United States District Court
Southern District of Texas
ENTERED
January 29, 2026
Nathan Ochsner, Clerk

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

COMMODITY FUTURES TRADING COMMISSION	§	
Plaintiff,	§	
	§	CIVIL ACTION NO. 4:22-cv-00365
v.	§	
MATTHEW CLARK	§	
Defendant.	§	

CONSENT ORDER FOR PERMANENT INJUNCTION AND OTHER STATUTORY AND EQUITABLE RELIEF AGAINST DEFENDANT MATTHEW CLARK

I. INTRODUCTION

On February 3, 2022, Plaintiff Commodity Futures Trading Commission ("CFTC" or "Commission") filed a Complaint (the "Complaint") against Defendant Matthew Clark ("Defendant") seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (the "Act") and Commission Regulations ("Regulations") including Sections 4b(a)(1)(A) and (C); 4c(a)(1) and (2); 6(c)(1) and (2) of the Act, 7 U.S.C. §§ 6c(a)(1)(A), (C); 6c(a)(1), (2); and 9(1), (2); and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025). (Dkt. 1).

II. CONSENTS AND AGREEMENTS

To effect settlement of all claims alleged in the Complaint against Defendant without a trial on the merits or any further judicial proceedings, Defendant:

1. Consents to the entry of this Consent Order for Permanent Injunction and Other Statutory and Equitable Relief Against Defendant Matthew Clark ("Consent Order");

2. Affirms that Defendant has read and agreed to this Consent Order voluntarily, and that no other promise, other than as specifically contained herein, or threat, has been made by the

CFTC or any member, officer, agent, or representative thereof, or by any other person, to induce consent to this Consent Order;

3. Acknowledges service of the summons and Complaint;

4. Admits the jurisdiction of this Court over Defendant and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;

5. Admits the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act;

6. Admits that venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e);

7. Waives:

   a. Any and all claims that Defendant may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2025), relating to, or arising from, this action;

   b. Any and all claims that Defendant may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–53, 110 Stat. 847, 857-74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this action;

   c. Any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

   d. Any and all rights of appeal from this action.

8. Agrees that the Commission is the prevailing party in this action for purposes of the waiver of any and all rights under the Equal Access to Justice Act, specified in subpart (a) of paragraph 7 above;

9. Consents to the continued jurisdiction of this Court over Defendant for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for

any other purpose relevant to this action, even if Defendant now or in the future resides outside the jurisdiction of this Court;

10. Agrees that Defendant will not oppose enforcement of this Consent Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and hereby waives any objection based thereon;

11. Agrees that neither Defendant nor any of Defendant's agents or employees under Defendant's authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect Defendant's: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendant shall comply with this agreement, and shall undertake all steps necessary to ensure that all of Defendant's agents and employees under Defendant's authority or control understand and comply with this agreement;

12. Neither admits nor denies the allegations in the Complaint or any of the findings or conclusions in this Consent Order, except that Defendant admits Paragraphs 25 to 36 and 38 to 42 of this Consent Order.

13. Consents to the use of the findings and conclusions in this Consent Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof;

14. Does not consent, however, to the use of this Consent Order, or the findings and conclusions herein, as the sole basis for any other proceeding brought by the Commission or to

which the Commission is a party, other than: a statutory disqualification proceeding; a proceeding in bankruptcy or receivership; or, a proceeding to enforce the terms of this Consent Order;

15. Agrees to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 74 of Part VI of this Consent Order, of any bankruptcy proceeding filed by, or on behalf of, or against Defendant, whether inside or outside the United States; and

16. Agrees that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendant in any other proceeding.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

A. Findings of Fact

1. Parties to This Consent Order

17. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Commodity Exchange Act and Commission Regulations.

18. Defendant **Matthew Clark** is a resident of Houston, Texas. From in and around 2010 until July 25, 2019, Clark was employed by Pacific Summit Energy LLC ("Pacific Summit Energy") in its office in The Woodlands, Texas. Until April 2017, Clark actively traded natural gas futures contracts on behalf of Pacific Summit Energy while holding a number of supervisory

trading positions at Pacific Summit Energy. In April 2017, Clark was promoted to an executive position within Pacific Summit Energy. Clark has never been registered with the CFTC.

