

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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9:51 am, Mar 21, 2023

In the Matter of:

Allianz Global Investors US LLC,

Registrant.

CFTC Docket No. SD 23-01

**OPINION AND ORDER ACCEPTING OFFER OF SETTLEMENT
OF ALLIANZ GLOBAL INVESTORS US LLC, MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS**

I.

On this date, the Commodity Futures Trading Commission (“Commission”) issued a Notice of Intent to Revoke the Registrations of Allianz Global Investors US LLC (“Notice”). The Notice alleges that Allianz Global Investors US LLC’s (“AGI US”) registrations as a Commodity Trading Advisor (“CTA”) and Commodity Pool Operator (“CPO”) are subject to revocation pursuant to Section 8a(2)(E)(i) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 12a(2)(E)(i). To resolve this matter, AGI US has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept.

II.

AGI US acknowledges service of this Opinion and Order Accepting Offer of Settlement of Allianz Global Investors US LLC, Making Findings and Imposing Remedial Sanctions (“Order”). To effect settlement of the matters alleged in the Notice and this Order, without taking testimony and prior to any adjudication on any issue of fact or law by the Commission, AGI US consents to the entry of this Order and 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.¹

¹ AGI US does 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. AGI US does 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.

III. FINDINGS

The Commission finds the following:

A. REGISTRANT

AGI US is a Delaware limited liability company headquartered in New York, New York. AGI US has been registered with the Commission as a CTA and a CPO since August 20, 2010.

B. FACTS

On May 17, 2022, in a related civil action, the Securities and Exchange Commission (“SEC”) simultaneously filed and settled fraud charges against AGI US with the issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“SEC Order”).² The SEC Order found that AGI US willfully violated Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5 (2022), and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-6(1), (2), (4), and Rules 206(4)-7 and 206(4)-8, 17 C.F.R. §§ 275.206(4)-7, 275.206(4)-8 (2022).

C. LEGAL DISCUSSION

AGI US’s registrations are subject to statutory disqualification under the Act. Pursuant to Section 8a(2)(E)(i) of the Act, 7 U.S.C. § 12a(2)(E)(i), the Commission may revoke or place restrictions on the registration of any person if that person within ten years preceding the filing of the application for registration or at any time thereafter has been found in a proceeding brought by any Federal agency, or by agreement of settlement to which any Federal agency is a party, to have violated any provision of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78qq, or the Investment Advisers Act of 1940, 15 U.S.C. 80b-1-80b-18c, by committing fraud.

Upon an agreement of settlement with AGI US, the SEC instituted an administrative proceeding in which it found AGI US committed fraud that willfully violated the provisions of the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 set forth above. The SEC’s findings, as set forth in the SEC Order, form a basis under Section 8a(2)(E)(i) of the Act for restriction or revocation of AGI US’s CTA and CPO registrations.

² *In re Allianz Global Investors U.S. LLC*, SEC No. 3-20855, 2022 WL 1644317 (May 17, 2022).

IV.

OFFER OF SETTLEMENT

AGI US has submitted an Offer in which it: (1) acknowledges service of the Notice and Order; (2) acknowledges that AGI US is registered with the Commission as a CTA and CPO; (3) admits to the jurisdiction of the Commission with respect to the matters set forth in the Notice and Order, and (4) admits that, in an administrative proceeding on May 17, 2022, the SEC simultaneously filed and settled fraud charges against AGI US by issuing the SEC Order that, among other things, found AGI US willfully violated Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5 (2022), and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940, 15 U.S.C § 80b-6(1), (2), (4), and Rules 206(4)-7 and 206(4)-8, 17 C.F.R. §§ 275.206(4)-7, 275.206(4)-8 (2022).

Further, in its Offer, AGI US waives: (1) a hearing; (2) all post-hearing procedures; (3) judicial review by any Court; (4) any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of its Offer; (5) any and all claims it 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 Commission's Regulations, 17 C.F.R. pt. 148 (2022), relating to, or arising from, this proceeding; (6) any and all claims it 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 proceeding; and (7) any and all claims of Double Jeopardy based upon the institution of this proceeding or the entry of this proceeding of any order for relief.

Finally, AGI US stipulates that the record basis on which this Order is entered consists solely of the Notice and the findings in this Order, the entry of which AGI US has consented to in its Offer. Pursuant to the Offer, AGI US consents to a finding that it is subject to statutory disqualification pursuant to Section 8a(2)(E)(i) of the Act, 7 U.S.C. § 12a(2)(E)(i), and to the Commission's issuance of this Order revoking its registrations with the Commission.

V.

ORDER

Accordingly, the Commission HEREBY ORDERS that:

1. Pursuant to Section 8a(2)(E)(i) of the Act, 7 U.S.C. § 12a(2)(E)(i), AGI US's registrations as a CTA and CPO are hereby restricted and AGI US may not engage in activities requiring registration as a CTA or CPO except with respect to the investment fund listed in Appendix A to the Offer;
2. Notwithstanding Paragraph V.1 of this Order, AGI US's registrations as a CTA and CPO are fully revoked effective: (i) March 30, 2023; (ii) such earlier date as AGI US may request; or (iii) such later date as AGI US may request, which later date shall not be later than May 15, 2023, provided, that any such extension of the revocation date past

March 30, 2023 shall be contingent on AGI US's timely compliance with the undertakings set forth in Paragraph V.3.b below.

3. AGI US shall comply with the following undertakings set forth in the Offer:
 - a. AGI US agrees that neither it nor any of its agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Notice or findings or conclusions in the Order, or creating, or tending to create, the impression that the Notice or the Order is without a factual basis; provided, however, that nothing in this provision shall affect AGI US's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. AGI US shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.
 - b. If pursuant to Section V.2.iii above AGI US desires to extend beyond March 30, 2023 the date upon which it must cease engaging in any activity requiring registration or exemption from registration as a CTA or CPO (except as provided for in Regulation 4.14(a)(9), 17 C.F.R § 4.14(a)(9) (2022)), AGI US agrees to serve notice upon the Commission of such request via certified mail, return receipt requested, to:

Charles Marvine
Deputy Director
Division of Enforcement
Commodity Futures Trading Commission
2600 Grand Blvd., Suite 210
Kansas City, MO 64108
 - c. AGI US agrees that, except as expressly provided in Paragraphs V.1-2 of this Order, it shall never, directly or indirectly:
 - i. 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); and/or
 - ii. act as a principal (as the term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2022)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)) registered or required to be registered with the Commission.

A copy of this Order shall be served upon AGI US at the address set forth in the Notice, on all contract markets, and on the National Futures Association.

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

By the Commission

A handwritten signature in black ink, appearing to read "Robert N. Sidman". The signature is written in a cursive style with a horizontal line underneath it.

Robert N. Sidman
Deputy Secretary of the Commission
Commodity Futures Trading Commission

Dated: March 21, 2023