 17 C.F.R. §§ 4.20(a)(1), (b)-(c), 5.2(b)(1)-(3), and 5.3(a)(2) (2024).

9. In connection with its solicitations on behalf of the Fund, and the operation of the pool, Meteor and/or NOLA FX Capital were required but failed to register with the Commission as a Commodity Pool Operator (“CPO”), and DePetrillo was required to register as an Associated Person (“AP”) of a CPO. From March 2019 to the present, NOLA FX Capital and DePetrillo similarly failed to register as a CPO and an AP of a CPO.

10. At all times during the Relevant Period, DePetrillo held and exercised direct and indirect control over Meteor and NOLA FX Capital, and either did not act in good faith, or knowingly induced Meteor’s and NOLA FX Capital’s violations, and is therefore liable pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), for Meteor’s and NOLA FX Capital’s actions in violation of the Act and Regulations.

11. At all times during the Relevant Period, DePetrillo’s acts on behalf of Meteor and/or NOLA FX Capital were committed within the scope of his employment, agency, or office with Meteor and/or NOLA FX Capital. Therefore, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2 (2024), Meteor and NOLA FX Capital are liable as principals for DePetrillo’s actions in violation of the Act and Regulations.

12. Unless restrained and enjoined by this Court, Defendants will likely continue to engage in acts and practices alleged in this Complaint and similar acts and practices, as described below.

13. Accordingly, pursuant to Sections 6c and 2(c)(2)(C) of the Act, 7 U.S.C. §§ 13a-1, and 2(c)(2)(C), the Commission brings this action to enjoin Defendants' unlawful acts and practices, to compel their compliance with the Act and the Regulations promulgated thereunder, and to enjoin them from engaging in any commodity-related activity. In addition, the Commission seeks civil monetary penalties, restitution, and remedial ancillary relief, including, but not limited to, trading and registration bans, disgorgement, rescission, pre- and post-judgment interest, and such other and further relief as the Court may deem necessary or appropriate.

## II. JURISDICTION AND VENUE

14. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 (codifying federal question jurisdiction) and 28 U.S.C. § 1345 (providing that U.S. district courts have original jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress). In addition, Section 6c of the Act, 7 U.S.C. § 13a-1(a), provides that U.S. district courts have jurisdiction to hear actions brought by the Commission for injunctive relief or to enforce compliance with the Act whenever it shall appear to the Commission that a person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order thereunder. 7 U.S.C. § 2(c)(2)(C) subjects the forex solicitations and transactions at issue in this action to, *inter alia*, 7 U.S.C. §§ 6b, 6o, as further described below.

15. Venue properly lies with this Court under Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) because Defendants reside in, transact, or transacted business in this District, and certain transactions, acts, practices, and courses of business alleged in this Complaint occurred, are occurring, or are about to occur in this District.

### III. PARTIES

16. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the responsibility of administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1–26, and the Regulations promulgated thereunder, 17 C.F.R. Pt. 1–190 (2024).

17. Defendant **Michael B. DePetrillo** is a resident of New Orleans, Louisiana. DePetrillo is Meteor’s sole officer, manager, and registered agent. DePetrillo was briefly registered with the Commission as an Associated Person, Forex Associated Person, and Principal of FX Capital from September 2017 through December 2017. Since that time, DePetrillo has not been registered with the Commission in any capacity.

18. Defendant **Meteor LLC** is a Louisiana limited liability company, formed on March 25, 2008. Meteor’s address is listed in the Louisiana Secretary of State business filings as 550 Prytania Street #240, New Orleans, Louisiana. Meteor is currently in active status but is not in good standing for failure to file an annual report. Meteor has never been registered with the Commission in any capacity.

19. Defendant **NOLA FX Capital Management LLC** is a Louisiana limited liability company, formed on January 27, 2017. NOLA FX Capital’s address is listed in the Louisiana Secretary of State business filings as 12 Hawk Street, New Orleans, Louisiana. On March 13, 2019, the business was dissolved. On September 11, 2017, NOLA FX Capital became registered as a CPO and was approved as a Forex Firm. On December 8, 2017, NOLA FX Capital’s CPO registration and Forex Firm designation were terminated. Thereafter, on December 11, 2017, Nola FX Capital received a 4.13(a)(2) Exemption, which was cancelled on March 9, 2019.