2. Other Relevant Entities

19. **Pacific Summit Energy** is a business that engages in energy marketing and trading in North America. Pacific Summit Energy employs traders who trade natural gas products, including natural gas futures contracts, for the benefit of Pacific Summit Energy 's business, including, formerly, Defendant. Pacific Summit Energy has never been registered with the CFTC.

20. **Peter Miller** ("Miller") is an individual who resides in Miami Beach, Florida. Miller trades natural gas futures contracts through Omerta. Miller is the President, Chairman, and an Authorized Member of Omerta. Miller has never been registered with the CFTC in any capacity.

21. **Omerta Capital LLC** ("Omerta") was a Puerto Rico limited liability company, with its principal place of business in Dorado, Puerto Rico. Omerta was a proprietary trading company that owned the futures trading accounts that Miller used to trade natural gas futures contracts and other products. Omerta has never been registered with the CFTC in any capacity.

22. **Classic Energy LLC** ("Classic") was a registered Introducing Broker located in Houston, Texas. Among other services, Classic was a voice broker that brokered block trades for customers in natural gas futures contracts, including natural gas futures contracts listed on NYMEX. The CFTC issued two separate orders against Classic asserting violations of the Act and Regulations on September 30, 2019, and June 14, 2021. Classic withdrew its registration with the CFTC in 2019 and was permanently barred from registering with the CFTC on June 14, 2021.

23. **Mathew D. Webb** ("Webb") was the founder, President, sole member, and a registered Associated Person of Classic. Webb brokered block trades for Classic customers in natural gas futures contracts, including natural gas futures contracts listed on NYMEX. The CFTC issued orders against Webb asserting violations of the Act and Regulations on September 30, 2019, and June 14, 2021. Webb's registration with the CFTC was temporarily suspended in 2019, and then on June 14, 2021, Webb was permanently barred from registering with the CFTC.

24. **Lee Tippett** ("Tippett") was a broker and registered Associated Person of Classic from November 23, 2015, until August 12, 2019. On August 12, 2019, Tippett withdrew his registration as an Associated Person of Classic. On November 16, 2022, the CFTC issued an order against Tippett asserting violations of the Act and Regulations and permanently banned Tippett from registering with the CFTC.

3. Defendant's Scheme to Misappropriate Pacific Summit Energy's Confidential Block Trade Order Information and Engage in Fictitious Trades

a. Defendant Had a Duty to Pacific Summit Energy to Keep Confidential Pacific Summit Energy's Confidential Information.

25. As an employee of Pacific Summit Energy, Defendant was required to and promised to follow Pacific Summit Energy's policies. In addition, as a natural gas trader, Defendant was generally aware that there were rules and regulations of the CFTC and the Chicago Mercantile Exchange ("CME") that governed the trading of commodity futures contracts. On or about April 15, 2010, around the time when Defendant joined Pacific Summit Energy, Defendant acknowledged his obligation to use Pacific Summit Energy's information and resources only for Pacific Summit Energy's interests when he signed a "Secrecy, Non-Disclosure & Proprietary Rights Agreement." In the agreement, Defendant "acknowledge[d] that Company Proprietary Information [as defined in that Agreement] is a special, valuable, and unique asset of

the Company and I agree at all times during the period of my employment and thereafter to keep in confidence and trust all Company Proprietary Information. I agree that during the period of my employment and thereafter I will not directly or indirectly sue the Company Proprietary Information other than in the course of performing my duties as an employee of the Company, nor will I directly or indirectly disclose any Company Proprietary Information or anything relating thereto to any person or entity, except in the course of performing any duties as an employee of the Company and with the consent of the Company."

26. Defendant also received copies of Pacific Summit Energy's policies that he was required to follow. Defendant acknowledged his understanding of this in documents he signed acknowledging his commitment to follow Pacific Summit Energy's policies. For example, on April 15, 2010, Defendant signed an "Acknowledgement" that he "received a copy of [Pacific Summit Energy's] *Employee Manual and Policy Guide* and understand[s] that it contains information for the various human resources policies of the company…" Among other things, Pacific Summit Energy's *Employee Manual and Policy Guide* Section 2-1-3 limited gifts to no more than $1,000 for manager-level employees. The *Employee Manual and Policy Guide* also contained Pacific Summit Energy's Code of Business Conduct, which prohibited Conflicts of Interest and noted the importance of protecting Confidential Information. With respect to Conflicts of Interest, the policy stated that "each employee of the Company has a duty of loyalty to the Company, and must act in the Company's best interests." With respect to Confidential Information, the policy stated that "company information, including trade secrets, is valuable both to the Company and to outsiders. It is the policy of the Company that all confidential business information relating to the Company (including trade secrets) must be used solely for

corporate purposes and may not be disclosed to unauthorized persons or used for the purpose of furthering private investment or making a personal profit."

