UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

COMMODITY FUTURES TRADING COMMISSION, Plaintiff, v. DEAN DELLAS and DSD CAPITAL MANAGEMENT LLC, Defendants.	Civil Action No. 5:25-cv-575 (BKS/ML) **JURY TRIAL DEMANDED**

COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF AND CIVIL MONETARY PENALTIES UNDER THE COMMODITY EXCHANGE ACT

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

I. SUMMARY

1. From at least February 2021 through at least November 2023 (the "Relevant Period"), Defendant Dean Dellas ("Dellas") individually, and by and through an entity he founded, Defendant DSD Capital Management LLC ("DSD Capital" and, together with Dellas, "Defendants"), engaged in a fraudulent scheme through which they misappropriated more than $690,000 from at least two clients—a 61-year-old man ("Client A") and his 91-year-old mother ("Client B")—who had entrusted Defendants to manage nearly all of their lifesavings.

2. During the Relevant Period, Dellas, acting as a Commodity Trading Advisor ("CTA") or associated person of a CTA, and DSD Capital, acting as a CTA, committed fraud through misappropriation and through material misrepresentations and omissions.

3. After ingratiating himself with Client A while working at two national investment advisory firms, Defendant Dellas persuaded Client A to sign an expansive power of attorney and allow Dellas to manage nearly all of Client A's retirement and savings through the solo advisory

firm he had recently founded, Defendant DSD Capital. Armed with authority over Client A's accounts, Defendants, without first warning Client A of the inherent risks, began trading futures contracts via Client A's accounts. During the Relevant Period, Defendants bought and sold thousands of futures contracts, incurring more than $169,000 in trading losses and commissions. Defendants concealed these trading losses from Client A.

4. Moreover, contrary to agreements and representations that Defendants would only charge fees equating to 10% of profits and despite the significant losses Client A's account had suffered, Defendants misappropriated more than $235,000 from Client A by surreptitiously transferring to themselves large sums of Client A's money and by fraudulently charging excessive, unjustified fees.

5. After having successfully defrauded Client A, Defendants expanded their fraud to Client A's elderly mother, Client B, and defrauded her out of more than $459,000.

6. Despite knowing that Client B's goal in having Defendants manage her accounts was to preserve as much capital as possible to pass down to her children, Defendants engaged in highly risky and ultimately unsuccessful futures trading in her account without her knowledge. In fact, over a span of less than two years, Defendants bought or sold futures contracts through Client B's account tens of thousands of times, causing her to incur more than $196,000 in trading losses and commissions. Defendants failed to tell Client B they were trading futures, much less that they had lost a substantial amount of her funds doing so.

7. In addition, like they did to her son, Defendants misappropriated more than $459,000 from Client B by transferring to themselves large sums of Client B's money without her knowing authorization and by fraudulently charging her fees that were excessive and unjustified given Defendants' promise to only charge fees equating to 10% of profits.

8. The vast majority of the money Defendants misappropriated from Clients A and B was ultimately transferred to bank accounts Dellas controlled and either withdrawn in cash by Dellas or used by Dellas to pay his personal expenses.

9. To keep their fraud ongoing, Defendants took steps to conceal and obfuscate their conduct. Among other things, Dellas concealed the substance of documents he directed Clients A and B to sign. Dellas also impersonated Client B, instructing one brokerage firm to lift the restrictions it had placed on transfers of funds to DSD Capital and another firm to stop sending Client B paper account statements, despite that Client B repeatedly asked Dellas for statements.

10. By this conduct and the conduct further described herein, Defendants violated Sections 4b(a)(1)(A) and (C) and 4*o*(1)(A)-(B) of the Commodity Exchange Act (the "Act"), 7 U.S.C. §§ 6b(a)(1)(A),(C); 6*o*(1)(A)-(B).

11. Accordingly, the Commission brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including but not limited to trading and registration bans, restitution, disgorgement, pre- and post-judgment interest, and such other and further relief as the Court deems necessary and appropriate.

II. JURISDICTION AND VENUE

12. This Court has jurisdiction over this action under 28 U.S.C. § 1331 (federal question jurisdiction) and 28 U.S.C. § 1345 (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). Section 6c(a) of the Act, 7 U.S.C. § 13a-l(a), authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such person has engaged, is

engaging, or is about to engage in any act or practice that violates any provision of the Act or any rule, regulation, or order thereunder.

13. Venue properly lies with this Court under Section 6c(e) of the Act, 7 U.S.C. § 13a-l(e), because Defendants transacted business in the Northern District of New York, and the acts and practices in violation of the Act occurred, are occurring, or are about to occur in this District.

