

UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

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4:45 pm, Sep 26, 2018

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**In the Matter of:**

**PETER GRADY,**

**Respondent.**

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) **CFTC Docket No. 18 -41**  
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**ORDER INSTITUTING PROCEEDINGS PURSUANT TO  
SECTION 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING  
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

**I. INTRODUCTION**

The Commodity Futures Trading Commission (“Commission” or “CFTC”) has reason to believe that from at least March 3, 2015, to March 11, 2015 (the “Relevant Period”), Peter Grady, (“Grady” or “Respondent”) violated Sections 6(c)(1), 6(c)(3), and 9(a)(2) of the Commodity Exchange Act (the “Act” or “CEA”), 7 U.S.C. §§ 9(1), 9(3), 13(a)(2) (2012), and Commission Regulations (“Regulations”) 180.1(a) and 180.2 promulgated thereunder, 17 C.F.R. §§ 180.1(a), 180.2 (2018). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent 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, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondent consents to

the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and 6(d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”).<sup>1</sup>

## **II. FINDINGS**

The Commission finds the following:

### **A. SUMMARY**

From at least March 3 to March 11, 2015, Grady, while acting with others, coordinated and executed a strategy to attempt to manipulate the price of certain wheat futures and options contracts that were traded on the Chicago Board of Trade (“CBOT”), a Designated Contract Market operated by CME Group Inc. (“CME”). This strategy centered on acquiring and loading-out for delivery, by train or barge, wheat with 3 parts per million deoxynivalenol, also known as vomitoxin (“3 ppm Vomitoxin”), through the purchase and cancellation of 250 wheat shipping certificates (“Wheat Certificates”). Through the cancellation of these Wheat Certificates, Respondent, while acting with others, intended to send a false or misleading signal to the market of a demand for 3 ppm Vomitoxin wheat in order to increase the value of certain wheat spread and option positions. By such conduct, Grady attempted to manipulate the price of certain wheat futures and options contracts being traded on the CBOT.

### **B. RESPONDENT**

During the Relevant Period, Respondent **Peter Grady** was an employee of a subsidiary of a domestic commodity merchandising firm (the “Commodity Merchandiser”) which was largely focused on buying, handling, storing and selling physical grain and feed ingredients. During the Relevant Period, Grady was a resident of Colorado and was not registered with the Commission in any capacity. He is no longer an employee of the Commodity Merchandiser.

### **C. FACTS**

#### **1. Contract Specifications and Delivery Process**

A wheat futures contract represents a commitment to make or take delivery of wheat at some point in the future; alternatively, to avoid delivery, the wheat futures contract can be offset or “rolled” forward before the contract goes into its delivery cycle. CBOT wheat futures

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<sup>1</sup> Respondent consents 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. Respondent 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. Respondent 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.

contracts are traded for delivery during five different contract months each calendar year: March, May, July, September, and December. *See* CBOT Rule 14102.<sup>2</sup>

A spread is the purchase of one futures delivery month against the sale of another futures delivery month of the same commodity; the purchase of one delivery month of one commodity against the sale of that same delivery month of a different commodity; or the purchase of one commodity in one market against the sale of the commodity in another market, to make a profit from a change in price relationships. The term “spread” is also used to refer to the difference between the price of a futures month and the price of another month of the same commodity. For example, a spread could consist of the simultaneous purchase of a May wheat futures contract and the sale of a September wheat futures contract, in which the term “spread” could be used to describe the difference between the purchase price and the sale price of the two contract month components of the spread.

For options on wheat futures, trading may be conducted in the nearby wheat futures options contract month and any succeeding months. CBOT Rule 14A01.

CBOT wheat futures are physically delivered upon expiration. The delivery instrument for the wheat futures is a shipping certificate, and only warehouses approved by the exchange can register and deliver these certificates. The owner of a shipping certificate can hold the certificate and pay storage fees, can cancel the shipping certificate and order the physical grain to be loaded-out for transport, or can transfer and sell the certificate to another market participant.

The CBOT issues a daily report showing the total number of shipping certificates registered as of 4:00 p.m. on each trading day of the week. CBOT Rule 712B. In addition to the information posted on the CBOT Exchange website, this daily report shows the names and locations of facilities whose shipping certificates are registered. CBOT Rule 712B.

