

# **EXHIBIT D**

**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA**

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COMMODITY FUTURES TRADING COMMISSION,	:	
	:	
Plaintiff,	:	Civil Action No. 6:20-cv-01657-CEM-
	:	GGK
v.	:	
	:	Hon. Judge Carlos E. Mendoza
SR&B INVESTMENT ENTERPRISES, INC. AND SURUJPAUL SAHDEO	:	
	:	
Defendants.	:	
	:	
	:	
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**CONSENT ORDER FOR PERMANENT INJUNCTION CIVIL MONETARY PENALTY  
AND OTHER EQUITABLE RELIEF  
AGAINST DEFENDANTS SR&B INVESTMENT ENTERPRISES, INC. and  
SURUJPAUL SAHDEO**

**I. INTRODUCTION**

On September 9, 2020, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint (ECF No. 1) against Defendants Highrise Advantage, LLC, Bull Run Advantage, LLC, Green Knight Investments, LLC, King Royalty LLC, SR&B Investment Enterprises, Inc. (“SR&B”), Avinash Singh, Randy Rosseau, Daniel Cologero, Hemraj Singh, and Surujpaul Sahdeo (“Sadeo”), seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1–26, and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. pts. 1–190 (2022). The Court entered a statutory restraining order against Defendants on September 16, 2020. (ECF No. 45). On September 30, 2020 the Court Issued an Order of Preliminary Injunction and Other Relief against Defendants (“PI

Order”). (ECF No. 73). The PI Order froze the assets of individual Defendant Avinash Singh and all five Corporate Defendants, including SR&B, prohibited further violations of the Act and the Regulations, ordered an accounting of assets, permitted CFTC access to all of Defendants’ books and records, and prohibited the destruction of documents. On February 1, 2021 the Commission filed an Amended Complaint. (ECF No. 98). SR&B and Sahdeo answered on March 2, 2021. (ECF 109).

## **II. CONSENTS AND AGREEMENTS**

To effect settlement of all charges alleged in the Amended Complaint against Defendants SR&B and Sahdeo without a trial on the merits or any further judicial proceedings, Defendants SR&B and Sahdeo:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants SR&B Investment Enterprises, Inc. and Surujpaul Sahdeo (“Consent Order”);
2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent, or representative thereof, or by any other person, to induce consent to this Consent Order;
3. Acknowledge service of the summons and Amended Complaint;
4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act;

6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e);
7. Waive:
  - (a) Any and all claims that they 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 (2022), relating to, or arising from, this action;
  - (b) 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 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 Consent Order;
8. Consent to the continued jurisdiction of this Court over them 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 Defendants SR&B and Sahdeo now or in the future reside outside the jurisdiction of this Court;
9. Agree that they 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 waive any objection based thereon;
10. Agree that neither they nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Amended Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Amended Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this

provision shall affect their: (a) testimonial obligations; or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants SR&B and Sahdeo shall comply with this agreement, and shall undertake all steps necessary to ensure that all of their agents or employees under their authority or control understand and comply with this agreement; and

11. Consent to the entry of this Consent Order without admitting or denying the allegations of the Amended Complaint or any findings or conclusions in this Consent Order, except as to jurisdiction and venue, which they admit;

12. Consent 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 agree that they shall be taken as true and correct and be given preclusive effect therein, without further proof;

Do 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; proceeding in bankruptcy, or receivership; or proceeding to enforce the terms of this Order; and

13. Agree 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 Defendants SR&B and Sahdeo 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. The findings and conclusions in this Consent Order are not binding on any other party to this action.

**THE PARTIES AGREE AND THE COURT HEREBY FINDS:**

**A. Findings of Fact**

**i. The Parties to this Consent Order**

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

15. Defendant **Surujpaul Sahdeo** is the sole director, president, secretary and treasurer of **SR&B**. Sahdeo is a resident of Miramar, Florida. Sahdeo solicited and accepted funds from pool participants for participation in SR&B and transferred some of those funds to Highrise. Sahdeo is the sole signatory on SR&B's 22 known bank and credit card accounts. Sahdeo has never been registered with the Commission in any capacity.