#### IV. FACTS

##### A. Defendants Engaged in Fraudulent Solicitations in Connection with Forex Trading

20. During the Relevant Period, Meteor, while operating as a CPO, and DePetrillo, while operating as an AP of a CPO, fraudulently solicited individuals, one or more of whom were not eligible contract participants (“ECPs”), to participate in a pooled investment vehicle that would trade forex. Similarly, at other times during the Relevant Period, NOLA FX Capital, while operating as a CPO, and DePetrillo, while operating as an AP of a CPO, fraudulently solicited individuals, one or more of whom were not ECPs, to participate in a pooled investment vehicle that would trade forex. Pool participants were told that their money would be pooled with that of other pool participants, and that profits would be generated from using the pooled funds to trade forex. Meteor and/or NOLA FX Capital were identified as the managers of the pool. DePetrillo, who held himself out to the public as a professional forex trader, and who was the primary officer and/or member of Meteor and NOLA FX Capital, was responsible for trading pool participant funds.

21. Meteor and DePetrillo represented to actual and potential pool participants that the Fund was the pooled investment vehicle through which Defendants would trade forex, and that Meteor was the manager of the Fund. Defendants NOLA FX Capital and DePetrillo similarly represented to other actual and potential pool participants that the same the Fund was the pooled investment vehicle through which Defendants would trade forex, and that NOLA FX Capital was the manager of the Fund.

22. In May 2015, DePetrillo opened a business bank account in the name of Meteor. During the Relevant Period, DePetrillo directed pool participants who wanted to invest in the Fund to transfer funds to this Meteor bank account, via wire transfer. DePetrillo later also

permitted pool participants to transfer funds to Defendants via Zelle, Apple Cash, Venmo, and/or a cryptocurrency platform. During the Relevant Period, at least 40 individuals deposited at least \$7.6 million in funds with Defendants.

23. Defendants provided actual and prospective pool participants with contract documents and/or a marketing presentation. These documents contained the following fraudulent misrepresentations:

- a. The Fund was an investment fund focused on forex trading, and the Fund was “an experienced trader and investor”;
- b. The Fund would “[g]enerate positive, non-correlated returns irrespective of the market condition”;
- c. Pool participants would receive a “guaranteed monthly return . . . provided on all funds invested” in the Fund;
- d. Pool participants would have a “monthly loss limit of 5%,” “no lock-up periods,” and could withdraw their funds with either 30 or 60 days’ notice.

24. These documents further explained the purported “investment process” followed by the Fund, which included “maintain[ing] a select number of high-performance currency pairs.” They also included examples of forex trading in which the Fund purportedly engaged, including a “USD/JPY” option contract trade yielding a 7% return, and a “EUR/GBP” option contract trade yielding a 5.1% return.

25. Defendants provided different contract documents and/or marketing materials to other actual and prospective pool participants. For example, in April 2022 DePetrillo emailed a prospective pool participant a “NOLA FX Account Agreement,” explaining that NOLA FX is “an investment fund focused on currency contract trading in the foreign exchange markets,” and representing that “[a]ll investments under this Account Agreement shall receive a minimum return of 12%.”

26. Similarly, in December 2023, as part of an effort to induce a current pool participant to recruit additional prospective pool participants to invest in the Fund, DePetrillo emailed that pool participant a marketing presentation which, although similar to prior marketing presentations DePetrillo had sent to actual and prospective pool participants, replaced the name the Fund with NOLA FX Capital, and purported to show that NOLA FX Capital had “generated consistently positive returns for its investors,” including returns of 17.49% in 2018, 23.3% in 2019, 18.61% in 2020, 41.02% in 2021, and 55.7% in 2022.

27. The representations set forth in paragraphs 20-26 were false because Defendants never deposited pool participant money in the Fund. In fact, the Fund did not exist. Accordingly, the Fund (1) did not engage in any forex trading; (2) was not an experienced investor; and (3) did not generate any returns for investors. Instead, Defendants misappropriated pool participant funds by transferring them from the Meteor bank account to personal and business bank and trading accounts controlled by one or more Defendants, who used such funds to: (1) make payments to existing pool participants, in a manner akin to a Ponzi scheme; (2) pay DePetrillo’s personal expenses; and/or (3) conduct personal trading in DePetrillo’s personal trading accounts.