All wheat shipping certificates are required by CBOT Rules to be marked as either 2 ppm vomitoxin, or 3 ppm vomitoxin. CBOT Rule 14104. Shipping certificates marked as 2 ppm are to be delivered at contract price, while shipping certificates marked as 3 ppm are to be delivered at a 20 cent per bushel discount. CBOT Rule 14104.

## **2. Background**

During the Relevant Period, Grady worked for a subsidiary of the Commodity Merchandiser, a company largely focused on the purchase, handling, storage and sale of physical commodities including grains, feed ingredients, and certain energy products within North America and internationally. The Commodity Merchandiser’s trading and merchandising operations are organized into a number of separate profit centers, known as locations. As a merchandiser, it buys grains from producers, storage facilities and other third parties, and sells grain to end users and other third parties, such as mills, livestock feeders, processors, and exporters. In addition to its transactions in the physical or cash grain markets, the Commodity

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<sup>2</sup> The CBOT Rulebook is available online.  
<http://www.cmegroup.com/content/dam/cmegroup/rulebook/CBOT/II/14/14.pdf>.

Merchandiser's traders hedge their physical grain trading activity and take speculative positions by trading related commodity futures, including CBOT wheat futures and options contracts.

The subsidiary of the Commodity Merchandiser engages in proprietary trading of derivative products, including wheat futures and options contracts. During the Relevant Period, Grady was an employee and Senior Location Manager of the subsidiary of the Commodity Merchandiser. Grady traded CBOT wheat futures contracts and options for speculative purposes. Grady also communicated regularly with employees of the Commodity Merchandiser who traded physical wheat.

### **3. Grady's Manipulative Trading Strategy**

Certain traders at the Commodity Merchandiser held the view that the cash market can be used to make profits from trading futures contracts.

Between March 3 and March 11, 2015, Grady, while acting with others, executed a strategy to use the cash market in an attempt to manipulate the prices of the CBOT's May, July, September, and December wheat futures contracts ("Wheat Futures Contracts") as well as the prices for the May and July wheat option contracts ("Wheat Option Contracts"). Specifically, after the close of trading on March 3, 2015, Grady learned that a market participant was planning to register and tender for delivery a large number of shipping certificates with 3 ppm vomitoxin wheat.

With this information, over the course of the next few days, Grady, while acting with others, formulated a manipulative strategy to 1) increase the Commodity Merchandiser's long May/July; July/September; and September/December wheat spread positions ("Long Wheat Spread Positions"); 2) increase the Commodity Merchandiser's May and July wheat call option positions ("Wheat Call Option Positions"); 3) purchase the Wheat Certificates with the 3 ppm Vomitoxin wheat at a 20 cent per bushel discount pursuant to CBOT Rule 14104; 4) send a false or misleading signal to the market for demand of the 3 ppm Vomitoxin by cancelling the Wheat Certificates for load-out and delivery in an attempt to influence the price of the Wheat Futures and Options Contracts being traded on the CBOT; and 5) increase the value of the Commodity Merchandiser's Long Wheat Spread and Wheat Call Option Positions.

Later in the day on March 3, a market participant registered and tendered 250 shipping certificates with 3 ppm vomitoxin wheat, which was reflected on the CME report issued that evening. This 3 ppm vomitoxin wheat was below milling-grade and the market perceived a lack of demand for this wheat.

While the price of the May wheat contract and associated spreads were decreasing, in order to effectuate this manipulative strategy, Grady, while acting with others, began increasing the Commodity Merchandiser's Long Wheat Spread and Wheat Call Option Positions. Between March 5 and March 10, 2015, the Commodity Merchandiser acquired all 250 of the Wheat Certificates with the intention of cancelling them for load-out in an attempt to increase the value of the Commodity Merchandiser's recently acquired Long Wheat Spread and Wheat Call Option Positions.