16. Defendant **SR&B Investment Enterprises, Inc.** is a Florida limited liability company with its business address in Miramar, Florida. SR&B's articles of organization were filed with the State of Florida on February 18, 2009. SR&B has never been registered with the Commission in any capacity.

**ii. Summary**

17. SR&B operated a fund that directed pool participant funds to a "master pool" (hereinafter "Master Pool"). SR&B's pool participants deposited funds into SR&B's pool, which then funneled deposits to Master Pool. Master Pool pooled SR&B funds, along with other pool participant funds, and commingled the pool participant funds with other non-pool participant funds. Master Pool then transferred a portion of the pool participants' funds into forex trading accounts in its own name.

18. Defendant Sahdeo ran the feeder pool SR&B that transferred funds to Master Pool in connection with pooled investments in retail foreign currency contracts (“forex”).
19. As part of the fraudulent scheme, Master Pool issued monthly account statements to SR&B, which misrepresented the profits and balances of the SR&B pool participants’ respective interests in the Master Pool. SR&B likewise issued monthly account statements to its pool participants that misrepresented the profits and balances of the pool participants’ respective interests in the SR&B Feeder Pool, as well as the Master Pool.
20. During the period from at least February 2013 to the filing of the Complaint on September 20, 2020, Master Pool solicited and accepted \$57,911,423 from individual pool participants and from feeder pools such as SR&B. Of the over \$57 million Master Pool received from pool participants, including SR&B pool participants, Master Pool used only \$2,408,438.41 for forex trading.
21. Master Pool sent pool participants, including feeder pools such as SR&B, monthly account statements via e-mail (the “Monthly Statements”). The Monthly Statements provided pool participants with information including opening balance, profit, deposit, withdrawal, and account balance. The Monthly Statements did not provide the Master Pool’s account activity, profits, losses, net balances, or the participation units of the participant.
22. The statements pool participants such as SR&B received were false.

**iii. SR&B’s Participation in the Master Pool’s Fraud**

23. Sahdeo opened at least 22 bank and credit card accounts in SR&B’s name at seven separate financial institutions. Sahdeo is the sole signatory on those bank accounts.
24. By May 2014, SR&B began to transfer funds to Highrise. Between May 2014 and September 2020 (“the Relevant Period”), SR&B received \$ 5,739, 714.71 in funds from 127 SR&B pool

participants, some of whom noted that their deposits were for investment into SR&B. SR&B then transferred these participant deposits to Highrise, noting that the funds were being deposited to fund its forex account. Highrise transferred \$8,306,918.72 back to SR&B during the Relevant Period.

25. SR&B also held four forex trading accounts at RFED 1 in its own name. SR&B deposited at least \$134,000 into these accounts.
26. SR&B issued statements to its pool participants that reported fictitious profits that were allegedly half the profits SR&B earned from Highrise by trading forex.
27. None of SR&B's pool participants were eligible contract participants ("ECPs") under Section 1a(18)(A)(xi) of the Act, 7 U.S.C. § 1a(18)(A)(xi).

#### **iv. Failure to Register**

28. During the Relevant Period, SR&B acted as a commodity pool operator ("CPO") for the SR&B pool, in that it solicited and accepted funds from non-ECP pool participants for the purpose of pooling the funds in a commodity pool engaged in trading forex. SR&B pooled its pool participant funds and sent of the pooled funds to Master Pool to trade forex. Thus, SR&B acted as a CPO.
29. At no time did SR&B register as a CPO with the Commission.
30. Likewise, Sahdeo did not register as an associated person ("AP") of SR&B in its capacity as a CPO.

#### **v. Failure to Comply with Regulations Relating to Pool Organizations and Operation**

31. SR&B, while acting as a CPO of its pool, failed to operate the pool as a legal entity separate from the CPO. In addition, SR&B failed to provide to prospective or current pool participants,



pool disclosure documents, containing information required by Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.21, 4.24, 4.25 (2022).

