

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

Matthew R. White and
M.W. Global Futures LLC,

Respondents.

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CFTC Docket No. 20 – 14

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9:29 am, Feb 13, 2020

ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission”) has reason to believe that during the period of at least February 2014 through July 2018 (“Relevant Period”), Matthew R. White (“White”) and M.W. Global Futures LLC (“MWGF”) (together, “Respondents”) violated Sections 4b(a)(1), 4m(1), and 4o(1) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 6b(a)(1), 6m(1), 6o(1) (2012), and that White also violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether White and MWGF engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondents have submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, except to the extent that Respondent White admits those findings in connection with any agreement with the United States Attorney’s Office for the Western District of Washington, Respondents consent to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”) and acknowledge service of this Order.¹

¹ Respondents consent to the use of the findings of fact and conclusions of law in this 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. Respondents do not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondents do not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

II. FINDINGS

The Commission finds the following:

A. SUMMARY

White, individually from at least February 2014 to October 2017, and MWGF, from October 2017 to July 2018 by and through the actions of White, violated Sections 4b(a)(1) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(1), 6o(1) (2012), by fraudulently soliciting, receiving and holding approximately \$1.284 million for a pooled investment vehicle trading commodity futures contracts. In doing so, White acted as an unregistered commodity pool operator (“CPO”). Beginning in October 2017, MWGF, by and through White, acted as an unregistered CPO and White acted as an unregistered Associated Person (“AP”) of MWGF. Thus, White and MWGF violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012), and White violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012).

* * * * *

In accepting Respondents’ Offer, the Commission recognizes the Respondents’ cooperation with the Division of Enforcement’s (“Division”) investigation of this matter and notes that Respondents’ cooperation is reflected in the form of a reduced civil monetary penalty.

B. RESPONDENTS

Matthew R. White resides in Cocoa Beach, Florida. He has never been registered with the Commission in any capacity.

M.W. Global Futures LLC was a Florida limited liability company formed in March 2015 with its principal place of business in Tampa, Florida. White was the sole officer, employee, or agent of MWGF. MWGF was dissolved in January 2019. MWGF has never been registered with the Commission in any capacity.

C. FACTS

During the Relevant Period, White and MWGF solicited, received and held approximately \$1.284 million from six individuals (“pool participants”) residing in Florida and Washington for the purpose of trading commodity futures contracts, including U.S. Treasury futures contracts trading on a designated contract market operated by CME Group Inc. From October 2017 to July 2018, White solicited and received funds from at least one participant in the name of MWGF. The pool participants consisted of White’s family members and acquaintances. White pooled the participants’ funds in his personal bank and trading accounts. White deposited only a portion of the pooled funds into commodity interest trading accounts.

From 2014 to 2018, White traded in two commodity interest accounts, both in his own name. The first account was opened in February 2014 with a registered Futures Commission Merchant (“FCM”), FCM A. In this account, White deposited a total of approximately \$91,500

in pool participant funds. From February 2014 to May 2018, there were at least thirty-one months in which White did no trading in the account held at FCM A. The account was closed in May 2018 with a total cumulative loss of \$687 through trading and fees.

In April 2018, White opened an account at FCM B and deposited, via wire transfer from his personal bank account, a total of \$112,000 in pool participant funds. He engaged in trading in this account in only one month and ended with a cumulative loss of \$308 through trading and fees. The account was closed in September 2018.

During the Relevant Period, White made false or misleading statements to prospective and current pool participants, and omitted material facts, regarding the profitability of his commodity futures trading. For example, in October 2017, during both a telephone call and an in-person meeting to solicit Participant A to invest with MWGF, White stated that his futures trading had been very successful and that Participant A could expect returns of 12% per month. In the same month, White also sent to Participant A by U.S. Mail promotional materials that represented the average annual return on investment for MWGF was 16.25%. White failed to disclose that, in fact, from February 2014 through September 2017 his trading had resulted in a net loss and the highest monthly profit he had earned was \$93.70 in a trading account holding approximately \$64,000. The promotional material stated that MWGF “charges a flat commission rate of 20% with no commission charge if there is a losing month.” The promotional material included a purported client account statement which indicated that trading occurred on the majority of days in August 2016, the client earned a total monthly profit of over \$4,800, and the client paid over \$1,200 as commission to MWGF. White omitted the material fact that White actually engaged in no trading in August 2016 and earned no profits. Finally, the promotional material also falsely represented that White was a member of the Chicago Board of Trade (“CBOT”). White’s misrepresentations and omissions induced participants to deposit and continue to maintain investment funds with White and MWGF.

