



UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

HOOLEY SOLUTIONS, LLC and  
STEVEN BRADLEY HOOLEY,

Respondents.

CFTC Docket No. 18-23

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 on multiple occasions between January 2017 and January 2018 (the “Relevant Period”), Hooley Solutions, LLC (“HSL”) violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and Commission Regulation (“Regulation”) 5.3(a)(3)(i), 17 C.F.R. § 5.3(a)(3)(i) (2017), and Steven Bradley Hooley (“Hooley”) violated Sections 2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012), and Regulation 5.3(a)(3)(ii). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether HSL, and Hooley (together, “Respondents”) engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

II. FINDINGS

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, 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.<sup>1</sup>

<sup>1</sup> 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 agree 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

The Commission finds the following:

**A. Summary**

Throughout the Relevant Period, HSL acted as a commodity trading advisor (“CTA”) without being registered with the Commission as such, by exercising discretionary trading authority, or obtaining a written power of attorney to exercise discretionary trading authority, over the foreign currency (“forex”) trading accounts of U.S. customers who were not eligible contract participants (“ECP”). Throughout the Relevant Period, Hooley acted as an associated person (“AP”) of a CTA, without being registered with the Commission as such, by acting as an officer, employee or agent of HSL in a capacity that involved soliciting customers’ discretionary accounts or supervising other persons so engaged.

**B. Respondents**

**Hooley Solutions, LLC** is a company organized and operated pursuant to the laws of the State of Utah. It uses as a business address Cedar Hills, Utah. HSL has never been registered with the Commission in any capacity.

**Steven Bradley Hooley** is an individual residing in Pleasant Grove, Utah. Hooley is the founder and owner of HSL. Hooley has never been registered with the Commission in any capacity.

**C. Facts**

During the Relevant Period HSL, through Hooley, solicited actual and prospective customers via its website *www.phoenixHSL.com* and videos posted on YouTube to allow it to exercise discretionary trading authority over customers’ retail forex accounts. HSL exercised discretionary trading authority and/or obtained written discretionary trading authority over customers’ retail forex accounts at unregistered retail foreign exchange dealers (“RFED”) carried in the name of non-ECP U.S. customers that HSL used to engage in leveraged and/or margined retail forex transactions on behalf of said customers.

HSL instructed its customers to fund accounts at an unregistered RFEDs, which provided access to the MetaTrader 4 trading platform. On this platform, subscribers could link their trading accounts, via a virtual private network, to an account controlled by HSL. Customers then had their accounts automatically trade or “mirror” the trades executed in HSL’s account by HSL’s expert advisor software, resulting in HSL trading on behalf of its customers.

Hooley was responsible for the solicitations to customers and prospective customers to trade forex in both HSL’s website and the videos posted on YouTube. Hooley appears in one such video, directly soliciting customers to trade forex via HSL. Hooley controlled and directed all of HSL’s solicitations to customers during the Relevant Period.

---

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.

At no time during the Relevant Period was HSL eligible for an exemption from the requirement to register as a CTA.

### III. LEGAL DISCUSSION

Section 1a(12)(A)(i) of the Act, 7 U.S.C. § 1a(12)(A)(i) (2012), defines a CTA as any person who, for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or advisability of trading in, among other things, forex. Pursuant to Section 1a(38) of the Act the term “person” imports the plural or singular, and includes individuals, associates, partnerships, corporations, and trusts. Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012), requires a person who is acting as a CTA and makes use of the mails or any means or instrumentality of interstate commerce in connection with the person’s business as such CTA to register with the Commission unless an exemption from registration applies. HSL was not exempt from registration as a CTA under any provision of the Act or Regulations.

Regulation 5.1(e)(1), 17 C.F.R. § 5.1(e)(1) (2017), defines a commodity trading advisor, for the purposes of Part 5 of the Regulations, as “any person who exercises discretionary trading authority or obtains written authorization to exercise discretionary trading authority over any account for or on behalf of any person that is not an eligible contract participant as defined in section 1a(18) of the Act, in connection with retail forex transactions.”