III. PARTIES

14. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act. The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

15. Defendant **Dean Dellas** is a resident of Cazenovia, New York, and is the sole member of DSD Capital Management LLC and the sole signatory for the DSD Capital bank and trading accounts used in furtherance of Defendants' fraud scheme. Dellas has never been registered with the Commission in any capacity.

16. Defendant **DSD Capital Management LLC** is a New York limited liability company that Dellas formed on February 19, 2021. DSD Capital's last known addresses include a P.O. Box in Cazenovia, New York, which Dellas had previously used for his personal affairs, and Dellas's principal residence. DSD Capital has never been registered with the Commission in any capacity.

IV. OTHER RELEVANT INDIVIDUALS

17. **Client A** is a tradesman in his 60's who resides in Baldwinsville, New York. Beginning in July 2021, Defendants began managing nearly all of Client A's retirement and savings, which totaled approximately $784,000 in deposits. During the Relevant Period,

Defendants misappropriated more than $235,000 from Client A. Client A had planned to retire in October 2023, but has been forced to delay his retirement due to Defendants' fraud.

18. **Client B**, a retiree in her 90's, is Client A's mother and resides in Camillus, New York. Beginning in April 2022, based on Defendants' material misrepresentations and omissions described herein, Client B authorized Defendants to manage nearly all of her retirement funds and savings, which totaled approximately $2 million at the time. Between April 2022 and September 2023, Defendants misappropriated more than $459,000 from Client B.

V. FACTS

A. Defendants Acted as CTAs

19. During the Relevant Period, Defendants used the mails and other means or instrumentalities of interstate commerce to engage in a business that was of the nature of a commodity trading advisor. Specifically, as demonstrated below, Defendants engaged in discretionary trading of commodity futures contracts on behalf of Clients A and B.

B. Defendants' Fraudulent Scheme

i. Dellas Came to Know Clients A and B While Working for Two National Investment Advisory Firms.

20. Between 2009 and 2021, Dellas was employed at two national investment advisory firms as an investment advisor.

21. Dellas first met Clients A and B through his employment at the first firm where he managed or assisted in the management of their investment and retirement accounts. Based on this relationship, Clients A and B followed Dellas when he left to join the second firm, and moved all of their accounts to that firm.

22. In or around November 2020, while at the second advisory firm, Dellas established a traditional individual retirement account ("IRA") for Client A with a firm that is registered as a Futures Commission Merchant ("FCM") with the CFTC and as a broker-dealer with the U.S.

Securities and Exchange Commission ("FCM 1"). Although Dellas had authority to manage this IRA and the firm charged Client A advisory fees, all of Client A's funds remained in cash and no activity occurred in the account for over six months.

23. In March 2021, Dellas left the second firm to start a solo investment advisory practice through DSD Capital, which he had founded one month earlier.

ii. Dellas Induced Client A to Sign a Broad Power of Attorney.

24. Based on having seemingly established a trusting working relationship with Dellas, Client A asked Dellas whether he was interested in continuing to manage Client A's investment and retirement funds.

25. Dellas informed Client A that he was interested and that he would be willing to manage Client A's accounts for an advisory fee equating to 10% of profits.

26. In furtherance of this arrangement, Dellas told Client A he needed to sign a power of attorney so that Dellas could continue to manage his accounts.

27. On June 15, 2021, during a social visit to Client A's home, Dellas presented a power of attorney, which he had drafted, to Client A for his execution.

28. The power of attorney authorized Dellas to act as Client A's "agent" for purposes of, among other things, "bond, share, and commodity transactions," "banking transactions," and "retirement benefit transactions." Contrary to Dellas's representations to Client A that Dellas would be entitled to at most 10% of profits, the power of attorney stated only that Dellas was entitled to "reasonable compensation."

29. Dellas did not discuss with, or explain to, Client A any terms set forth in the power of attorney. Rather, knowing that Client A has some difficulty reading, Dellas simply advised Client A to sign the document, stating that he needed it to manage Client A's accounts. Client A complied.

30. As of July 2021, Defendants had exclusive access to and control over all of Client A's retirement accounts at FCM 1, which included the traditional IRA opened in November 2020 and a Roth IRA Dellas opened for Client A in July 2021. Client A's accounts at FCM 1 included deposits worth approximately $784,000.

31. Client A told Defendants that these funds represented the entirety of his retirement savings, which given his age, he would need to access within a couple of years.

32. Although Client A had both a traditional IRA and a Roth IRA at FCM 1, Defendants only actively managed the traditional IRA.