**B. Conclusions of Law**

**i. Jurisdiction and Venue**

32. This Court has jurisdiction over this action under 28 U.S.C. § 1331 (federal question jurisdiction) and 28 U.S.C. § 1345 (district courts have original jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress). Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), authorizes the Commission to seek injunctive relief in any proper district court of the United States against any person whenever it shall appear to the Commission that such 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.

33. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e), because Defendants are found in and inhabit the Middle District of Florida, have transacted business in this District, and the acts and practices in violation of the Act and Regulations occurred, within this District.

**ii. Fraud by a Commodity Pool Operator**

34. Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2022), defines a CPO for purposes of 17 C.F.R. part 5 as “any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP as defined in 7 U.S.C. § 1a(18), and that engages in retail forex transactions.”

35. Section 4o(1)(B) of the Act, 7 U.S.C. § 6o(1)(B), in relevant part, makes it unlawful for CPOs, whether registered with the Commission or not, by use of the mails or any other means of interstate commerce, directly or indirectly— . . . (B) to engage in any transaction, practice, or

course of business that operates as a fraud or deceit upon any client or pool participant. 7 U.S.C. § 6o(1)(B) applies to the retail forex transactions, agreements or contracts, and accounts and pooled investment vehicles therein, offered by SR&B, pursuant to Sections 2(c)(2)(C)(ii)(I) and (vii) of the Act, 7 U.S.C. § 2(c)(2)(C)(ii)(I), (vii).

36. SR&B violated 7 U.S.C. § 6o(1)(B) in that it engaged in transactions, practices or a course of business which operated as a fraud or deceit upon commodity pool participants by: (1) representing that all of the funds deposited with SR&B were being traded in forex, which was not true; and (2) issuing monthly statements to individual pool participants that deposited funds directly with SR&B that contained false information about the profits and balances of each individual pool participant's interests in SR&B and Master Pool.
37. SR&B used or is using the mails, telephone services, or other instrumentalities of interstate commerce to engage in business in connection with retail forex transactions.
38. Each act of misrepresentation of material fact, and issuance of false statements constitutes a separate and distinct violation of 7 U.S.C. § 6o(1)(B).
39. Sahdeo held and exercised direct and indirect control over SR&B and either did not act in good faith or knowingly induced SR&B's violations and is therefore liable, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), for SR&B's violations of 7 U.S.C. § 6o(1)(B).

**iii. Fraud by Associated Persons of a Commodity Pool Operator**

40. Beginning at least in March 2015, Sahdeo acted as an AP of a CPO for the SR&B Pool by soliciting individuals to become pool participants in regard to a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, for the purpose of trading commodity interests.

41. As alleged in the Amended Complaint, beginning at least in March 2015, Sahdeo engaged in conduct that operated as a fraud or deceit upon prospective and existing pool participants in violation of 7 U.S.C. § 6o(1)(B) by: (1) representing that all of the funds deposited with SR&B were being traded in forex, which was not true; and (2) issuing Monthly Statements to individual pool participants that deposited funds directly with SR&B with false information about the profits and balances of the individual pool participant's respective interests in SR&B and the Master Pool.
42. Sahdeo was acting as an agent of SR&B when he violated the Act and, therefore, SR&B, as his principal, is liable for his acts, omissions and failures in violation of 7 U.S.C. § 6o(1)(B) pursuant to 7 U.S.C. § 2(a)(1)(B) and Regulation 1.2, 17 C.F.R. § 1.2 (2022).
43. Sahdeo used or is using the mails, telephone services, or other instrumentalities of interstate commerce to engage in business in connection with retail forex transactions.
44. 7 U.S.C. § 6o(1)(B) applies to the retail forex transactions, agreements or contracts, and accounts and pooled investment vehicles therein, offered by, Sahdeo, pursuant to 7 U.S.C. § 2(c)(2)(C)(ii)(I) and (vii).
45. Each misrepresentation or omission of material fact, issuance of a false statement or report, constitutes a separate and distinct violation of 7 U.S.C. § 6o(1)(B).