During the Relevant Period, HSL acted as a CTA by making use of the mails or any means of interstate commerce by engaging, for compensation or profit, in the business of advising clients as to the value or advisability of trading in off-exchange forex transactions. By failing to register as a CTA, HSL violated Section 4m(1) of the Act.

During the Relevant Period, HSL exercised discretionary trading authority, or obtained or solicited written authorization to exercise discretionary trading authority over accounts of customers. HSL’s solicitation did not limit or restrict customers to be eligible contract participants, as defined in Section 1a(18)(A)(xi) of the Act. As such, HSL was required to register as a CTA. By failing to register as a CTA, HSL violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and Regulation 5.3(a)(3)(i), 17 C.F.R. § 5.3(a)(3)(i) (2017).

Pursuant to Regulation 5.3(a)(3)(ii), any natural person associated with a CTA as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions) in any capacity which involves (i) the solicitation of a client’s or prospective client’s discretionary account or (ii) the supervision of any person or person so engaged, must register with the Commission as an AP of a CTA.

During the Relevant Period, Hooley was associated with HSL as a partner, officer, employee, consultant or agent in a capacity which involved (i) the solicitation of a client’s or prospective client’s discretionary account or (ii) the supervision of any person or person so engaged. As such, Hooley was required to register with the Commission as an AP of a CTA. By failing to register with the Commission as an AP of a CTA, Hooley violated Sections

2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012), and Regulation 5.3(a)(3)(ii).

#### **IV. FINDINGS OF VIOLATIONS**

Based on the foregoing, the Commission finds that, during the Relevant Period, Hooley Solutions, LLC violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and Regulation 5.3(a)(3)(i), 17 C.F.R. § 5.3(a)(3)(i) (2017), and Steven Bradley Hooley violated Sections 2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012), and Regulation 5.3(a)(3)(ii).

#### **V. OFFER OF SETTLEMENT**

Respondents have submitted the Offer in which they, without admitting or denying the findings and conclusions herein:

- 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 Regulations, 17 C.F.R. pt. 148 (2017), 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, §§ 201-53, 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

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;
- 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 Respondent HSL violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and Regulation 5.3(a)(3)(i);
  2. Makes findings that Respondent Hooley violated Sections 2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012), and Regulation 5.3(a)(3)(ii), 17 C.F.R. § 5.3(a)(3)(ii) (2017);
  3. Orders Respondent HSL to cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, and Regulation 5.3(a)(3)(i);
  4. Orders Respondent Hooley to cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, and Regulation 5.3(a)(3)(ii);
  5. Orders Respondents to pay, jointly and severally, a civil monetary penalty in the amount of seventy five thousand dollars (\$75,000.00) (“CMP Obligation”), plus post-judgment interest;
  6. 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 HSL shall cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and Regulation 5.3(a)(3)(i), 17 C.F.R. § 5.3(a)(3)(i) (2017);
- B. Respondent Hooley shall cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(aa) and 4k(3) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012), and Regulation 5.3(a)(3)(ii);
- C. Respondents shall pay, jointly and severally, a civil monetary penalty in the amount of seventy five thousand dollars (\$75,000), plus post-judgment interest, within ten (10) days of the date of the entry of this Order. If the CMP Obligation is not paid in full within ten

(10) 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 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.

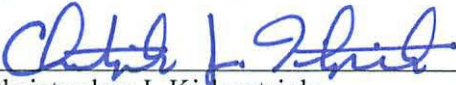
- D. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:
1. Public Statements: Respondents agree that neither they nor any of their successors and assigns, agents or employees under their authority or control shall take any 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. 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.

3. Change of Address/Phone: Until such time as Respondents satisfy in full their 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 (10) 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: September 14, 2018