33. Rather than actively manage Client A's Roth IRA, on or about July 28, 2021, Defendants simply liquidated its stock holdings, which at the time were worth approximately $25,000. Defendants never reinvested the funds, but simply left them in cash until Defendants transferred approximately $5,000 to Client A's traditional IRA in November 2022, and then in March 2023, misappropriated the remaining funds (approximately $20,000) by transferring to an account Defendants exclusively controlled.

34. During the Relevant Period, Defendants effectively had sole control and authority over all trading and disbursement activity in Client A's accounts by virtue of the fact that Defendants maintained sole possession of the login credentials necessary to access the accounts. Defendants also had access to Client A's personal email account, which FCM 1 used to communicate with Client A.

iii. Defendants Traded Futures Contracts in Client A's IRA Without Apprising Him of the Inherent Risks and Then Hid the Substantial Losses They Incurred.

35. Early on, Dellas informed Client A that, in addition to trading equities and equity options, Defendants' management of Client A's IRA would entail trading CFTC-regulated

futures. Indeed, this turned out to be the principal activity that Defendants would carry out in Client A's IRA.

36. Beginning in July 2021, Defendants began engaging in a high volume of speculative trading activity in Client A's IRA, including in CFTC-regulated futures contracts.

37. Between July 2021 and December 2022, Defendants entered into tens of thousands of futures transactions through Client A's IRA.

38. Defendants' futures trading during this period was both costly and unprofitable. Defendants' futures trading resulted in the realization of more than $140,000 in trading losses and commissions in Client A's IRA.

39. Despite Defendants regularly putting a significant portion of Client A's savings at risk through futures trading—and, indeed, losing significant sums of money—Defendants never disclosed to Client A that futures trading entails substantial risk of loss, even though the provision of such disclosures is an ordinary practice within the financial industry, and in fact is required of Commission-registered CTAs. To the contrary, Dellas represented to Client A that he was using a $20,000 program to trade futures, which left Client A with little concern about the safety of Defendants' futures trading.

40. Defendants also failed to disclose the actual amount of losses Client A suffered as a result of Defendants' futures trading. Rather, Defendants generally told Client A that his accounts were doing well, even though the value of his IRA was consistently decreasing due in significant part to Defendants' futures trading.

41. Had Client A been aware of the inherent risk that futures trading entails or the degree of losses that Defendants' activity was actually causing, Client A would not have authorized Defendants to engage in this trading.

iv. Between July 2021 and March 2022, Defendants Misappropriated More than $100,000 from Client A.

42. In addition to causing substantial losses in Client A's IRA, Defendants were also engaged in a scheme to misappropriate Client A's funds. Defendants' scheme involved transferring funds from Client A's IRA to a "joint" checking account that—unbeknownst to Client A—Dellas had opened in his and Client A's name in July 2021, and over which Dellas effectively maintained sole control throughout the Relevant Period (the "Undisclosed Joint Account").

43. As discussed above, Defendants were only entitled to advisory fees if they generated profits in Client A's accounts and then only 10% of those profits.

44. Between July 2021 and March 2022, despite that Defendants consistently caused Client A's IRA to lose value and therefore were not entitled to any advisory fees, Defendants repeatedly transferred funds from Client A's IRA to the Undisclosed Joint Account without Client A's knowledge.

45. Between July 2021 and March 2022, Client A's IRA incurred mark-to-market losses, including realized losses, of more than $140,000.

46. Nevertheless, over this same period, Defendants transferred approximately $118,290 from Client A's IRA to the Undisclosed Joint Account without Client A's knowledge.

47. Defendants executed their scheme by initiating between one and three disbursements monthly from Client A's IRA. In total, from July 2021 through March 2022, Defendants caused sixteen disbursements, which ranged in size from $1,243 to $17,000, and averaged more than $13,000 per month, from Client A's IRA to the Undisclosed Joint Account.

48. Although a small portion of the funds that Defendants transferred to the Undisclosed Joint Account were later remitted to Client A, Defendants transferred the vast majority of the funds to Dellas's personal checking account, which had an account number ending in -**73 ("Dellas's Personal Account").

49. For example, on July 29 and 30, 2021, Defendants caused two transfers totaling $4,039 from Client A's IRA to the Undisclosed Joint Account. By August 4, 2021, Defendants had transferred that exact amount into Dellas's Personal Account.

50. Between July 2021 and March 2022, Defendants transferred from the Undisclosed Joint Account to Dellas's Personal Account a total of $107,131.58, which was comingled with other funds in the account.