During his communications, Grady demonstrated that he had the understanding that the market did not expect the Wheat Certificates to be cancelled for load-out and that by doing so, market participants would be led to believe there was a demand for the 3 ppm vomitoxin wheat, which, in turn, would lead to an increase in the value of the Commodity Merchandiser's positions. For example, in a March 4 email exchange, after a Commodity Merchandiser trader ("Merchandiser Trader 1") informed Grady that "right now, the market does not view the [Commodity Merchandiser] as a threat b/c they don't think we can execute and bull spreads will struggle to get any traction," Grady responded "Do think there is an excellent revenue play for the group that can lift and execute the 250 receipts." Later on this same day, Grady sent an email to another Commodity Merchandiser employee with regard to the Wheat Certificates and stated that "I will help pay for some of this if we can execute the delivery wheat, . . . as a company I feel there is great potential in this."

In a communication on March 5, Grady discussed the plan with Merchandiser Trader 1 and asked "can you buy receipts" and Merchandiser Trader 1 responded "yes, I am buying them." During this same communication Grady informed Merchandiser Trader 1 that he has 2,000 May wheat contracts and 4,000 July wheat contracts. Shortly thereafter, Merchandiser Trader 1 asked Grady "do you want to stay long net of receipts b/c that is what it will end up i think. It will prob be a decent play if no deliveries tonight." Grady responded "I don't want to push, if they want to sell more . . . I will be there... bidding . . . now."

In a telephone call on March 6, Grady discussed the plan of how to maximize the potential influence of cancelling the Wheat Certificates on the Commodity Merchandiser's Wheat Spread and Wheat Call Options Positions with Merchandiser Trader 1:

Merchandiser Trader 1: We're gonna execute it . . . and I think we can just catch this sucker off-guard. I'm one phone call away from ...to cancel every Chicago receipt as well.

Grady: That'd be awesome.

. . .

Merchandiser Trader 1: I think there's a big opportunity here for [Commodity Merchandiser], and they need to decide how much they want to bite off and chew of it, because it will catch things off guard. It's off guard right now, we can tell, right?

Grady: Yup.

Merchandiser Trader 1: I think it will send a very potent signal if we did it all in one day [cancel the Wheat Certificates] . . . I think it will send a potent signal.

Later in the day on March 6, Grady participated in a telephone call with several other traders to further plan their execution of the strategy and Grady stated:

Grady: I think the important thing is just to get transportation in Chicago and get that s\*\*t moving. Because what's gonna be more impressive is when they start seeing things move. . . . and if I need to donate something to the funds, I'll gladly go through and do that.

By March 10, the Commodity Merchandiser cancelled all 250 Wheat Certificates and, Grady, while acting with others, sent a false or misleading signal to the market that there was a demand for the Wheat Certificates. Grady took these actions with the intention of manipulating the price of the Wheat Futures and Wheat Options Contracts in order to increase the value of the Commodity Merchandiser's Long Wheat Spread and Wheat Call Option Positions.

### **III. LEGAL DISCUSSION**

Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1, C.F.R. § 180.1 (2018), prohibit the use or attempted use of any manipulative device, including false reporting, in connection with any swap or contract of sale of any commodity in interstate commerce, or for future delivery, and Regulation 180.1(a) specifically makes it “unlawful . . . , directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly: (1) [u]se . . . or attempt to use . . . any manipulative device; (2) [m]ake, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading; (3) [e]ngage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person; or, (4) [d]eliver or cause to be delivered, or attempt to deliver or cause to be delivered, for transmission through the mails or interstate commerce, . . . a false or misleading or inaccurate report concerning . . . market information or conditions that affect or tend to affect the price of any commodity in interstate commerce.”

Section 6(c)(1) of the Act and Regulation 180.1 do not require the showing of an intent to affect prices or an actual effect on prices. Nor does Regulation 180.1 require “‘a showing of reliance or harm to market participants in a government action brought under CEA section 6(c)(1) and final Rule 180.1.’ The Commission must only show the intentional or reckless employment of a manipulative device, scheme, or artifice to defraud in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity.” *See In re McVean Trading & Invs., LLC*, CFTC No. 17-15, 2017 WL 2729956, at \*10 (June 21, 2017) (consent order) (citing Prohibition on the Employment, or Attempted Employment, of Manipulative and Deceptive Devices and Prohibition on Price Manipulation, 76 Fed. Reg. 41,398, 41,401 (July 14, 2011) (Final Rules). Further, the Commission “will consider ‘all relevant facts and circumstances’ in determining whether a violation of Section 6(c)(1) and Regulation 180.1 has occurred.” *Id.*

Section 9(a)(2) of the Act, 7 U.S.C. § 13(a)(2) (2012), makes it unlawful for “[a]ny person to manipulate or attempt to manipulate the price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity.”