28. Defendants’ solicitations also failed to disclose that they were not properly registered with the Commission, and thus were not authorized to trade forex with pool participants’ funds.

**B. Meteor Issued Fictitious Account Statements and Bank Records to Pool Participants**

29. During the Relevant Period, DePetrillo represented to customers that the Fund had an account at a U.S. entity (“U.S. Brokerage Firm”).



30. To conceal their fraudulent misconduct, Defendants, through DePetrillo, issued fictitious monthly Fund account statements to pool participants via email. These statements purported to show the balance of the individuals' investment with Defendants via the Fund, and the monthly returns that resulted from Defendants' forex trading in the Fund.

31. For example, one pool participant, who made an initial investment of approximately \$100,000 in or around December 2020, received monthly Fund account statements from Defendants over a two-year period. These statements purported to show that Defendants had achieved monthly returns of between approximately 3% and 6.5%. The monthly account balance as of November 2022 for this pool participant was purportedly \$1.69 million. This statement was false because (1) the Fund did not exist; (2) Defendants never invested the pool participant's money in the Fund to trade forex; and (3) Defendants never achieved monthly returns for the pool participant through trading forex.

32. In 2023, DePetrillo represented to at least one customer that he had transferred \$12 million in purported Fund assets from the U.S. Brokerage Firm to a trading platform located in Dominica ("Dominica Trading Platform"). To support this misrepresentation, DePetrillo provided this pool participant with copies of (1) an April 31, 2023,<sup>1</sup> \$12,043,032.10 wire transfer from the purported Fund account at the U.S. Brokerage Firm into Meteor's bank account, and (2) a subsequent May 3, 2023, \$12,043,032.10 wire transfer from Meteor's bank account to a Fund account held at the Dominica Trading Platform.

33. These account statements and wire transfers were false. Defendants never opened a trading account in the name of the Fund (or NOLA FX Capital), at either the U.S. Brokerage Firm or the Dominica Trading Platform. Moreover, Defendants never transferred \$12 million

---

<sup>1</sup> The date April 31, 2023, does not exist.

from the U.S. Brokerage Firm to the Dominica Trading Platform. Instead, Defendants misappropriated pool participant funds by transferring them from the Meteor bank account to personal and business bank and trading accounts controlled by one or more Defendants and commingled them with Defendants' funds. Defendants used pool participant funds to: (1) make payments to existing pool participants, in a manner akin to a Ponzi scheme; (2) pay DePetrillo's personal expenses; and/or (3) conduct personal trading in DePetrillo's personal trading accounts.

34. In or about 2023, Defendants stopped making payments to pool participants. At that time, many pool participants had yet to receive payments sufficient to cover their original investment, much less any promised return of profits on their investment.

**C. Defendants Failed to Follow Commission Regulations Regarding Funds**

35. Throughout the Relevant Period, Meteor and NOLA FX Capital failed to operate the Fund as a legal entity separate from Meteor.

36. Throughout the Relevant Period, Defendants received pool participant funds into a Meteor account rather than an account in the name of the forex pool.

37. Throughout the Relevant Period, Defendants transferred pool participant funds from the Meteor account to other accounts controlled by one or more Defendants.

38. Throughout the Relevant Period, Defendants Meteor and NOLA FX Capital allowed DePetrillo to commingle pool participant funds with funds held by DePetrillo and other entities he controlled.

**D. DePetrillo is a Controlling Person and Agent of Meteor and NOLA FX Capital**

39. At all times, DePetrillo was a controlling person of Meteor and NOLA FX Capital. DePetrillo is the sole member and officer of both Meteor and NOLA FX Capital.

DePetrillo executed investment agreements on behalf of Meteor and NOLA FX Capital; represented to pool participants that he was personally and solely responsible for trading pool participant funds; and was the sole source of information for pool participants regarding Meteor and NOLA FX Capital, including any information regarding the status of pool participant funds. DePetrillo also had sole control over the bank accounts into which pool participants transferred funds for the purported purpose of trading forex. Throughout the Relevant Period, when he misappropriated and failed to trade pool participant funds, DePetrillo did not act in good faith or knowingly induced the fraudulent acts of Meteor and NOLA FX Capital.