51. Dellas used the comingled funds to pay personal debts and expenses, including rent, utilities, food, and clothing. Dellas also withdrew large amounts of the comingled funds in cash.

52. Defendants never disclosed to Client A the purpose or amount of any of the transfers they made from his IRA. Had Client A known about these transfers, he would not have authorized them.

v. Defendants Expanded Their Fraud to Client B, Client A's Elderly Mother.

53. As noted above, Dellas first met both Client A and his mother, Client B, while working at a national investment advisory firm. Approximately nine months after Dellas began managing Client A's accounts through his solo investment firm, DSD Capital, Client B also authorized Dellas to manage her accounts through DSD Capital.

54. Client B was enticed to allow Defendants to manage her accounts based upon Defendants' promises of lower fees. Specifically, Defendants promised that they would only charge Client B an advisory fee equating to 10% of profits generated in her accounts—the same arrangement that Defendants had promised to Client A.

55. Beginning in the Spring of 2022, Defendants began managing all or substantially all of Client B's retirement and investment funds.

56. To effectuate his authority to manage Client B's account, Dellas prepared and submitted paperwork to FCM 1 on behalf of Client B to establish two trading accounts—a

traditional IRA and an individual account—enabling him to trade futures contracts, in addition to equities and equity options. Dellas then caused all or substantially all of Client B's retirement savings, totaling more than $1.9 million at the time, to be transferred into those accounts.

vi. Defendants Traded Futures Contracts in Client B's Accounts Without Her Knowledge and Then Hid The Substantial Losses They Incurred.

57. Like Client A, Defendants management of Client B's accounts included trading commodity futures and, to a lesser extent, equities and equity options.

58. Despite knowing that the principle financial goal of Client B, a grandmother in her nineties, was preservation of capital, Defendants engaged in a significant amount of inherently risky and speculative futures trading in Client B's accounts.

59. Contrary to ordinary practice in the industry, Defendants did not disclose to Client B that they would be engaging in any futures trading whatsoever, let alone disclose the risks attendant with such trading.

60. Had Client B known of Defendants' intentions to trade futures contracts, she would not have authorized those transactions.

61. Between March 2022 and December 2022, Defendants bought or sold futures contracts in Client B's accounts at FCM 1 tens of thousands of times.

62. During this period, Defendants futures trading was costly and unsuccessful, causing Client B's accounts to incur more than $115,000 in trading losses and commissions.

63. Defendants failed to disclose these commissions and losses to Client B.

vii. In the Spring of 2022, Defendants Contrived and Executed a New Method to Misappropriate Funds from Clients A and B.

64. As described above, between July 2021 and March 2022, Defendants misappropriated funds from Client A through unauthorized money transfers from Client A's IRA to the Undisclosed Joint Account. Beginning in the Spring of 2022, however, Defendants

concocted and implemented a new means to misappropriate even more funds from Client A and to start misappropriating money from Client B.

65. Between March and May 2022, Defendants submitted paperwork to FCM 1, which caused FCM 1 to establish advisory fee structures over Client A's IRA account and both of Client B's accounts.

66. Clients A and B signed the documents Defendants submitted, but had no knowledge or understanding of them. Defendants did not explain what the documents provided and actively concealed their substance by covering them with other papers—revealing only the signature lines and urging Clients A and B to sign.

67. These fee structures were contrary to the fee arrangements that Defendants had promised and to which Clients A and B had agreed (i.e., that Defendants would only charge 10% of profits), and effectively allowed Defendants to surreptitiously siphon-off hundreds of thousands of dollars from Client A's and B's accounts.

68. The new advisory fee structure had three separate types of fees, none of which Defendants disclosed or that Clients A or B knowingly authorized.

69. First, FCM 1 would automatically calculate and transfer to DSD Capital's account at FCM 1 a monthly advisory fee of 0.25% (3% annualized) of the liquidation value of each account. Between April 2022 and January 2023, FCM 1 automatically calculated and transferred to DSD Capital's account advisory fees totaling $7,114.67 from Client A's account and $35,856.12 from Client B's accounts.

70. Second, FCM 1 would automatically charge each account a quarterly advisory fee amounting to 30% of profits. Because Defendants never generated quarterly profits for Clients A or B, however, Client A's and B's accounts were not charged this 30% fee.

71. Third, DSD Capital had the authority to charge each account unspecified manual fees up to $30,000 per month. Between April 2022 and December 2022, Defendants repeatedly and fraudulently charged Clients A and B significant manual fees and transferred those funds from Client A's and B's accounts to DSD Capital's account at FCM 1.