27. As another example, Defendant acknowledged his receipt (and careful review of) Pacific Summit Energy's Trading Policy on April 17, 2013. The Trading Policy included a section of "Employee Restrictions" which stated, "No transactions are authorized except for those on behalf of the company."

28. In addition to reviewing Pacific Summit Energy's policies, Defendant attended Pacific Summit Energy trainings on proper conduct for trading natural gas futures. Defendant attended trainings each year from 2012 through 2019. These trainings included, among other things, topics relating to criminal and civil (*i.e.*, CFTC) regulations and the enforcement of those regulations. For example, in the 2013 training, it included a description of "traditional CFTC authority" including "CEA Section 4c, 7 USC 6c [which] makes unlawful for any person to enter, offer to enter, or confirm any futures, option, on futures, commodity option or swap that is used to cause any price to be reported, registered or recorded that is 'not a true and bona fide price…'" Further, the training included a reference to "CFTC Rule 1.38," 17 C.F.R. § 1.38 (2025), as "require[ing] that all commodity futures & commodity options executed under exchange rules be executed "openly and competitively" at competitive prices[.]"

29. Pacific Summit Energy's 2013 training also discussed the CFTC's enforcement under the Dodd-Frank Act of insider trading, which "[i]mposes [a] 10(b)-like fraud standard."

30. In 2016, Pacific Summit Energy's training included a discussion of "Insider Trading" and detailed facts about *In re Arya Motazedi*, a CFTC enforcement case against a gas and energy futures trading "who was privy to confidential and proprietary trading information concerning the times, amounts, and prices which his company intended to trade energy

commodities futures for its account" and his "employer's internal policies prohibited employees from engaging in personal transactions involving energy contracts and other personal transactions that created a conflict of interest." The 2016 training explained further that some of Motazedi's transactions "according to the CFTC" were "fictitious trades" and that "the CFTC concluded that Motazedi's orchestrating the improper trades by misappropriating confidential information, and his front running trades, violated a general antifraud provision." The "CFTC also found that his prerarranged trades" engaged in "fictitious sales." The 2016 training also explained that the "CFTC invoked the misappropriation theory of misuse of confidential information—one of the theories often used in securities insider training cases—explaining the deception necessary under the theory occurs 'because the source of the information (principal) is entitled to the exclusive use of the information.'"

31. In its 2017 training, Pacific Summit Energy explained that for block trades, "the price of the block trade must be fair and reasonable in light of the size of the block trade, the prices and sizes of similar transactions and the circumstances of the markets and parties to the block trade." The 2017 training also pointed to Regulation 180.1 as authority the CFTC could use and noted that "prearranged trading" was another "enforcement area" by the CFTC.

b. Defendant's Misappropriated Pacific Summit Energy's Confidential Block Trade Order Information by Disclosing It to Webb for Defendant's Personal Benefit.

32. As Defendant knew and understood, between in or around August 2015 and continuing through in or around September 2019, Webb, through Classic, brokered Defendant's trades with a counterparty that was identified in advance of executing the trades, specifically Omerta, whose trading was conducted by Miller (collectively, "Omerta/Miller"). When Defendant placed these prearranged trades, he did so by using Pacific Summit Energy funds, which (as Company policy provided, and which he certified he would follow) were to be used

only in transactions designed to solely benefit Pacific Summit Energy. Pacific Summit Energy entrusted Defendant with the details of its natural gas trades and trading strategy. Rather than using that information solely to benefit Pacific Summit Energy, Defendant placed these trades intending to benefit himself and the others who had agreed to the unlawful trading scheme.

33. Specifically, in or around the summer of 2015, Defendant and Webb approached Miller to see if Miller would agree to become the counterparty for their unlawful pre-arranged trades. Miller, through his company Omerta, agreed to enter into unlawful trades with Defendant, which were brokered by Webb. Miller tracked his unlawful prearranged trades in spreadsheets, noting the date, price, and amounts that he owed to Webb and Defendant as their share of the trading profits. Miller paid these profit sharing portions in cash, which totaled at least approximately $1,347,470. Miller routinely traveled to Houston, Texas, to provide cash profits for the prearranged trading, including at least on one occasion delivering cash directly to Defendant.