Section 6(c)(3) of the Act prohibits the attempted manipulation of the price of any commodity in interstate commerce, and Regulation 180.2, C.F.R. § 180.2 (2018), makes it “unlawful . . . directly or indirectly, to . . . attempt to manipulate the price of any swap, or of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity.”

To prove attempted manipulation under Sections 9(a)(2) and 6(c)(3) of the Act and Regulation 180.2, the following two elements are required: (1) an intent to affect market price, and (2) an overt act in furtherance of that intent. *See In re Hohenberg Bros. Co.*, CFTC No. 75-4, 1977 WL 13562, at \*7 (Feb. 18, 1977). To prove the intent element of attempted manipulation, the respondent must have “acted (or failed to act) with the purpose or conscious object of causing or effecting a price or price trend in the market that did not reflect the legitimate forces of supply and demand.” *In re Ind. Farm Bureau Coop. Ass’n*, CFTC No. 75-14, 1982 WL 30249, at \*6 (Dec. 17, 1982). “[W]hile knowledge of relevant market conditions is probative of intent, it is not necessary to prove that the accused knew to any particular degree of certainty that his actions would create an artificial price. *It is enough to present evidence from which it may reasonably be inferred that the accused ‘consciously desire[d] that result, whatever the likelihood of that result happening from his conduct.’*” *Id.* (emphasis added) (quoting *United States v. U.S. Gypsum Co.*, 438 U.S. 442, 445 (1978)). A profit motive may also be evidence of intent, although profit motive is not a necessary element of an attempted manipulation. *See In re DiPlacido*, CFTC No. 01-23, 2008 WL 4831204, at \*29 (Nov. 5, 2008) (citing *In re Hohenberg Bros. Co.*, 1977 WL 13562, at \*8), *aff’d sub. nom. DiPlacido v. CFTC*, 364 Fed. App’x 657 (2d Cir. 2009). It is also not necessary that there be an actual effect on price. *See CFTC v. Amaranth Advisors, L.L.C.*, 554 F. Supp. 2d 523, 533 (S.D.N.Y. 2008).

As evidenced by Grady’s communications, as well as Grady’s actual trading conduct, Grady, while acting with others, specifically intended to manipulate the prices of CBOT’s Wheat Futures and Wheat Options Contracts by purchasing and cancelling for load-out the Wheat Certificates in order to increase the value of the Commodity Merchandiser’s Long Wheat Spread and Wheat Call Option Positions. Grady’s actions, both alone and with others, including his communications evidencing the plan to purchase and cancel the Wheat Certificates, constituted overt acts in furtherance of the attempt to manipulate the price of the CBOT Wheat Futures and Wheat Option Contracts.<sup>3</sup> Grady thereby engaged in acts of attempted manipulation in violation of Sections 6(c)(1), 6(c)(3), and 9(a)(2) of the Act and Regulations 180.1(a) and 180.2.

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<sup>3</sup> Some of the Commodity Merchandiser’s traders’ course of business included the purchases, cancellations, and load-out of wheat for delivery. Irrespective of whether the cancellation and load-out of the 3 ppm vomitoxin wheat was a legal, open-market transaction, Grady, acting together with those traders, nonetheless engaged in attempted manipulation because he had the improper intent to move the prices of futures and options contracts being traded on the CBOT in the Commodity Merchandiser’s favor through this conduct. *See, e.g., Ind. Farm Bureau*, 1982 WL 30249, at \*6 (“Intent is what separates lawful business conduct from unlawful manipulative activity.”); *see also In re Amaranth Nat. Gas Commodities Litig.*, 587 F.Supp.2d 513, 534 (S.D.N.Y. 2008) (“A legitimate transaction combined with an improper motive is commodities manipulation”).