72. For example, on April 7, 2022, Defendants charged Client B's IRA a manual fee of $5,900 and her individual account a manual fee of $17,200. Then, less than two weeks later, on April 18 and 19, 2022, Defendants charged Client B's IRA a manual fee of $4,490 and her individual account a manual fee of $11,244. In fact, in the first month of the new and unauthorized fee structure alone, Defendants manually charged Client B nearly $39,000 in unspecified fees.

73. Defendants engaged in similar fraudulent conduct in Client A's IRA. On May 16, 2022—within just days of changing the advisory fee structure—Defendants charged Client A's IRA a manual fee of $30,000, the maximum allowed.

74. In total, between April and December 2022, Defendants fraudulently charged Clients A and B manual fees ranging from approximately $5,000 to $30,000 at least nineteen times, totaling $63,000 for Client A and $276,834 for Client B.

75. Defendants never disclosed the nature or amounts of the manual fees Defendants charged Clients A and B. Had Clients A or B known about the fees, they would not have authorized them.

76. Once the unauthorized advisory fees were received in DSD Capital's account at FCM 1, Defendants transferred the funds to checking accounts owned by DSD Capital, including, principally a checking account with an account number ending in -**81. From there, Defendants transferred the vast majority of the funds to checking accounts that Dellas personally owned or controlled. Generally, Dellas used the funds to pay his personal expenses, such as clothing, rent,

utilities, internet and retail purchases, personal credit card payments, and his personal federal income taxes.

viii. FCM 1 Flagged and Closed Client A's and B's Accounts, But Defendants Simply Opened New Accounts at a Different FCM and Continued Their Fraudulent Scheme.

77. Beginning in or around December 2022, FCM 1 began looking into Defendants' trading and account management activities, including the fees Defendants charged.

78. Ultimately, in or about February 2023, FCM 1 decided to wind down Defendants' accounts and the accounts Defendants were managing, including Client A's and B's accounts.

79. Shortly thereafter, in March and April 2023, Defendants prepared and submitted documentation to establish new accounts for Clients A and B with another dually-registered FCM and broker-dealer ("FCM 2").

80. On or about March 31, 2023, Defendants established an individual account and an IRA at FCM 2 for Client B. Subsequently, Defendants caused the remaining assets in Client B's individual and IRA accounts at FCM 1 (worth, at the time, approximately $1,098,619 and $273,708, respectively) to be transferred into the new accounts at FCM 2.

81. On or about April 4, 2023, Defendants established an IRA at FCM 2 for Client A. Rather than transfer into the new IRA all of the assets remaining in Client A's IRA at FCM 1 (worth approximately $289,746 at the time), Defendants first transferred approximately $21,250 to the Undisclosed Joint Account and then transferred the remaining approximately $268,496 into the new IRA.

82. Similarly, rather than open a new Roth IRA at FCM 2 and transfer into it the assets from Client A's Roth IRA at FCM 1, Defendants simply transferred those assets (worth approximately $20,022 at the time) to the Undisclosed Joint Account.

83. At the same time that Defendants created accounts for Clients A and B at FCM 2, Defendants also submitted forms to authorize Dellas to trade in their accounts. But, unlike at FCM 1, where Defendants identified themselves as Financial Advisors on the trade authority request forms, this time Dellas identified himself as a "friend" and represented that he was not being compensated for providing investment advice, placing trades, or otherwise managing the accounts. These representations were false.

84. As soon as the FCM 2 accounts were opened, Defendants resumed trading futures contracts on behalf of Clients A and B. Between April and October 2023, Defendants bought and sold hundreds of futures contracts in Client A's and B's accounts at FCM 2, including E-mini Nasdaq-100, Bitcoin, and Ethereum futures.

85. Once again, Defendants' futures trading was costly and unsuccessful. Client A's IRA account at FCM 2 realized more than $25,000 in trading losses, commissions, and fees. Client B's account at FCM 2 realized more than $79,000 in trading losses, commissions, and fees.

86. As before, Defendants failed to disclose to Clients A or B the substantial risk of loss that futures trading entails or the losses they had incurred.

ix. Defendants Continued to Misappropriate Funds from Client A's and B's Accounts at FCM 2.

87. From March through November 2023, when Defendants managed Client A's and B's accounts at FCM 2, Defendants failed to successfully grow Client A's and B's remaining assets. Nevertheless, Defendants continued to engage in their scheme to misappropriate Client A's and B's funds.