**V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND COMMISSION REGULATIONS**

**COUNT ONE**

**Violations of 7 U.S.C. § 6b(a)(2)(A)–(C) and 17 C.F.R. § 5.2(b) (2024) (Forex Fraud by Misappropriation, Misrepresentations and Omissions, and False Statements)  
(All Defendants)**

40. The allegations in Paragraphs 1 through 39 are re-alleged and incorporated herein by reference.

41. Section 4b(a)(2)(A)-(C), 7 U.S.C. § 6b(a)(2)(A)–(C), makes it unlawful

(2) for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery . . . that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market—

(A) to cheat or defraud or attempt to cheat or defraud the other person;

(B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; [or]

(C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or

contract, or in regard to any act of agency performed, with respect to any order or contract for or, in the case of paragraph (2), with the other person[.]

42. Pursuant to Section 2(c)(2)(C)(ii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(ii)(I), “[a]greements, contracts, or transactions” in retail forex “shall be subject to . . . [7 U.S.C. §] 6b,” except in circumstances not relevant here. Moreover, under Section 2(c)(2)(C)(iv) of the Act, 7 U.S.C. § 2(c)(2)(C)(iv), 7 U.S.C. § 6b applies to forex transactions described herein “as if” they were a contract of sale of a commodity for future delivery because they were “offered to, or entered into with, a person that is not an” ECP. Pursuant to Section 2(c)(2)(C)(vii) of the Act, 7 U.S.C. § 2(c)(2)(C)(vii), “[t]his Act applies to, and the Commission shall have jurisdiction over an account or pooled investment vehicle that is offered for the purpose of trading, or that trades,” forex agreements, contracts, or transactions described in Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i).

43. Regulation 5.2(b), 17 C.F.R. § 5.2(b) (2024), provides, in relevant part, that:

[i]t shall be unlawful for any person, by use of the mails or by any means or instrumentality of interstate commerce, directly or indirectly, in or in connection with any retail forex transaction:

(1) To cheat or defraud or attempt to cheat or defraud any person;

(2) Willfully to make or cause to be made to any person any false report or statement or cause to be entered for any person any false record; or

(3) Willfully to deceive or attempt to deceive any person by any means whatsoever.

44. Defendants, by use of the mails or by any means or instrumentality of interstate commerce, directly or indirectly, in connection with retail forex transactions: (1) misappropriated pool participant funds to pay purported returns to existing pool participants in a manner typical of a Ponzi scheme, to pay DePetrillo's personal expenses and to trade in DePetrillo's personal

trading account; (2) made material misrepresentations and omissions with scienter regarding, among other things, the profitability of trading forex with Defendants; and (3) issued false monthly account statements to conceal their fraudulent misconduct.

45. Defendants, by use of the mails or by any means or instrumentality of interstate commerce, directly or indirectly, in connection with retail forex transactions, knowingly or recklessly, (1) made material misrepresentations and omissions with scienter regarding, among other things, the profitability of trading forex with Defendants and (2) issued false monthly account statements and bank statements to conceal their fraudulent misconduct.

46. By reason of the foregoing, Defendants violated 7 U.S.C. § 6b(a)(2)(A)–(C) and 17 C.F.R. § 5.2(b)(1)–(3).

47. The foregoing acts, misappropriation, misrepresentations, omissions, and false statements occurred within the scope of DePetrillo’s employment or office with Meteor and NOLA FX Capital. Therefore, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2, Meteor and NOLA FX Capital are liable for DePetrillo’s acts, misappropriation, misrepresentations, omissions, and false statements in violation of 7 U.S.C. § 6b(a)(2)(A)–(C) and 17 C.F.R. § 5.2(b)(1)–(3).

48. Each act of misappropriation, misrepresentation and omission of material fact, and false statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6b(a)(2)(A)–(C) and 17 C.F.R. § 5.2(b)(1)–(3).

49. DePetrillo held and exercised direct and indirect control over Meteor and NOLA FX Capital and either did not act in good faith or knowingly induced, directly or indirectly, the violations of Meteor and NOLA FX Capital, and, pursuant to 7 U.S.C. § 13c(b), is therefore

liable for Meteor’s and NOLA FX Capital’s violations of 7 U.S.C. § 6b(a)(2)(A)–(C) and 17 C.F.R. § 5.2(b)(1)–(3).