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

Based on the foregoing, the Commission finds that from at least March 3, 2015, to March 11, 2015, Respondent violated Sections 9(a)(2), 6(c)(1), and 6(c)(3) of the Act, 7 U.S.C. § 13(a)(2), 9(1), 9(3) (2012), and Regulations 180.1(a) and 180.2, 17 C.F.R. §§ 180.1(a), 180.2 (2018).

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

Respondent has submitted the Offer in which he, without admitting or denying the findings and conclusions herein:

- A. Acknowledges receipt of service of this Order;
- B. Admits 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. Waives:
  - 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 he 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 he may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 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. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer;



- E. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent, during the Relevant Period, violated Sections 9(a)(2), 6(c)(1), and 6(c)(3) of the Act, 7 U.S.C. § 13(a)(2), 9(1), 9(3) (2012), and Regulations 180.1(a) and 180.2, 17 C.F.R. §§ 180.1(a), 180.2 (2018);
  2. Orders Respondent to cease and desist from violating Sections 9(a)(2), 6(c)(1), and 6(c)(3) of the Act, and Regulations 180.1(a) and 180.2;
  3. Orders that Respondent be 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)), for a period of nine months after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period;
  4. Orders Respondent to pay a civil monetary penalty in the amount of two hundred fifty thousand US dollars (\$250,000) plus post-judgment interest if not paid within ten (10) days of the entry of the Order ("CMP Obligation"); and
  5. Orders Respondent to comply with the conditions and undertakings as set forth in Part VI of the Order.

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

## **VI. ORDER**

### **Accordingly, IT IS HEREBY ORDERED THAT:**

- A. Respondent shall cease and desist from violating Sections 9(a)(2), 6(c)(1), and 6(c)(3) of the Act, 7 U.S.C. § 13(a)(2), 9(1), 9(3) (2012), and Regulations 180.1(a) and 180.2, 17 C.F.R. §§ 180.1(a), 180.2 (2018).
- B. Respondent shall pay the CMP Obligation in the amount of two hundred fifty thousand dollars (\$250,000), 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).

Respondent 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.  
HQ Room 181  
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, Respondent shall contact Marie Thorne or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondent 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, NW, Washington, D.C. 20581.

- C. Respondent is 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. §1(a)(40)(2012), for a period of nine months after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period.
- D. Respondent shall comply with the conditions and undertakings as set forth in the Offer:
1. Public Statements: Respondent agrees that neither he nor any of his agents or employees under his 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 Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent shall comply with this agreement, and shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement.
  2. Respondent agrees that he shall not for a period of nine months after the date of entry of this Order, 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 (2018), for Respondent's own personal accounts or for any accounts in which Respondent has a direct or indirect interest;
    - b. have any commodity interests traded on Respondent's behalf;

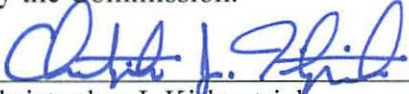
- c. control or direct the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests; and/or
  - d. solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests.
- E. Cooperation, in General: Respondent shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in this action, and in any current or future Commission investigation or action related thereto. Respondent shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this action. As part of such cooperation, Respondent agrees to the following for a period of three (3) years from the date of the entry of this Order, or until all related investigations and litigations in which the Commission, including the Division, is a party, are concluded, including through the appellate review process, whichever period is longer:
  - a. Preserve all records relating to the subject matter of this proceeding, including, but not limited to, audio files, electronic mail, other documented communications, and trading records;
  - b. Comply fully, promptly, completely, and truthfully with all inquiries and requests for non-privileged information or documents;
  - c. Provide authentication of documents and other evidentiary material;
  - d. Provide copies of non-privileged documents within Respondent's possession, custody, or control;

Respondent also agrees that he will not undertake any act that would limit his ability to cooperate fully with the Commission. Respondent will designate an agent located in the United States of America to receive all requests for information pursuant to these Undertakings, and shall provide notice regarding the identity of such Agent to the Division upon entry of this Order. Should Respondent seek to change the designated agent to receive such requests, notice of such intention shall be given to the Division fourteen (14) days before it occurs. Any person designated to receive such request shall be located in the United States of America.

- F. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall not be deemed a waiver of his 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.
- G. Change of Address/Phone: Until such time as Respondent satisfies in full his CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to his 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.



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

Dated: September 26, 2018