88. From March through November 2023, Client B's accounts incurred mark-to-market losses of more than $79,000. Yet, over that same period, Defendants caused at least five wire transfers, ranging from $10,996 to $37,215, to be made from Client B's individual account at FCM

2 to a checking account in DSD Capital's name. In total, Defendants transferred at least $135,382 from Client B's individual account during this seven-month period.

89. In addition, unbeknownst to Clients A and B, Defendants established a joint trading account in Client A's and B's names at FCM 2 on or around March 31, 2023. Defendants funded this account with approximately $11,000 from Client B's individual account at FCM 2, but never invested those funds. Instead, Defendants maintained the funds in cash until August 2023 when they liquidated the account by transferring approximately $7,300 to the Undisclosed Joint Account and transferring approximately $3,600 to Client A.

90. Defendants also continued misappropriating Client A's funds. Between September and November 2023, despite the fact that Client A's account at FCM 2 had lost value, Defendants wired $6,675 from Client A's account to the Undisclosed Joint Account.

91. Clients A and B did not knowingly authorize any of the foregoing transfers.

C. As Soon as Clients A and B Learned of Defendants' Fraudulent Scheme, They Terminated the Relationship with Defendants.

92. In October 2023, FCM 2 attempted to contact Client B regarding its concerns about activity in her accounts and her relationship to Defendants. At that time, FCM 2 restricted Client B from making any further transfers to third parties and asked that she describe her investment objectives, state the purpose of the third-party wires to DSD Capital between April and September 2023, and describe her relationship with Dellas.

93. Client B never received the communication from FCM 2 because Dellas had intercepted it by monitoring communications from FCM 2. On October 25, 2023, Dellas, without Client B's knowledge or consent, responded to FCM 2's inquiry purporting to be Client B.

94. In his response, Dellas falsely claimed that Client B's investment objectives were "speculative trading, growth, and income during periods of market uncertainty." Dellas knew this

statement was false as he knew Client B's objectives were conservative and focused principally on preservation of capital.

95. Dellas also falsely claimed that the wire transfers to DSD Capital "were part of a purchase obligation, submitted on a schedule and done incrementally." In an apparent attempt to have the transfer restrictions lifted, Dellas assured FCM 2 that the "obligation [was] now satisfied, so there [was] no longer any need" to continue restricting Client B's account. Dellas insisted that "[w]e have all the legal documents from our attorney outlining the transaction." These statements were false. There was no "purchase obligation" between Defendants and Client B, and Client B was unaware of any wire transfers to DSD Capital.

96. Lastly, to further assuage any concerns FCM 2 may have had in his authority over Client B's accounts, Dellas—still pretending to be Client B and without her knowledge—claimed that Dellas was a "trusted family confidant" and the "relationship spans almost 20 years in financial matters." These representations were false.

97. In November 2023, Clients A and B became aware of Defendants' fraudulent activities in their accounts, and immediately took steps to prevent Defendants from accessing their accounts.

98. Undeterred, on November 14, 2023, Dellas attempted to wire $400,000 from Client B's account to Dellas's Personal Account. Fortunately, FCM 2 refused to process the transfer.

99. By November 2023, however, Client A's and B's savings and retirement accounts had been substantially depleted due to Defendants' fraudulent activities.

100. Through Defendants' actions, Client A's assets were reduced from approximately $784,000 to approximately $260,000.

101. Through Defendants' actions, Client B's assets, the bulk of her life savings, were reduced by approximately 45% in less than two years, from nearly $2 million in March 2022 to approximately $1.1 million in November 2023.

D. Dellas Attempted to Conceal and Obfuscate the Fraudulent Scheme in Various Ways.

i. Dellas Instructed Clients A and B to Sign Documents That Facilitated the Fraudulent Scheme, But Concealed the Substance of Those Documents from Clients A and B.

102. As part of the fraudulent scheme, Dellas regularly visited Clients A and B in their homes and instructed them to sign documents related to Defendants' management of their accounts. These documents included, for example, account opening documents, trading authorizations, and the very wire transfer requests described above that Defendants used to misappropriate Client A's and B's funds.

103. Once signed, Dellas transmitted these documents to the relevant financial institutions through email and other electronic means.

104. Clients A and B, however, had no knowledge or understanding of the documents Dellas insisted that they sign. Dellas did not explain the documents, and actively concealed their substance by covering them with other papers—revealing only the signature lines and urging Clients A and B to sign.

105. In addition, despite repeated requests, Dellas refused to give Clients A and B copies of any of the documents they signed.

ii. Dellas Refused and Actively Thwarted Client A's and B's Efforts to Obtain Account Statements.