**iv. Failure to Register as a Commodity Pool Operator**

46. With certain specified exceptions and exemptions not applicable here, Section 4m(1) of the Act, 7 U.S.C. § 6m(1), makes it unlawful for any CPO to make use of the mails or any means or instrumentality of interstate commerce in connection with its business unless it is registered with the CFTC. Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), also

makes it unlawful for a CPO to operate a pooled investment in foreign currency whose participants are not ECPs without registration.

47. Similarly, Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2022), makes it unlawful for any CPO, as defined in Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2022), to be engaged in retail forex transactions without being so registered. 17 C.F.R. § 5.1(d)(1) defines a CPO as “any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an eligible contract participant as defined in 7 U.S.C. § 1a(18), and that engages in retail forex transactions.”

48. During at least the Relevant Period, SR&B acted as CPO for the SR&B Pool, within the meaning of Section 1a(11) of the Act, 7 U.S.C. § 1a(11), and 17 C.F.R. § 5.1(d)(1), and solicited and accepted funds, using instrumentalities of interstate commerce, for a pooled investment vehicle from non-ECPs for the purpose of engaging in retail forex transactions while failing to register as a CPO in violation of 7 U.S.C. § 6m(1).

49. SR&B violated 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i) by engaging in these activities without having registered as a CPO.

50. Sahdeo held and exercised direct and indirect control over SR&B and either did not act in good faith or knowingly induced SR&B’s violations and is therefore liable, pursuant to 7 U.S.C. § 13c(b), for SR&B’s violations of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i).

51. Each use by SR&B of the mails or any means or instrumentality of interstate commerce in connection with its business as a CPO without proper registration constitutes a separate and distinct violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i).

**v. Failure to Register as AP of a Commodity Pool Operator and allowing Unregistered AP to Remain Associated with a CPO**

52. With certain exemptions and exclusions not applicable here, it is unlawful for a person to be associated with a CPO as a partner, officer, employee, consultant, or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the solicitation of funds, securities, or property for participation in a retail forex pool unless registered with the Commission as an AP of the CPO pursuant to Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii).
53. 7 U.S.C. § 6k(2) also makes it unlawful for a CPO to permit such a person to become or remain associated with the CPO in any such capacity if the CPO knew or should have known that the person was not registered as an AP.
54. Regulation 3.12, 17 C.F.R. § 3.12 (2022), prohibits any person from being associated with a CPO as an AP unless that person shall have registered with the CFTC as an AP of that sponsoring CPO.
55. Sahdeo violated 7 U.S.C. § 6k(2) and 17 C.F.R. §§ 3.12 and 5.3(a)(2)(ii), in that he acted as an AP of SR&B without the benefit of registration as an AP of a CPO;
56. SR&B violated 7 U.S.C. § 6k(2) in that, acting as a CPO, it allowed Sahdeo to act as its AP when it knew or should have known that Sahdeo was not registered as an AP.
57. Each act by Sahdeo of soliciting funds, securities, or property for participation in a retail forex pool while being associated with SR&B as a partner, officer, employee, consultant, or agent without being registered as an AP of a CPO, and each act by SR&B of allowing Sahdeo to be associated with it in such a capacity when SR&B knew or should have known Sahdeo was not registered as an AP, constitutes a separate and distinct violation of 7 U.S.C. § 6k(2) and 17 C.F.R. §§ 3.12 and 5.3(a)(2)(ii).