50. The foregoing acts occurred within the scope of DePetrillo’s employment or office with Meteor and/or NOLA FX Capital. Therefore, Meteor and NOLA FX Capital are liable for DePetrillo’s acts in violation of 7 U.S.C. § 6b(a)(2)(A)-(C) and 17 C.F.R. § 5.2(b)(1)-(3), pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2.

**COUNT TWO**  
**Violations of 7 U.S.C. § 6o(1)(A)-(B)**  
**(Forex Fraud by Misappropriation, Misrepresentations and Omissions, and False Statements by a CPO and AP of a CPO)**

51. The allegations in Paragraphs 1 through 50 are re-alleged and incorporated herein by reference.

52. Section 1a(11)(A)(i) of the Act, 7 U.S.C. § 1a(11)(A)(i), defines a CPO, in relevant part, as any person:

[E]ngaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodity interests, including any— (II) agreement, contract, or transaction described in 2(c)(2)(C)(i) ....

53. For the purposes of retail forex transactions, a CPO is defined in Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2024), as any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP, as defined in Section 1a(18) of the Act, 7 U.S.C. § 1a(18), and who engages in retail forex transactions.

54. Pursuant to 7 U.S.C. § 2(c)(2)(C)(vii), “the Commission shall have jurisdiction over, an account or pooled investment vehicle that is offered for the purpose of trading, or that

trades, any agreement, contract, or transaction in [retail forex].”

55. Pursuant to 7 U.S.C. § 2(c)(2)(C)(ii)(I), “[a]greements, contracts, or transactions” in retail forex and accounts or pooled investment vehicles “shall be subject to . . . [7 U.S.C. § 6o],” except in circumstances not relevant here.

56. Regulation 1.3, 17 C.F.R. § 1.3 (2024), defines an AP of a CPO as any natural person associated with:

(3) A [CPO] as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves (i) the solicitation of funds, securities, or property for a participation in a commodity pool or (ii) the supervision of any person or persons so engaged[.]

57. Pursuant to Regulation 5.1(d)(2), 17 C.F.R. § 5.1(d)(2) (2024), any person associated with a CPO “as a partner, officer, employee, consultant or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves: (i) [t]he solicitation of funds, securities, or property for a participation in a pooled investment vehicle; or (ii) [t]he supervision of any person or persons so engaged” is an AP of a CPO.

58. Section 1a(18)(A)(iv), 7 U.S.C. § 1a(18)(A)(iv) defines an ECP for purposes of commodity pools but contains the proviso that “however, for purposes of section 2(c)(2)(B)(vi) and section 2(c)(2)(C)(vii), the term ‘eligible contract participant’ shall not include a commodity pool in which any participant is not otherwise an eligible contract participant.”

59. Section 1a(18)(A)(xi), 7 U.S.C. § 1a(18)(A)(xi), defines an ECP, in relevant part, as an individual who has amounts invested on a discretionary basis, the aggregate of which exceeds \$10 million, or \$5 million if the individual enters into the transaction to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred,

by the individual.

60. During the Relevant Period, Meteor and NOLA FX Capital solicited funds, securities, or property from individuals who were not ECPs for a pooled investment vehicle that is not an ECP for the purpose of engaging in retail forex transactions; therefore, Meteor and NOLA FX Capital were acting as a CPO, as defined by 7 U.S.C. § 1a(11) and 17 C.F.R. § 5.1(d)(1).

61. During the Relevant Period, DePetrillo was associated with Meteor and NOLA FX Capital, both of which were CPOs, as a partner, officer, employee, consultant, or agent in a capacity that involved the solicitation of funds, securities, or property for participation in a commodity pool. Therefore, DePetrillo was an AP of a CPO as defined by 17 C.F.R. § 1.3 and 17 C.F.R. § 5.1(d)(2).

62. 7 U.S.C. § 6o(1) prohibits CPOs and APs of CPOs, whether registered with the Commission or not, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, from (A) employing devices, schemes or artifices to defraud any client or participant or prospective client or participant, or (B) engaging in transactions, practices, or courses of business which operate as a fraud or deceit upon any client or participant or prospective client or participant.