106. During the Relevant Period, Clients A and B made repeated requests to Dellas for written account statements or online access to their accounts. Dellas, however, never provided

any statements, refused to provide the account login information, and consistently made excuses for not providing statements.

107. In fact, to conceal the fraud, Dellas instructed FCMs 1 and 2—purportedly on Client A's and B's behalf—not to send paper statements to Clients A or B.

108. Rather than produce account statements, which would have revealed the fraud and significant losses to Clients A and B, Dellas regularly lied to Clients A and B that their accounts were doing well.

iii. Dellas Impersonated Clients A and B and Made Misrepresentations to FCMs 1 and 2.

109. In interactions with the FCMs, Dellas fraudulently impersonated Clients A and B on multiple occasions. For example, between March 27 and April 4, 2023, Dellas—without their knowledge or authorization—electronically signed Client A's and B's names on multiple documents instructing FCM 2 to make account statements only available electronically. Similarly, on August 16, 2022, Dellas impersonated Client B in communications with FCM 1, requesting it stop sending paper statements to Client B. Further, as alleged above, Dellas impersonated Client B in the October 2023 communications with FCM 2 in an attempt to restore his ability to wire money from Client B's account to Defendants.

110. As alleged above, Dellas also made misrepresentations in Client A's and B's account opening documents at FCM 2, including by falsely identifying himself not as an advisor but a "friend," and falsely stating that he was not "being compensated for providing investment advice, placing trades, or otherwise managing [the] account[s]."

iv. Dellas Prepared Client A's 2021 and 2022 Taxes and Used Money Defendants Had Misappropriated from Clients A and B to Pay the Additional Taxes Client A Owed Because of Defendants' Misappropriation.

111. The fraudulent disbursements Defendants caused Client A to make from his IRA resulted in Client A incurring substantial additional tax liabilities.

112. For example, in 2021, Defendants caused Client A's IRA to disburse more than $54,000 to the Undisclosed Joint Account, all of which constituted taxable income for Client A and the vast majority of which Defendants misappropriated for themselves.

113. Client A remained unaware of the additional tax liabilities created by Defendants' activities, however, because beginning in April 2022, Dellas prepared and filed Client A's taxes and paid the additional taxes using funds that Defendants had misappropriated from Client B. Dellas did this for tax years 2021 and 2022.

114. Defendants failed to disclose to Client A that their fraudulent disbursements had generated additional taxes or that they paid those taxes using funds they had misappropriated from both Client A and B. Defendants also failed to disclose to Client B that they used funds they had misappropriated from her to pay Client A's taxes.

VI. STATUTORY VIOLATIONS

COUNT I

Violations of Sections 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A), (C) (FUTURES FRAUD)

115. The allegations in the preceding paragraphs are re-alleged and incorporated herein by reference.

116. 7 U.S.C. § 6b(a)(1)(A) and (C) make it unlawful:

> [F]or any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person…(A) to cheat or defraud or attempt to cheat or defraud the other person; … [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 … the other person.

117. As described herein, Defendants violated 7 U.S.C. § 6b(a)(1)(A) and (C) by cheating or defrauding, or attempting to cheat or defraud, other persons; making or causing to be made false statements and records; and willfully deceiving or attempting to deceive other persons in connection with the offering of, or entering into, the commodity futures transactions alleged herein, by, among other things: (i) falsely representing that they would only charge fees equating to 10% of profits; (ii) failing to warn Clients A and B of the risk of trading commodity futures and then mispresenting that Defendants' trading was successful despite that Clients A and B had suffered substantial losses; and (iii) misappropriating Client A's and B's funds and concealing from and failing to disclose to Clients A and B that their funds were misappropriated.

118. Defendants engaged in the acts and practices described above knowingly, willfully, or with reckless disregard for the truth.

119. Each act of misappropriation and misrepresentation or omission, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6b(a)(1)(A) and (C).

120. The foregoing acts, omissions, and failures by Dellas occurred within the course or scope of his employment or office with DSD Capital. 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 (2023), DSD Capital is liable as a principal for Dellas's acts, omissions, and failures.

121. During the Relevant Period, Dellas controlled DSD Capital and failed to act in good faith or knowingly induced the acts constituting DSD Capital's violations of the Act. Dellas is therefore liable for DSD Capital's violations of 7 U.S.C. § 6b(a)(1)(A) and (C), pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

COUNT II

Violations of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. § 6*o*(1)(A), (B)
(FRAUD BY A COMMODITY TRADING ADVISOR AND ASSOCIATED PERSON)

122. Paragraphs 1 through 114 of this Complaint are re-alleged and incorporated herein by reference.

123. A CTA is defined in Section 1a(12)(A)(i) of the Act, 7 U.S.C. § 1a(12)(A)(i), in relevant part, as "any person who for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value or advisability of trading in" commodity interests.