**vi. Failure to Operate Commodity Pool As a Separate Legal Entity**

58. Regulation 5.4, 17 C.F.R. § 5.4 (2022), states that Part 4 of the CFTC's Regulations, 17 C.F.R. Part 4 (2022), applies to any person required to register as a CPO pursuant to Part 5 of the CFTC's Regulations relating to forex transactions, 17 C.F.R. Part 5 (2022).
59. Regulation 4.20(a)(1), 17 C.F.R. § 4.20(a)(1) (2022), requires a CPO to operate its commodity pool as an entity cognizable as a legal entity separate from that of the pool operator, with certain specified exceptions not applicable here.
60. Regulation § 4.20(b), 17 C.F.R. § 4.20(b) (2022), requires that all funds, securities, or other property received by a CPO from a prospective or existing pool participant must be received in the commodity pool's name.
61. By accepting or depositing pool funds in bank accounts held in the name of SR&B and not into a separate legal entity, SR&B failed to operate its pool as a legal entity separate from itself as pool operator, in violation of 17 C.F.R. § 4.20(a)(1) and (b).
62. During at least the Relevant Period, SR&B while acting as CPO, violated 17 C.F.R. § 4.20(a)(1) and (b) by failing to operate its retail forex pool as a legal entity separate from itself.
63. Defendant Sahdeo controls SR&B, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, SR&B's, conduct alleged in this Count. Therefore, pursuant to 7 U.S.C. § 13c(b), Sahdeo is liable for SR&B's violations of 17 C.F.R. § 4.2(a)(1) and (b).
64. Each instance of accepting funds in the name of the SR&B and not into a separate legal entity, from at least March 2015 through the filing of the Complaint, constitutes a separate and distinct violation of 17 C.F.R. § 4.20(a)(1) and (b).

**vii. Failure to Provide Pool Disclosures**

65. Regulation 4.21(a)(1), 17 C.F.R. § 4.21(a)(1) (2022), provides that “each commodity pool operator registered or required to be registered under the Act must deliver or cause to be delivered to a prospective participant in a pool that it operates or intends to operate a Disclosure Document for the pool prepared in accordance with §§ 4.24 and 4.25 by no later than the time it delivers to the prospective participant a subscription agreement for the pool . . . .”

66. Defendant SR&B failed to provide prospective pool participants with pool disclosure documents in the form specified in Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24, 4.25 (2022). By reason of the foregoing, SR&B violated 17 C.F.R. § 4.21.

67. Defendant Sahdeo controls, directly or indirectly, SR&B and did not act in good faith or knowingly induced, directly or indirectly, SR&B’s, conduct alleged in this Count. Therefore, pursuant to 7 U.S.C. § 13c(b), Sahdeo is liable for SR&B’s violations of 17 C.F.R. § 4.21.

68. Each failure to furnish the required disclosure documents to prospective pool participants and pool participants constitutes a separate and distinct violation of 17 C.F.R. § 4.21.

69. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

**IV. PERMANENT INJUNCTION**

**IT IS HEREBY ORDERED THAT:**

70. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Defendants SR&B and Sahdeo are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Engaging in transactions, practices or courses of business which operate as a fraud or deceit upon commodity pool participants in violation of Section 4o(1)(B), 7 U.S.C. § 6o(1)(B);
- b. With respect to Sahdeo, being associated with a CPO as a partner, officer, employee, consultant, or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the solicitation of funds, securities, or property for participation in a retail forex pool without being registered with the Commission as an AP of the CPO; and with respect to SR&B, with permitting such a person from becoming or remaining associated with the CPO in any such capacity if SR&B knew or should have known that the person was not registered as an AP, in violation of 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulations 3.12 and 5.3(a)(2)(ii) 17 C.F.R. §§ 3.12 and 5.3(a)(2)(ii) (2022);
- c. Failing to operate a commodity pool as an entity cognizable as a legal entity separate from that of the pool operator, in violation of Regulation 4.20(a)(i), 17 C.F.R. § 4.20(a)(1) (2022);
- d. Failing to require that all funds, securities, or other property received by a CPO from a prospective or existing pool participant be received in the commodity pool's name., in violation of Regulation 4.20(b), 17 C.F.R. § 4.20(b) (2022);  
and
- e. Failing to provide prospective pool participants with pool disclosure documents in the form specified in Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24, 4.25, in violation of Regulation 4.21; 17 C.F.R. § 4.21 (2022),



71. Defendant SR&B is permanently restrained, enjoined and prohibited from engaging in retail forex transactions without being registered as a CPO, in violation of Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1), and Regulation 5.3(a)(2)(i), 17C.F.R. § 5.3(a)(2)(i) (2022).