34. For each of the transactions, Defendant understood that the trades were not offered to the market, as they should have been per Pacific Summit Energy's policies. Rather, the trades were placed with a pre-determined counterparty, Omerta/Miller. Further, for each of the pre-arranged trades, Defendant knew and understood that he used Pacific Summit Energy's proprietary information to benefit himself.

35. On or about March 8, 2017, Defendant offered to sell 100 contracts at an approximate price of $3.001 through Webb at Classic, knowing that Webb would contact Miller to have Miller's company Omerta be the counterparty (buyer). Defendant engaged in this transaction knowing that it was an unlawful prearranged trade of natural gas futures contracts.

36. On or about February 23, 2017, Defendant offered to sell 100 contracts of May 2017 Henry Hub Financial Last Day at approximately $2.853 using information that Pacific Summit Energy entrusted him to sue solely to benefit Pacific Summit Energy, when in fact, he used it to enrich himself and others.

c. Defendant Executed Fictitious Trades that Avoided Competition and Negated Market Risk and Caused the Reporting of Non-Bona Fide Prices.

37. By entering into and executing block trades in the manner described above, pursuant to Defendant's agreement with Miller and Webb that Omerta/Miller would be the predetermined counterparty and take the opposite side of the Pacific Summit Energy block trade orders Defendant disclosed to Webb, Defendant allowed Omerta/Miller to obtain advantageous prices and avoid competition and market risk.

d. Defendant Engaged in a Scheme To Extract Kickbacks Out of the Brokerage Agreements that Pacific Summit Energy Paid to Classic.

38. Between in and around 2010 continuing through in or around 2019, Defendant defrauded Pacific Summit Energy in connection with the purchase and sale of natural gas futures contracts. Defendant steered business from his employer, Pacific Summit Energy, to Classic (*i.e.,* Webb's brokerage business) and received illegal kickbacks that Webb paid to Defendant for some of the trades brokered by Classic. These illegal kickbacks were generated from the commission fees that Pacific Summit Energy paid to Classic for trades brokered by Classic on behalf of Pacific Summit Energy. The written policies of Pacific Summit Energy did not sanction this, and no one from Pacific Summit Energy told Defendant that his receipt of kickbacks from Classic was approved.

39. At Defendant's direction, Webb did not pay Defendant the illegal kickbacks directly. Instead, Webb followed Defendant's directions regarding use of various intermediaries.

Initially, Webb and Defendant agreed to have Webb pay one of Defendant's family members living in Richmond, Virginia, and later, Houston, Texas ("Relative 1"), as an "employee" of Classic with "earnings" and expenses paid for by Classic. Relative 1 had no experience working with commodities or as a trader and never actually worked for Classic. The expenses that Classic paid for were for Relative 1's personal travel, meals, and other luxury expenditures. After Relative 1's relationship to Defendant became public knowledge, Defendant and Webb changed the process for payments. Defendant suggested that another of his relatives, one of Defendant's family members living in Davenport, Florida ("Relative 2"), could pose as an employee of Classic. Relative 2 did not live in Texas and had no experience working with commodities or as a trader. Nevertheless, Webb agreed, and started paying Relative 2 as an employee of Classic. Webb also issued false and fraudulent tax forms to Relative 2 identifying him/her as an employee of Classic. As part of this arrangement, Relative 2 agreed to pass the illegal kickback payments to Defendant and one of Defendant's family members living at various times in Houston, Texas ("Relative 3"). In exchange, Relative 2 was permitted to keep small amounts for him/herself.

40. To facilitate the illegal kickback payments, Relative 2 opened a bank account in the name of a fictitious company (with the initials GME) into which Webb, through Classic, deposited funds. Every month, Relative 2 signed numerous blank checks to withdraw funds out of the GME account. Relative 2 then provided the signed blank checks to Defendant and Relative 3 for Defendant's use. Defendant and Relative 3 also had access to the GME account's checking card, and Defendant it to make cash withdrawals.