124. An "associated person" of a CTA is defined in Commission Regulation 1.3, 17 C.F.R. § 1.3 (2023), as a natural person who serves a CTA 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 a client's or prospective client's discretionary account, or (ii) the supervision of any person or persons so engaged[.]"

125. During the Relevant Period, Dellas and DSD Capital acted as CTAs by engaging in a business of discretionary futures trading on behalf of Clients A and B.

126. Dellas also acted as an "associated person" of a CTA because he served as an agent of DSD Capital in a capacity involving the solicitation of clients' and prospective clients' discretionary accounts.

127. 7 U.S.C. § 6*o*(1) makes it unlawful for a CTA or associated person of a CTA, "by use of the mails or any other means or instrumentality of interstate commerce, directly or indirectly–(A) to employ any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or (B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant. As provided in Regulation 4.15, 17 C.F.R. § 4.15 (2023), 7 U.S.C. § 6*o*(1) applies to

all CTAs and associated persons of CTAs whether registered, required to be registered, or exempted from registration.

128. During the Relevant Period, Dellas, acting as a CTA and associated person of a CTA, and DSD Capital, acting as a CTA, while using the mails or any means or instrumentality of interstate commerce, violated 7 U.S.C. § 6*o*(1)(A)-(B) by, among other things: (i) falsely representing they would only charge advisory fees equating to 10% of profits; (ii) failing to apprise Clients A and B of the risk of trading commodity futures and then misrepresenting that Defendants' trading was successful despite that Clients A and B had suffered substantial losses; and (iii) misappropriating Client A's and B's funds and concealing from and failing to disclose to Clients A and B that their funds were misappropriated.

129. Defendants engaged in the acts and practices described above using the mails or means or instrumentalities of interstate commerce, including but not limited to: the use of interstate wires for transfer of funds, websites, and other electronic communication devices.

130. Defendants engaged in the acts and practices described above knowingly, willfully, or with reckless disregard for the truth.

131. Each act of misappropriation and misrepresentation or omission, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6*o*(1)(A)-(B).

132. The foregoing acts, omissions, and failures by Dellas occurred within the course or scope of his employment or office with DSD Capital. 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 (2023), DSD Capital is liable as a principal for Dellas's acts, omissions, and failures.

133. During the Relevant Period, Dellas controlled DSD Capital and failed to act in good faith or knowingly induced the acts constituting DSD Capital's violations of the Act. Dellas is

therefore liable for DSD Capital's violations of 7 U.S.C. § 6*o*(1)(A)-(B), pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

VII. RELIEF REQUESTED

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

A. Find that Defendants violated Sections 4b(a)(1)(A) and (C) and 4*o*(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A), (C), 6*o*(1)(A)-(B).

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 them, who receive actual notice of such order by personal service or otherwise, from engaging in the conduct described above, in violation of 7 U.S.C. §§ 6b(a)(1)(A) and (C) and 6*o*(1)(A)-(B).

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

1. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40));

2. Entering into any transactions involving "commodity interests" (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2023), for accounts held in the name of any Defendant or for accounts in which any Defendant has a direct or indirect interest;

3. Having any commodity interests traded on any Defendant's behalf;

4. 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;

5. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;

6. 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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2023); and

7. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2023)), 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 Regulation 4.14(a)(9).

D. Enter an order directing Defendants and any third-party transferee and/or any of their successors, 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 requiring Defendants, as well as any of their successors, to make full restitution to every person who has sustained losses proximately caused by Defendants' violations (in the amount of such losses), as described herein, plus pre-judgment and post-judgment interest;

F. Enter an order directing Defendants to pay a civil monetary penalty assessed by the Court, in an amount not to exceed the penalty prescribed by Section 6c(d)(1) of the Act, 7 U.S.C. § 13a-1(d)(1), as adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. No. 114–74, tit. VII, § 701, 129 Stat. 584, 599-600, *see* Regulation 143.8, 17 C.F.R. § 143.8 (2023), for each violation of the Act, as described herein.

G. 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 clients whose funds were received

by them as a result of the acts and practices that constituted violations of the Act as described herein.

H. Enter an order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2).

I. Enter an order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Dated: May 7, 2025

JURY TRIAL DEMANDED,

By: ***s/ A. Daniel Ullman II***

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