72. Defendants SR&B and Sahdeo are also 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)); and
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2022), for their own personal account or for any account in which they have a direct or indirect interest;
- c. Having any commodity interests traded on their 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 of any commodity interests;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring 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) (2022); and/or
- g. Acting as a principal (as that 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 registered,

exempted from registration, or required to be registered with the Commission except as provided for in 17 C.F.R. § 4.14(a)(9).

## **V. RESTITUTION AND CIVIL MONETARY PENALTY**

### **A. Restitution**

73. Defendants SR&B and Sahdeo shall pay, jointly and severally, restitution in the amount of seven hundred and eleven thousand, eight hundred and seventy-seven dollar (\$711,877) (“Restitution Obligation”). This amount will be reduced by any disbursements to Defendants’ pool participants from funds frozen pursuant to the PI Order in this case. If the Restitution Obligation is not paid immediately in full post-judgment interest shall accrue on the unpaid balance beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

74. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants’ pool participants, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall receive restitution payments from Defendants and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA’s appointment as Monitor, other than actions involving fraud.

75. Defendants shall make Restitution Obligation payments, and any post-judgment interest payments, under this Consent Order to the Monitor in the name “Defendants SR&B and Sahdeo Settlement/Restitution Fund” and shall send such payments by electronic funds transfer, or by 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 cover letter that identifies the paying Defendants and the name and docket number of this proceeding. Defendants 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.

76. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a de minimis nature such that the Monitor determines that the administrative cost of making a distribution to eligible pool participants 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 following the instructions for civil monetary penalty payments set forth in Part B below.

77. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' pool participants to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants 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.

78. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' pool participants during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket

number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

79. The amounts payable to each pool participant shall not limit the ability of any pool participant from proving that a greater amount is owed from Defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any pool participant that exist under state or common law.

80. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each pool participant of Defendants who suffered a loss is explicitly made an intended third-party beneficiary of this Consent Order and may seek to enforce obedience of this Consent Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order and to hold Defendants in contempt for any violations of any provision of this Consent Order.

81. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants' Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

**B. Civil Monetary Penalty**

82. Defendants shall pay, jointly and severally, a civil monetary penalty in the amount of one million seven hundred and fifty thousand dollars (\$1,750,000) ("CMP Obligation"). The Defendants shall get dollar for dollar credit towards the CMP Obligation for any frozen funds remaining after the Restitution Obligation is satisfied, which will be applied to the CMP Obligation. If the CMP Obligation is not paid in full immediately, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this

Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

83. Defendants shall pay their 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  
6500 S. MacArthur Blvd.  
HQ Room 266  
Oklahoma City, OK 73169  
9-amz-ar-cftc@faa.gov

If payment by electronic funds transfer is chosen, Defendants shall contact Tonia King or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants and the name and docket number of this proceeding. Defendants 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.

### **C. Provisions Related to Monetary Sanctions**

84. Partial Satisfaction: Acceptance by the Commission or the Monitor of any partial payment of Defendants' Restitution Obligation, or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

85. Asset Freeze: On September 16, 2020, the court entered an asset freeze order prohibiting the transfer, removal, dissipation and disposal of Defendant SR&B's assets ("Asset Freeze Order"). The court hereby lifts the Asset Freeze Order as to SR&B's assets.

**D. Cooperation**

86. Defendants SR&B and Sahdeo shall cooperate fully and expeditiously with the CFTC including the CFTC's Division of Enforcement, and any other governmental agency in this action, and in any current or future Commission investigation or action related thereto. As part of such cooperation, Defendants SR&B and Sahdeo shall comply, to the full extent of their abilities, promptly and truthfully with any inquiries or requests for information including but not limited to, requests for production of documents and authentication of documents, shall provide assistance at any trial, proceeding, or investigation related to the subject matter of this action, including but not limited to, requests for testimony, depositions, and/or interviews. Should the CFTC file any additional action(s) related to the subject matter of this action, Defendants SR&B and Sahdeo are directed to appear in the judicial district in which such action(s) is pending, or in a suitable judicial district agreed to by the parties, to provide deposition testimony and trial testimony should such testimony be necessary.