41. This continued until in and around 2014 when Tippett started working for Webb at MDW Consulting LLC ("MDW"), a company established by Webb for his personal investments

and business, and Classic. At that time, Webb and Defendant agreed to pay the illegal kickbacks through Tippett. To do so, Webb paid Tippett a "salary" and then Tippett transferred funds to Defendant, his associates, and other relatives. One of the ways in which Tippett provided the kickbacks to Defendant was to withdraw cash and mail an envelope of cash to Relative 3. Relative 3, who lived in Texas, would meet with Defendant in person and provide Defendant the envelope. In exchange, Relative 3 was permitted to keep approximately $1,000 or less for him/herself. Even though Defendant used intermediaries to receive and transmit the kickback payments, the kickback payments were designed to and did benefit Defendant.

42. In total, Webb paid at least $5,543,662 in illegal kickbacks to Defendant.

43. Throughout the course of the conduct described in Paragraphs 25 to 36 and 38 to 42 above, Defendant intentionally or recklessly engaged in a scheme to defraud Pacific Summit Energy.

44. By entering into and executing the block trades described in paragraph 37 above, pursuant to Defendant's agreement with Webb and Miller that Omerta/Miller would take the opposite side of the block trade orders of Pacific Summit Energy communicated by Webb to Omerta/Miller, Defendant knowingly enabled Omerta/Miller to obtain advantageous prices and avoid competition and market risk for Omerta/Miller's trades with Pacific Summit Energy.

e. Defendant Made False and Misleading Statements and Omissions to the CFTC.

45. On February 28, 2019, the CFTC interviewed Defendant in the course of the investigation that led to the CFTC's September 30, 2019 administrative order against Webb and Classic, *In re Classic Energy LLC*, CFTC No. 19-50, 2019 WL 4915492 (Sept. 30, 3019) (consent order). During this interview, Defendant made several false and misleading statements to the CFTC's Division of Enforcement regarding his relationship with Webb and Tippett and his

participation in a previous version of the scheme in which Webb, through MDW, took the other side of Pacific Summit Energy's confidential block trades that Defendant disclosed to Webb. Defendant also omitted from his statements of material fact numerous material facts that were necessary to make his statements not misleading, including omissions regarding his involvement in this scheme and his failure to disclose that he was sharing in the profits from Webb's trading in the MDW account based on Pacific Summit Energy's confidential block trade order information. Defendant's false and misleading statements and misleading omissions during the February 28, 2019 interview had the effect of further concealing and allowing Clark and Webb to continue both the scheme to misappropriate Pacific Summit Energy's confidential information and to extract brokerage kickbacks from Classic, as described in paragraphs 25 to 42 above.

B. Conclusions of Law

1. Jurisdiction and Venue

46. This Court possesses 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). Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), provides that the CFTC may bring actions for injunctive relief or to enforce compliance with the Act or any rule, regulation, or order thereunder in the proper district court of the United States whenever it shall appear to the CFTC that any 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.

47. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e), because Defendant resides in this district, has transacted business in this District, and certain of the acts

and practices in violation of the Act and Regulations have occurred within this District, among other places.

2. Defendant Violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025), by Misappropriating Confidential Information from Pacific Summit Energy.

48. Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), makes it unlawful for any person, directly or indirectly, to:

> [U]se or employ, or attempt to use or employ, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate . . . .

49. Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025), provides in relevant part:

> It shall be unlawful for any person, directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly: (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud; . . . [or] (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person[.]

50. By the conduct described in Paragraphs 25–36 above, Defendant, in connection with contracts for future delivery on or subject to the rules of any registered entity, intentionally or recklessly disclosed confidential block trade order information in breach of a pre-existing duty of trust and confidence to the source of the information, Pacific Summit Energy. Webb in turn disclosed Pacific Summit Energy's confidential block trade order information to Omerta/Miller, who traded on the basis of Pacific Summit Energy's confidential block trade order information misappropriated in breach of a pre-existing duty of trust and confidence to Pacific Summit Energy both by entering into block trades with Pacific Summit Energy in the HH Contract and

by executing offsetting trades onscreen in the NG Contract. Defendant personally benefitted from his disclosure of Pacific Summit Energy's confidential block trade order information by receiving in return a share of Omerta/Miller's profits from this trading. By doing so, Defendant violated 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a)(1) and (3).