63. Meteor, NOLA FX Capital, and DePetrillo, while acting as unregistered CPOs and AP of unregistered CPOs, respectively, through use of the mails or any means or instrumentality of interstate commerce: (1) misappropriated pool participant funds to pay purported returns to existing pool participants in a manner typical of a Ponzi scheme, to pay DePetrillo's personal expenses and to trade in DePetrillo's personal trading account; (2) made material misrepresentations and omissions with scienter regarding, among other things, the



profitability of trading forex with Defendants; and (3) issued false monthly account statements to conceal their fraudulent misconduct.

64. By reason of the foregoing, Defendants violated 7 U.S.C. § 6o(1).

65. Each act of misappropriation, misrepresentation and omission of material fact, and false statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6o(1).

66. DePetrillo held and exercised direct and indirect control over Meteor and NOLA FX Capital, directly or indirectly, and either did not act in good faith or knowingly induced, directly or indirectly, Meteor's and NOLA FX Capital's violations, and therefore pursuant to 7 U.S.C. § 13c(b) is liable for Meteor's violations of 7 U.S.C. § 6o(1).

67. The foregoing acts occurred within the scope of DePetrillo's employment or office with Meteor and NOLA FX Capital. Therefore, Meteor and NOLA FX Capital are liable for DePetrillo's acts in violation of 7 U.S.C. § 6o(1).

### **COUNT THREE**

#### **Violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6k(2), 6m(1), and 17 C.F.R. § 5.3(a)(2) (2024) (Failure to Register as a CPO and an AP of a CPO)**

68. The allegations in Paragraphs 1 through 67 are re-alleged and incorporated herein by reference.

69. 7 U.S.C. § 1a(11)(A)(i), defines a CPO, in relevant part, as any person:

engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodity interests, including any— (II) agreement, contract, or transaction described in section 2(c)(2)(C)(i) . . . .

70. For the purposes of retail forex transactions, a CPO is defined in 17 C.F.R. § 5.1(d)(1) as any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP, as defined in 17 C.F.R. § 1a(18), and who engages in retail forex transactions.

71. Subject to certain exceptions not relevant here, 7 U.S.C. § 6m(1) states that it shall be “unlawful for any . . . [CPO], unless registered under this chapter, to make use of the mails or any means or instrumentality of interstate commerce in connection with his business as such . . . [CPO] . . . .”

72. Subject to certain exceptions not relevant here, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) states, in part, that:

A person, unless registered in such capacity as the Commission by rule, regulation, or order shall determine and a member of a futures association registered under section 17, shall not— . . .

(cc) operate or solicit funds, securities, or property for any pooled investment vehicle that is not an eligible contract participant in connection with [retail forex contracts, agreements, or transactions]  
. . . .

73. Except in circumstances not relevant here, Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2024), requires those that meet the definition of retail forex CPO under 17 C.F.R. §5.1(d) to register as a CPO with the Commission.

74. 17 C.F.R. § 1.3 defines an AP of a CPO as any natural person associated with:

(3) A [CPO] as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves (i) the solicitation of funds, securities, or property for a participation in a commodity pool or (ii) the supervision of any person or persons so engaged[.]

75. Pursuant to 17 C.F.R. § 5.1(d)(2) (2024), any person associated with a CPO “as a partner, officer, employee, consultant or agent (or any natural person occupying a similar status

or performing similar functions), in any capacity which involves: (i) [t]he solicitation of funds, securities, or property for a participation in a pooled investment vehicle; or (ii) [t]he supervision of any person or persons so engaged” is an AP of a CPO.

57. Except in certain circumstances not relevant here, 17 C.F.R. § 5.3(a)(2)(ii) requires those that meet the definition of an AP of a CPO under 17 C.F.R. § 5.1(d) to register with the Commission.

76. During the Relevant Period, Meteor and NOLA FX Capital operated or solicited funds, securities, or property for a pooled investment vehicle from pool participants who were not ECPs, as defined by 7 U.S.C. § 1a(18), for the purpose of trading in retail forex transactions; thus, Meteor and NOLA FX Capital were acting as a CPO as defined by 7 U.S.C. § 1a(11) and 17 C.F.R. § 5.1(d)(1).

77. Meteor and NOLA FX Capital, while using the mails or means of interstate commerce in connection with its business as a CPO, were not registered with the Commission as a CPO, in violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1), and 17 C.F.R. § 5.3(a)(2)(i).