White created and delivered to at least two pool participants, via email and U.S. Mail, monthly account statements which falsely represented that he engaged in trading every month, his trading was profitable, and the participants were earning positive returns on their investments. In fact, White engaged in trading during only thirty-seven of the fifty-eight months his two trading accounts were open, produced only minimal profits, and ended with a net loss in both of his accounts. In monthly statements for months in which White did trade, he significantly inflated the amount of profits earned. For example, White mailed an April 2018 monthly statement that showed Participant A earned \$3,311.44, when White’s total trading that month earned a net profit of just \$31.25. The false account statements, which led pool participants to believe that their investments were earning substantial profits, induced at least two participants to deposit additional funds with White and MWGF.

During the Relevant Period, White used means or instrumentalities of interstate commerce in connection with his and MWGF’s business as CPOs. White communicated with current and prospective pool participants via email and telephone; collected funds from pool participants by check, ACH, or wire transfer; transferred pool funds between an MWGF bank account, his personal bank account, and his personal trading accounts via ACH and wire transfer; and delivered monthly account statements to pool participants via email and U.S. Mail.

Of the approximately \$1.284 million collected from pool participants, MWGF and White repaid over \$400,000 and lost a total of \$995 in his two trading accounts through trading or trading fees. During the Division's investigation, White repaid an additional \$602,000 to pool participants. White misappropriated \$281,970.97 in pool participant funds and diverted most of them for personal expenses, such as credit card payments, auto loan payments, and rent payments. This amount was far greater than any commissions that White and MWGF could have claimed on the minor, sporadic profits generated by White's trading.

During the course of the Division's investigation, Respondent White cooperated with the Division's investigations. White voluntarily provided supplementary documents and summaries relating to his activities and proactively identified key information to the Division, including providing the Division a complete list of pool participants (several of which the Division had not yet identified), their locations, and an accounting of the amounts and dates of their deposits and withdrawals. White also voluntarily produced several years of monthly statements for his personal bank accounts, thus streamlining the Division's investigation. White's cooperation resulted in material assistance to the Division's investigation and saved the Division considerable time and resources in carrying out its investigation.

III. LEGAL DISCUSSION

A. White and MWGF Violated Section 4b(a)(1) of the Act

During the Relevant Period, in connection with commodity futures transactions made or to be made on or subject to the rules of a designated contract market, for or on behalf of others who provided funds to the Respondents for the purpose of trading commodity futures, White cheated, defrauded, or attempted to cheat or defraud such persons in regard to orders or contracts or the disposition or execution of orders or contracts, or in regards to any act of agency performed by White with respect to such orders or contracts, in violation of Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (2012). To establish liability for fraud, the Commission must prove: "(1) the making of a misrepresentation, misleading statement, or a deceptive omission; (2) scienter; and (3) materiality." *CFTC v. R.J. Fitzgerald & Co.*, 310 F.3d 1321, 1328 (11th Cir. 2002). Scienter is met when respondent's conduct involves "highly unreasonable omissions or misrepresentations . . . that present a danger of misleading [customers] which is either known to the [respondent] or so obvious that [respondent] must have been aware of it." *Id.* "A representation or omission is 'material' if a reasonable investor would consider it important in deciding whether to make an investment." *Id.* at 1328-29. Misappropriation of customers' monies also violates Section 4b of the Act. *See In re Slusser*, CFTC No. 94-14, 1999 WL 507574, at *12 (July 19, 1999) (affirming finding that respondents violated Section 4b of the Act by surreptitiously retaining money in their own bank accounts what should have been traded on behalf of the investors), *aff'd in relevant part sub nom. Slusser v. CFTC*, 210 F.3d 783 (7th Cir. 2000); *CFTC v. Morse*, 762 F.2d 60, 62 (8th Cir. 1985) (recognizing that defendant's use of customer funds for personal expenses violated Section 4b of the Act).