3. Defendant Violated Section 4c(a)(1) and (2) of the Act, 7 U.S.C. § 6c(a)(1), (2) By Engaging in Fictitious Trades.

51. Section 4c(a)(1) and (2) of the Act, 7 U.S.C. § 6c(a)(1), (2), in pertinent part, makes it "unlawful for any person to offer to enter into, enter into, or confirm the execution of a transaction. . . involving the purchase or sale of any commodity for future delivery. . ." that is a fictitious sale or is "used to cause any price to be reported, registered, or recorded that is not a true and bona fide price."

52. By the conduct described in Paragraphs 25–37 above, Defendant, in connection with contracts for future delivery on or subject to the rules of any registered entity, executed trades he knew were not negotiated on an arm's length basis but instead pursuant to an agreement whereby Omerta/Miller would be the preselected counterparty for the HH Contract block trade orders Defendant disclosed to Webb, thereby avoiding competition with other market participants for these orders and enabling Omerta/Miller to obtain advantageous prices and avoid market risk for their trades with Pacific Summit Energy, in violation of 7 U.S.C. § 6c(a)(1) and (2).

4. Defendant Violated Sections 4b(a)(1)(A) and (C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A), (C), 9(1), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025), by Participating in a Brokerage Kickback Scheme.

53. Section 4b(a)(1)(A) of the Act, 7 U.S.C. §6b(a)(1)(A), provides that it shall be unlawful, on or in connection with a futures contract made on or subject to the rules of a designated contract market, for or on behalf of any other person, to cheat or defraud, or attempt

to cheat or defraud, such other person. Section 4b(a)(1)(C) of the Act, 7 U.S.C. §6b(a)(1)(C), provides that it shall be unlawful, in or in connection with an order or futures contract made on or subject to the rules of a designated contract market, for or on behalf of any other person, willfully to deceive or attempt to deceive, such other person in regard to any of agency with respect to such order or contract. Making a material misrepresentation, misleading statement, or deceptive omission with scienter violates Section 4b(a)(1)(A) and (C).

54. Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025), provides in relevant part:

> It shall be unlawful for any person, directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly: (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud; . . .[or] (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person[.]

55. By the conduct described in Paragraphs 25–31 and 38–42 above, Defendant failed to disclose and concealed from his employer Pacific Summit Energy that he was receiving a share of the brokerage commissions Pacific Summit Energy paid to Webb and Classic from the trades Defendant executed and directed other traders at Pacific Summit Energy to execute using Classic as a broker. Defendant's use of brokers who paid him brokerage commission kickbacks was material because Defendant was choosing brokers for Pacific Summit Energy's trades not based on Pacific Summit Energy's best interests but instead based on the broker that would maximize Defendant's personal profit from the brokerage commission kickbacks.

56. Defendant directed trades to Classic with knowledge and for the specific purpose of receiving brokerage commission kickbacks. Defendant attempted to conceal these kickback payments by directing Webb and others to make payments to family members and shell entities

created expressly for the purpose of receiving the kickbacks. By doing so, Defendant violated 7 U.S.C. §§ 6c(a)(1)(A), (C), 9(1) and 17 C.F.R. § 180.1(a)(1), (3).

5. Defendant violated Section 6(c)(2) of the Act, 7 U.S.C. § (9)(2), by Making False Statements to the CFTC.

57. Section 6(c)(2) of the Act, 7 U.S.C. § 9(2), makes it unlawful:

> [F]or any person to make any false or misleading statement of a material fact to the [CFTC]… or to omit to state in any such statement any material fact that is necessary to make any statement of material fact made not misleading in any material respect, if the person new, or reasonably should have known, the statement to be false or misleading.

58. By the conduct described in Paragraph 45 above, Defendant violated 7 U.S.C. § 9(2) when he knowingly and intentionally made material false and misleading statements to the CFTC and omitted material facts necessary to make his other statements not misleading in the course of his February 28, 2019 interview with CFTC Division of Enforcement staff.

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT

59. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Defendant is permanently restrained, enjoined and prohibited from, directly or indirectly, in connection with any contract of sale of any commodity in interstate commerce, intentionally or recklessly: (1) using or employing, or attempting to use or employ, manipulative devices, schemes, or artifices to defraud; or (2) engaging, or attempting to engage, in acts, practices, or courses of business, which operate or would operate as a fraud or deceit upon any person, in violation of Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2025).

60. Defendant is further permanently restrained, enjoined, and prohibited from, 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 to cheat or defraud or attempt to cheat or defraud the other person or 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, in violation of Section 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A), (C).