78. During the Relevant Period, DePetrillo associated with Meteor and NOLA FX Capital, both of which were CPOs, as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in a capacity that involved the solicitation of funds, securities, or property for a participation in a commodity pool and/or a pooled investment vehicle in retail forex; therefore, DePetrillo acted as an AP of a CPO as defined by 17 C.F.R. §5.1(d)(2).

79. DePetrillo is not registered with the Commission as an AP of Meteor or an AP of NOLA FX Capital; thus, DePetrillo acted as an unregistered AP of CPOs in violation of 17 C.F.R. § 5.3(a)(2)(ii).

80. Subject to certain exceptions not relevant here, 7 U.S.C. § 6k(2) states that it shall be:

unlawful for any person to be associated with a [CPO] as a partner, officer, employee, consultant, or agent . . . in any capacity that involves

(i) the solicitation of funds, securities, or property for a participation in a commodity pool or

(ii) the supervision of any person or persons so engaged, unless such person is registered with the Commission under this chapter as an [AP] of such [CPO] . . . .

81. While associated with Meteor and NOLA FX Capital, DePetrillo, while acting in an unregistered capacity, solicited pool participant funds for the forex pool, in violation of 7 U.S.C. § 6k(2).

82. Meteor and NOLA FX Capital supervised DePetrillo and permitted him to solicit pool participants for the forex pool knowing that he was unregistered, in violation of 7 U.S.C. § 6k(2).

83. The foregoing acts, omissions, and failures occurred within the scope of DePetrillo's employment or office with Meteor. Therefore, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2, Meteor is liable for his acts, omissions, and failures in violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6k(2), 6m(1), and 17 C.F.R. § 5.3(a)(2).

84. DePetrillo held and exercised direct and indirect control over Meteor and NOLA FX Capital and either did not act in good faith or knowingly induced Meteor's violations and is therefore liable, pursuant to 7 U.S.C. § 13c(b), for Meteor's and NOLA FX Capital's violations of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6k(2), 6m(1), and 17 C.F.R. § 5.3(a)(2).

85. Each instance that Meteor and NOLA FX Capital acted as a CPO but failed to register with the Commission as such is alleged as a separate and distinct violation.

86. Each instance that DePetrillo acted as an AP of a CPO but failed to register with the Commission as such is alleged as a separate and distinct violation.

**COUNT FOUR**  
**Violation of 17 C.F.R. §§ 4.20(a)(1), (b)–(c) (2024)**  
**(Failure To Operate Pool as Separate Entity; Failure to Receive Pool Participant Funds in Pool’s Name; Commingling of Pool Funds)**  
**(Meteor and NOLA FX Capital)**

87. The allegations in Paragraphs 1 through 86 are re-alleged and incorporated herein by reference.

88. Regulation 5.4, 17 C.F.R. § 5.4 (2024), states that 17 C.F.R. Pt. 4 applies to any person required to register as a CPO pursuant to 17 C.F.R. pt. 5 (2024).

89. Regulation 4.20(a)(1), 17 C.F.R. § 4.20(a)(1) requires a CPO, whether registered or not, to operate its pool as a legal entity separate from that of the CPO.

90. Regulation 4.20(b), 17 C.F.R. § 4.20(b) prohibits a CPO, whether registered or not, from receiving pool funds in any name other than that of the pool.

91. Regulation 4.20(c), 17 C.F.R. § 4.20(c) prohibits a CPO, whether registered or not, from commingling the property of any pool it operates with the property of any other person.

92. During the Relevant Period, Meteor, while acting as a CPO, failed to operate the forex pool as a legal entity separate from Meteor; permitted Defendants to transfer funds from the Meteor account into other accounts controlled by one or more Defendants; and commingled the property of the forex pool with the property of others.

93. During the Relevant Period, NOLA FX Capital, while acting as a CPO, failed to operate the forex pool as a legal entity separate from NOLA FX Capital; permitted Defendants to transfer funds from the Meteor account into other accounts controlled by one or more Defendants; and commingled the property of the forex pool with the property of others.

94. By reason of the foregoing, Meteor violated 17 C.F.R. §§ 4.20(a)(1), (b)–(c).

95. Each act of failing to operate a pool as a legal entity separate from that of the CPOs, improperly receiving pool participants' funds, and commingling the property of the pool with non-pool property, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 17 C.F.R. §§ 4.20(a)(1), (b)–(c).