During the Relevant Period, White made affirmative misrepresentations to prospective and current pool participants regarding his trading, performance history, and profitability and failed to disclose the actual results of his trading. White touted his trading success in at least one

conversation with a prospective pool participant. White created and delivered to pool participants promotional material and monthly account statements that falsely represented pooled funds were being successfully traded and that participants' investments were earning generally consistent and positive monthly returns. In fact, White did not deposit all of the pool participants' funds into trading accounts, he did not trade in every month, he did not have positive returns in every month that he traded, and overall his accounts suffered net losses. White's false representations and omissions regarding his trading and trading results were material because a reasonable investor would find them important in making an investment decision. *See CFTC v. Noble Wealth*, 90 F.Supp.2d 676, 686-687 (D. Md. 2000) ("Indeed, misrepresentations concerning profit and risk go to the heart of a customer's investment decision and are therefore material as a matter of law." (citation omitted)). Additionally, White misappropriated pooled funds for personal and non-trading related expenses and failed to disclose his misappropriations.

White acted with scienter because he conducted all trading of the pooled funds and had access to trading statements for his commodity interest accounts. White was necessarily aware that his trading was not successful every month that he traded, the monthly profits earned were very small, and that his accounts suffered net losses. White knew or recklessly disregarded the fact that his oral and written representations to the contrary were false. Thus, White violated Section 4b(a)(1) of the Act.

From October 2017 to July 2018, White engaged in the foregoing acts within the scope of his employment, office, or agency with MWGF. Therefore, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012), and Commission Regulation ("Regulation") 1.2, 17 C.F.R. § 1.2 (2018), MWGF is liable for White's violations of Section 4b(a)(1).

B. White and MWGF Violated Section 4o(1) of the Act

White, individually from at least February 2014 to October 2017, and MWGF, from October 2017 through July 2018 by and through the actions of White, acted as CPOs by soliciting, accepting, or receiving funds from participants in a pooled investment trust, syndicate, or similar form of enterprise and for the purpose of trading in commodity interests, including U.S. Treasury futures. *See* Section 1a(11) of the Act, 7 U.S.C. § 1a(11) (2012). From October 2017 to July 2018, White acted as an AP of a CPO by soliciting and collecting funds from prospective pool participants and trading commodity futures contracts with the pooled investment funds. *See* Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012).

Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A), (B) (2012), makes it unlawful for a CPO or an AP of a CPO, by the use of the mails or any instrumentality of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any client or participant or prospective client or participant, or to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any pool participant or prospective pool participant. Section 4o(1)(A) and (B) prohibits both registered and unregistered CPOs from making misrepresentations or omissions regarding futures transactions. *Cf. In re R&W Tech. Servs., Ltd.*, CFTC No. 96-3, 1999 WL 152619 (Mar. 16, 1999) (prohibiting fraud by an unregistered CTA who sold trading systems to the public), *aff'd in relevant part, R&W Tech. Servs., Ltd. v. CFTC*, 205 F.3d 165, 170 (5th Cir. 2000).

The same conduct that constitutes violations of Section 4b(a)(1)(A) and (B) of the Act, as described above, also constitutes violations of Section 4o(1) of the Act. *See, e.g., CFTC v Skorupskas*, 605 F. Supp. 923, 932-33 (E.D. Mich. 1985). However, proof of scienter is not required under Section 4o(1)(B) of the Act. *In re Kolter*, CFTC No. 93-19, 1994 WL 621595, at *7 (Nov. 8, 1994). While using the instrumentalities of interstate commerce, namely the U.S. Mail, email messages, and electronic bank transactions, White, acting as a CPO and, from October 2017 to July 2018, as an AP of a CPO, knowingly or recklessly made false statements of material fact to prospective and current pool participants, sent false statements to pool participants, and misappropriated pool funds. Thus, White violated Section 4o(1) of the Act.