61. Defendant is further permanently restrained, enjoined, and prohibited from directly or indirectly offering to enter into, entering into, or confirming the execution of any transaction involving the purchase or sale of any commodity for future delivery (or any option on such a transaction or option on a commodity) or swap that is, is of the character of, or is commonly known to the trade as, a fictitious sale; or is used to cause any price to be reported, registered, or recorded that is not a true and bona fide price, in violation of Section 4c(a)(1) and (2) of the Act, 7 U.S.C. § 6c(a)(1), (2).

62. Defendant is further permanently restrained, enjoined, and prohibited from making any false or misleading statement of a material fact to the CFTC or to omit to state in any such statement any material fact that is necessary to make any statement of material fact made not misleading in any material respect, if the person knew, or reasonably should have known, the statement to be false or misleading, in violation of Section 6(c)(2) of the Act, 7 U.S.C. § 9(2).

63. Defendant shall be permanently restrained, enjoined, and prohibited from directly or indirectly:

a. 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) (2025));

b. Entering into any transactions involving "commodity interests" (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2025)), for Defendant's own personal account(s) or for any account in which Defendant has a direct or indirect interest;

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

d. 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;

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

f. 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) (2025); and/or

g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2025)), agent or any other officer or employee of any person (as that term is defined in 7 U.S.C. § 1a(38)), registered, exempted from registration or required to be registered with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. 4.14(a)(9) (2025).

V. RESTITUTION AND DISGORGEMENT

A. Restitution

64. Defendant shall pay restitution in the amount of seven million seven hundred nine thousand five hundred and nine dollars ($7,709,509) ("Restitution Obligation"), representing the loss to Pacific Summit Energy resulting from Defendant's violations. Defendant shall pay the Restitution Obligation to Pacific Summit Energy.

65. In *United States v. Clark*, No. 4:22-cr-00055 (S.D. Tex. June 14, 2024) (Dkt. 122) (the "Criminal Action"), Defendant was sentenced to seventy-eight (78) months imprisonment and ordered to pay restitution in the amount of $7,709,509 in connection with the criminal actions described in the factual basis of his Plea Agreement in that proceeding (Dkt. 97), payable

to Pacific Summit Energy. Any amount Defendant pays toward his restitution obligation in the Criminal Action shall be credited on a dollar-for-dollar basis in satisfaction of the Restitution Obligation in this case.

66. Within ten (10) days of any payment Defendant makes toward his restitution obligation in the Criminal Action, Defendant shall, under a cover letter that identifies the name and docket number of this proceeding, transmit to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, N.W., Washington D.C. 20581, copies of the form of payment.

67. The amount of the Restitution Obligation ordered herein shall not limit the ability of Pacific Summit Energy or any other person from proving that a greater amount is owed from Defendant or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any person that exist under state or common law.

68. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each person who suffered a loss is explicitly made an intended beneficiary of this Consent Order and may seek to enforce the obedience of this Consent Order to obtain satisfaction of any portion of the Restitution Obligation that has not been paid by Defendant to ensure continued compliance with any provision of this Consent Order and to hold Defendant in contempt for any violations of any provisions of this Consent Order.

69. To the extent any funds accrue to the U.S. Treasury for satisfaction of the Restitution Obligation, such funds shall be transferred to the Clerk of Court, United States District Court, Southern District of Texas, 1000 Louisiana, Suite 2300, Houston TX 77002, for disbursement in accordance with the procedures set forth in the Criminal Action.

B. Disgorgement

70. Defendant shall pay disgorgement in the amount of six million five hundred thirty-two thousand three hundred and sixty dollars ($6,532,360) ("Disgorgement Obligation"), representing the gains Defendant received in connection with his violations.

71. In the Criminal Action, the Defendant agreed to forfeiture in the amount of $6,532,360 representing Defendant's gains from the conduct Defendant pleaded guilty to in the Criminal Action and agreed to the imposition of a personal money judgment in favor of the United States in a total amount of $6,532,360. Any amount Defendant pays toward this personal money judgment in the Criminal Action shall be credited on a dollar-for-dollar basis in satisfaction of the Disgorgement Obligation in this case.

72. Within ten (10) days of any payment Defendant makes toward the personal money judgment in the Criminal Action, Defendant shall, under a cover letter that identifies the name and docket number of this proceeding, transmit to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, N.W., Washington D.C. 20581, copies of the form of payment.