**VI. MISCELLANEOUS PROVISIONS**

87. Until such time as Defendants satisfy in full their CMP and Restitution obligations under this Consent Order, upon the commencement by or against Defendants of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Defendants' 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  
Legal Division  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street N.W.  
Washington, DC 20581

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

Notice to Commission:

Robert Howell  
Deputy Director, Division of Enforcement  
Commodity Futures Trading Commission  
77 W. Jackson Blvd., Suite 800  
Chicago, IL 60604

Notice to Defendants SR&B and Sahdeo:

Henry B. Handler  
William J. Berger  
David K. Friedman  
Weiss, Handler, & Cornwell, P.A.  
2255 Glades Road, Suite 205-East  
Boca Raton, FL 33431

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

89. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants 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.

90. 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.

91. 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.
92. Waiver: The failure of any party to this Consent Order or of any pool participant at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or pool participant 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 of this Consent Order.
93. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action in order to implement and carry out the terms of all orders and decrees, including orders setting the appropriate amounts of restitution, and civil monetary penalty, that may be entered herein, to entertain any suitable application or motion for additional relief within the jurisdiction of the Court, to assure compliance with this Consent Order and for all other purposes relevant to this action, including any motion by Defendants SR&B and Sahdeo to modify or for relief from the terms of this Consent Order.
94. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants SR&B and Sahdeo, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants SR&B and Sahdeo.



95. Authority: Sahdeo hereby warrants that he is the manager of SR&B, and that this Consent Order has been duly authorized by SR&B and he has been duly empowered to sign and submit this Consent Order on behalf of SR&B.

96. 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.

97. Defendants SR&B and Sahdeo understand that the terms of the Consent Order, except with respect to the civil monetary penalty or restitution, are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

98. Agreements and Undertakings: Defendants SR&B and Sahdeo 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, Civil Monetary Penalty and Other Equitable Relief Against Defendants SR&B Investment Enterprises, Inc. and Surujpaul Sahdeo* forthwith and without further notice.

**IT IS SO ORDERED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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**Honorable Judge Carlos E. Mendoza**  
**UNITED STATES DISTRICT JUDGE**

CONSENTED TO AND APPROVED BY:

By: /s/Elizabeth M. Streit  
Elizabeth M. Streit  
Chief Trial Attorney  
Commodity Futures Trading Commission  
77 West Jackson,  
Chicago, IL 60604  
Tel. (312) 596-0700  
Fac. (312) 596-0714  
*estreit@cftc.gov*

Date: June 21, 2023

By: SR&B Investment Enterprises

\_\_\_\_\_  
Surujpaul Sahdeo  
President

Date: \_\_\_\_\_

By:

\_\_\_\_\_  
Surujpaul Sahdeo, individually

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Defense counsel  
Attorney for SR&B Investment Enterprises, Inc. and Surujpal Sahdeo

Date: \_\_\_\_\_

CONSENTED TO AND APPROVED BY:

By: \_\_\_\_\_  
Elizabeth M. Streit  
Chief Trial Attorney  
Commodity Futures Trading Commission  
77 West Jackson,  
Chicago, IL 60604  
Tel. (312) 596-0700  
Fac. (312) 596-0714  
estreit@cftc.gov

Date: \_\_\_\_\_

By: SR&B Investment Enterprises  
Surujpaul Sahdeo  
Surujpaul Sahdeo  
President

Date: 04/25/23

By: Surujpaul Sahdeo  
Surujpaul Sahdeo, individually

Date: 04/25/23

Approved as to form: B. Handler  
Defense counsel Henry B. Handler  
Attorney for SR&B Investment Enterprises, Inc. and Surujpal Sahdeo

Date: April 25, 2023