From October 2017 to July 2018, White engaged in the foregoing acts within the scope of his employment, office, or agency with MWGF. Therefore, pursuant to Section 2(a)(1)(B) of the Act and Regulation 1.2, MWGF is liable for White's violations.

C. White and MWGF Violated Section 4m(1) of the Act

Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012), makes it unlawful for any CPO to use the mails or any means or instrumentality of interstate commerce in connection with the CPO's business, without being registered with the Commission, subject to certain exceptions and exemptions not relevant here. Section 1a(11) of the Act defines a CPO, in relevant part, as any person "engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property . . . for the purpose of trading in commodity interests."

As described above, White, individually from at least February 2014 to October 2017, and MWGF, from October 2017 to July 2018 by and through the actions of White, acted as CPOs and used means or instrumentalities of interstate commerce in connection with their CPO business by soliciting and collecting over \$1.284 million from six persons for a pooled investment vehicle to trade U.S. Treasury futures contracts on a designated contract market. Beginning in October 2017, White engaged in the foregoing acts within the scope of his employment, office, or agency with MWGF. Therefore, pursuant to Section 2(a)(1)(B) of the Act and Regulation 1.2, MWGF is liable for White's actions. Because White and MWGF engaged in this conduct without being registered with the Commission as CPOs, White and MWGF violated Section 4m(1) of the Act.

D. White Violated Section 4k(2) of the Act

Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012), provides that:

It shall be unlawful for any person to be associated with a commodity pool operator as a partner, officer, employee, consultant, or agent (or any person occupying a similar status or performing similar functions), in any capacity that involves (i) the solicitation of funds, securities, or property for a participation in a commodity pool or (ii) the supervision of any person or persons so engaged, unless such person is registered with the Commission

under this Act as an associated person of such commodity pool operator.

As described above, from October 2017 to July 2018, White was associated with MWGF and acted on its behalf in soliciting and collecting funds from at least one participant whose funds were pooled in an investment vehicle trading commodity futures contracts on a designated contract market. Because White was not registered with the Commission as an AP of MWGF, White violated Section 4k(2) of the Act.

IV. FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that, during the Relevant Period, Respondents White and MWGF violated Sections 4b(a)(1), 4o(1) and 4m(1) of the Act, 7 U.S.C. §§ 6b(a)(1), 6o(1), 6m(1) (2012), and Respondent White violated 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012).

V. OFFER OF SETTLEMENT

Respondents have submitted the Offer in which they, without admitting or denying the findings and conclusions herein, except to the extent that Respondent White admits those findings in connection with any agreement with the United State Attorney's Office for the Western District of Washington:

- A. Acknowledge service of this Order;
- B. Admit the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waive:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;
 - 3. All post-hearing procedures;
 - 4. Judicial review by any court;
 - 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 6. Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. pt. 148 (2018), relating to, or arising from, this proceeding;

7. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201-253, 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 proceeding; and
 8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- D. Stipulate that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondents have consented in the Offer; and
- E. Consent, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondents violated Sections 4b(a)(1) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(1), 6o(1) (2012);
 2. Makes findings by the Commission that Respondents violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012);
 3. Makes findings by the Commission that Respondent White violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012);
 4. Orders Respondents to cease and desist from violating Sections 4b(a)(1) and 4o(1) of the Act;
 5. Orders Respondents to cease and desist from violating Section 4m(1) of the Act;
 6. Orders Respondent White to cease and desist from violating Section 4k(2) of the Act;
 7. Orders Respondents to pay, jointly and severally, a civil monetary penalty in the amount of two hundred thousand dollars (\$200,000) plus post-judgment interest within ten days of the date of entry of this Order;
 8. Orders Respondents to pay, jointly and severally, restitution in the amount of eight hundred eighty-three thousand nine hundred seventy four dollars and thirty-three cents (\$883,974.33), plus post-judgment interest within ten days of the date of entry of this Order. Respondents' obligation to pay restitution shall be immediately reduced by payments already made by Respondents to pool participants, totaling six hundred two thousand three dollars and thirty-six cents (\$602,003.36). Respondents' remaining restitution obligation is two hundred eighty-one thousand nine hundred seventy dollars and ninety-seven cents (\$281,970.97);
 9. Appoints the National Futures Association ("NFA") as Monitor in this matter;