73. Partial Satisfaction: Acceptance by the CFTC of any partial payment of the Restitution Obligation or Disgorgement Obligation shall not be deemed a waiver of Defendant's obligation to make further payments pursuant to this Consent Order, or a waiver of the CFTC's right to seek to compel payment of any remaining balance.

VI. MISCELLANEOUS PROVISIONS

74. Until such time as Defendant satisfies in full Defendant's Restitution Obligation and Disgorgement Obligation under this Consent Order, upon the commencement by or against Defendant of insolvency, receivership, or bankruptcy proceedings or any other proceedings for the settlement of Defendant's debts, all notices to creditors required to be furnished to the

Commission under Title 11 of the United States Code or other applicable law with respect to such insolvency, receivership, bankruptcy, or other proceedings, shall be sent to the address below:

Secretary of the Commission
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street N.W.
Washington, DC 20581

75. Notice: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, and by email, as follows:

Notice to the Commission:

Charles Marvine
Deputy Director, Division of Enforcement
Commodity Futures Trading Commission
2600 Grand Blvd., Ste. 210
Kansas City, MO 64108
cmarvine@cftc.gov

Notice to Defendant:

Matthew Clark
c/o Brent E. Newton, Esq.
Cogdell Law Firm
712 Main Street – Suite 2400
Houston, TX 77002
bnewton@cogdell-law.com

All notices to the Commission shall reference the name and docket number of this action.

76. Change of Address/Phone: Until such time as Defendant shall satisfy in full the Restitution Obligation and Disgorgement Obligation as set forth in this Consent Order, Defendant shall provide written notice to the Commission by certified mail of any change to Defendant's telephone number(s) and mailing address(es) within ten calendar days of the change.

77. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

78. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

79. Waiver: The failure of any party to this Consent Order at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision in this Consent Order.

80. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Defendant to modify or for relief from the terms of this Consent Order.

81. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon the following persons who receive actual notice of this Consent Order, by personal service or otherwise: (1) Defendant; (2) any officer, agent, servant, employee, or attorney of Defendant; and (3) any other persons who are in active concert or participation with any persons described in subsections (1) and (2) above.

82. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

83. Contempt: Defendant understands that the terms of the Consent Order are enforceable through contempt proceedings, and that in any such proceeding Defendant may not challenge the validity of this Consent Order.

84. Agreements and Undertakings: Defendant shall comply with all of the undertakings and agreements set forth in this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Consent Order for Permanent Injunction and Other Statutory and Equitable Relief Against Defendant Matthew Clark* forthwith and without further notice.

DONE AND ORDERED on this 29th day of January, 2026.

George C. Hanks

Hon. George C. Hanks
United States District Judge

CONSENTED TO AND APPROVED BY:

Defendant Matthew Clark
Date: _____

Approved as to form:

Brent E. Newton
Texas Bar No. 00788115
Cogdell Law Firm
712 Main Street – Suite 2400
Houston, TX 77002
Telephone: 202-975-9105
bnewton@cogdell-law.com

Counsel for Defendant

Date: _____

Thomas L. Simek

Thomas L. Simek (Attorney-In-Charge)
DC Bar No. 490030 (*pro hac vice*)
tsimek@cftc.gov

COMMODITY FUTURES TRADING COMMISSION
2600 Grand Blvd., Suite 210
Kansas City, MO 64108
(816) 960-7700
(816) 960-7751 (fax)

Attorney for Plaintiff

Date: 1/21/2026

CONSENTED TO AND APPROVED BY:

Defendant Matthew Clark
Date: 1/6/26

Approved as to form:

Brent E. Newton
Texas Bar No. 00788115
Cogdell Law Firm
712 Main Street – Suite 2400
Houston, TX 77002
Telephone: 202-975-9105
bnewton@cogdell-law.com

Counsel for Defendant

Date: 1/06/2026

Thomas L. Simek (Attorney-In-Charge)
DC Bar No. 490030 (*pro hac vice*)
tsimek@cftc.gov

COMMODITY FUTURES TRADING COMMISSION
2600 Grand Blvd., Suite 210
Kansas City, MO 64108
(816) 960-7700
(816) 960-7751 (fax)

Attorney for Plaintiff

Date: _____