96. DePetrillo held and exercised direct and indirect control over Meteor and NOLA FX Capital, directly or indirectly, and either did not act in good faith or knowingly induced, directly or indirectly, Meteor's and NOLA FX Capital's violations, and therefore, pursuant to 7 U.S.C. § 13c(b), is liable for Meteor's and NOLA FX Capital's violations of 17 C.F.R. §§ 4.20(a)(1), (b)–(c).

## VI. RELIEF REQUESTED

**WHEREFORE**, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and pursuant to the Court's own equitable powers:

A. Find that Defendants violated Sections of 6b(a)(2)(A)–(C), 6k(2), 6m(1), 6o(1)(A)–(B), 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. §§ 6b(a)(2)(A)–(C), 6k(2), 6m(1), 6o(1)(A)–(B), 2(c)(2)(C)(iii)(I)(cc), and Regulations 4.20(a)(1), (b)–(c), 5.2(b)(1)–(3), 5.3(a)(2), 17 C.F.R. §§ 4.20(a)(1), (b)–(c), 5.2(b)(1)–(3), 5.3(a)(2) (2024);

B. Enter an order of permanent injunction, enjoining Defendants, and their affiliates, agents, servants, employees, successors, assigns, attorneys, and all persons in active concert with him, who receive actual notice of such order by personal service or otherwise, from engaging in conduct described above, in violation of 7 U.S.C. §§ 6b(a)(2)(A)–(C), 6k(2), 6m(1), 6o(1)(A)–(B), 2(c)(2)(C)(iii)(I)(cc), and 17 C.F.R. §§ 4.20(a)(1), (b)–(c), 5.2(b)(1)–(3), 5.3(a)(2);

C. Enter an order of permanent injunction restraining and enjoining Defendants and their affiliates, agents, servants, employees, successors, assigns, attorneys, and persons in active concert or participation with Defendants, from directly or indirectly:

- (i) Trading on or subject to the rules of any registered entity (as that term is defined in 7 U.S.C. § 1a(40));
- (ii) Entering into any transactions involving “commodity interests” (as that term is defined in 17 C.F.R. § 1.3 (2024)), for Defendants’ own accounts or for any account in which they have a direct or indirect interest;
- (iii) Having any commodity interests traded on Defendants’ behalf;
- (iv) 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;
- (v) Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- (vi) 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 17 C.F.R. § 4.14(a)(9) (2024);
- (vii) Acting as a principal (as that term is defined in 17 C.F.R. § 3.1(a) (2024)), 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 17 C.F.R. § 4.14(a)(9);

D. Enter an order directing Defendants, as well as any third-party transferee and/or successors thereof, to disgorge, pursuant to such procedure as the Court may order, all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from acts or practices which constitute violations of the Act as described herein, including pre-judgment and post-judgment interest;

E. Enter an order directing Defendants, and any of their successors, to make full restitution to every person who has sustained losses proximately caused by the violations described herein, including pre-judgment and post-judgment interest;

F. Enter an order directing Defendants, and any of their successors, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between them and any of the pool participants whose funds were received by them as a result of the acts and practices that constituted violations of the Act, as described herein;

G. Enter an order directing Defendants to pay civil monetary penalties, to be assessed by the Court, in an amount not more than the penalty prescribed by Section 6c(d)(1) of the Act, 7 U.S.C. § 13a-1(d)(1), as adjusted for inflation under the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. No. 114–74, , title VII, Section 701, 129 Stat. 584, 599–600, *see* 17 C.F.R. § 143.8 (2024), for each violation of the Act and Regulations, as described herein;



H. Enter an order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2413(a)(2); and

I. Enter an order providing such other and further relief as the Court deems proper.

Dated: October 25, 2024

Respectfully submitted,

/s/ Brendan Forbes

Brendan M. Forbes, DC Bar No. 1027275  
Eugenia Vroustouris, VA Bar No. 43681  
Aimée Latimer-Zayets, DC Bar No. 476693  
COMMODITY FUTURES TRADING  
COMMISSION  
1155 21st St., N.W.  
Washington, D.C. 20581  
Telephone: (202) 418-5000  
bforbes@cftc.gov  
evroustouris@cftc.gov  
alatimerzayets@cftc.gov

*Attorneys for Plaintiff  
Commodity Futures Trading Commission*