10. Orders that Respondents be permanently prohibited from, directly or indirectly, engaging in 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) (2012)), and all registered entities shall refuse them trading privileges; and
11. Orders Respondents and their successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent White shall cease and desist from violating Sections 4b(a)(1), 4k(2), 4m(1), and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(1), 6k(2), 6m(1), 6o(1) (2012).
- B. Respondent MWGF and its successors and assigns shall cease and desist from violating Sections 4b(a)(1), 4m(1), and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(1), 6m(1), 6o(1) (2012).
- C. Respondents shall pay, jointly and severally, a civil monetary penalty of two hundred thousand dollars (\$200,000) (“CMP Obligation”) within ten days of the date of the entry of this Order. If the CMP Obligation is not paid in full within ten days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

Respondents shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic funds transfer, Respondents shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and

docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581.

- D. Respondents shall pay, jointly and severally, restitution in the amount of eight hundred eighty-three thousand nine hundred seventy four dollars and thirty-three cents (\$883,974.33), (“Restitution Obligation”), within ten days of the date of the entry of this Order. The Restitution Obligation shall be immediately reduced by payments already made by Respondents to pool participants, totaling six hundred two thousand three dollars and thirty-six cents (\$602,003.36). Respondents' remaining Restitution Obligation is two hundred eighty-one thousand nine hundred seventy dollars and ninety-seven cents (\$281,970.97). If the Restitution Obligation is not paid in full within ten days of the date of entry of this Order, then post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

To effect payment by Respondents and the distribution of restitution to Respondents' customers, the Commission appoints the NFA as “Monitor.” The Monitor shall receive payments of the Restitution Obligation and any post-judgment interest from Respondents and make distributions as set forth below. Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, it shall not be liable for any action or inaction arising from its appointment as Monitor other than actions involving fraud.

Respondents shall make their payments of the Restitution Obligation and any post-judgment interest under this Order in the name of the “M.W. Global Futures LLC’s Settlement Fund” and shall send such payments by electronic funds transfer, or U.S. postal money order, certified check, bank cashier’s check, or bank money order to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

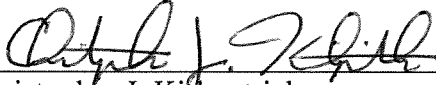
- E. The Monitor shall oversee Respondents’ Restitution Obligation and shall have the discretion to determine the manner of distribution of funds in an equitable fashion to the Respondents’ customers or may defer distribution until such time as the Monitor may deem appropriate. In the event that the amount of payments of the Restitution Obligation to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a restitution distribution is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission, as discussed below. To the extent any funds accrue to the U.S. Treasury for satisfaction of Respondents’ Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Order.

- F. Respondents are permanently prohibited from, directly or indirectly, engaging in 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) (2012)), and all registered entities shall refuse them trading privileges; and
- G. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. Public Statements: Respondents agree that neither they nor any of their successors and assigns, agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents and their successors and assigns shall comply with this agreement, and shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement.
 2. Respondents agree that they shall never, directly or indirectly:
 - a. Enter into any transactions involving "commodity interests" (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2019)), for Respondents' own personal accounts or for any accounts in which Respondents have a direct or indirect interest;
 - b. Have any commodity interests traded on Respondents' behalf;
 - c. Control or direct 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;
 - d. Solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests;
 - e. Apply for registration or claim exemption from registration with the Commission in any capacity, and engage 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) (2019); and/or
 - f. Act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2019)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act), registered, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9).

3. Cooperation with Monitor: Respondents shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Respondents' customers, whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any restitution payments. Respondents shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.
4. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission of any partial payment of Respondents' CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
5. Change of Address/Phone: Until such time as Respondents satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Order, Respondents shall provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within ten calendar days of the change.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: February 13, 2020