

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Commodity Futures Trading Commission,)	
)	
Plaintiff,)	
v.)	
)	
Dro Kholamian;)	
)	Civil Action No: 1:18-cv-07907
and)	Judge Sara L. Ellis
)	
Blue Star Trading, LLC)	
)	
Defendants.)	
)	

**CONSENT ORDER FOR PRELIMINARY INJUNCTION AND OTHER
ANCILLARY RELIEF AGAINST DEFENDANTS
DRO KHOLAMIAN and BLUE STAR TRADING, LLC**

On November 30, Plaintiff Commodity Futures Trading Commission ("CFTC" or "Commission") filed a Complaint against Dro Kholamian ("Kholamian") and Blue Star Trading, LLC ("Blue Star") (collectively, "Defendants") seeking injunctive and other equitable relief for anti-fraud violations of the Commodity Exchange Act (the "Act"), 7 U.S.C. §§ 1-26 (2012), and Commission Regulations ("Regulations") promulgated thereunder, 17 C.F.R. Pts. 1-190(2018). On November 30, 2018, this Court entered an *ex parte* Statutory Restraining Order against the Defendants, and scheduled a hearing on the CFTC's Motion for Preliminary Injunction for December 14 at 2:00 p.m..

Kholamian and Blue Star Trading, without admitting the allegations of the Complaint for the purposes of this Consent Order of Preliminary Injunction and Other Ancillary Relief

("Order"), except as to jurisdiction and venue, which they admit, consent to the entry of this Order and state that the consent is entered voluntarily and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, to induce them to consent to this Order.

THE PARTIES AGREE AND THE COURT FINDS THAT:

This Court has jurisdiction over this action under 28 U.S.C. § 1331 (2012) (federal question jurisdiction) and 28 U.S.C. § 1345 (2012) (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). This Court has jurisdiction over the subject matter of this action and Defendants Kholamian and Blue Star hereto pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a) (2012), which authorizes the CFTC to seek injunctive relief against any person whenever it shall appear 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.

1. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), in that Defendants Kholamian and Blue Star are found in, inhabit, or transact business in this district, and the actions and practices in violation of the Act have occurred, are occurring, or are about to occur within this district, among other places.

2. Defendants Kholamian and Blue Star enter their appearances, by and through their attorney, and acknowledge receipt of the Summons and Complaint, and waive formal service of summons.

4. Defendants Kholarnian and Blue Star waive the entry of findings of facts and conclusions of law for purposes of this Order pursuant to Rule 52 of the Federal Rules of Civil Procedure.

I. DEFINITIONS

For purposes of this Order, the following definitions apply:

1. The terms "assets" encompass any legal or equitable interest in, right to, or claim to, any real or personal property, whether individually or jointly, directly or indirectly controlled, and wherever located, including but not limited to: chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds mail or other deliveries, inventory, checks, notes, account (including but not limited to, bank accounts and accounts at other financial institutions), credits, receivables, lines of credit, contracts (including spot, futures, options, or swaps contracts), insurance policies, and all funds, wherever located, whether in the United States or outside the United States..

2. The term "records" encompasses "documents" and "electronically stored information" as those terms are used in Fed. R. Civ. P. 34(a), and include, but are not limited to, all writings, drawings, graphs, charts, photographs, sound recordings, images, and other data and data compilations - stored in any medium from which information can be obtained or translated, if necessary, into reasonable usable form. The term "records" also refers to each and every such item in Defendants' actual or constructive possession, including but not limited to: (i) all such items within the custody or control of any agents, employers, employees, or partners of the Defendants and (ii) all items which Defendants have a legal or equitable right to obtain from another person. A draft or non-identical copy is a separate item within the meaning of the terms. A record also includes the file and folder tabs associated with each original and copy.

II. INJUNCTIVE RELIEF GRANTED

IT IS THEREFORE ORDERED THAT:

1. Defendants Kholamian and Blue Star, and any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee, contractor or attorney of Defendants Kholamian and Blue Star, and any person who receives actual notice of this Order by personal service or otherwise insofar as he or she is acting in concert or participation with Kholamian and Blue Star, are restrained, enjoined and prohibited, until further order of the Court, from directly or indirectly:

1) in connection with any order to make or the making of any contract of sale of any futures contract cheating, defrauding or willfully deceiving, attempting to cheat, defraud, or willfully deceive any other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for such other person, in violation of 7 U.S.C. § 6b(a)(1)(A), (C) (2012);

2) in connection with any retail forex transaction, cheating or defrauding or attempting to cheat or defraud any person or willfully to deceive or attempt to deceive any person by any means whatsoever, in violation of 7 U.S.C. § 6b(a)(2)(A), (C) (2012) and 17 C.F.R. § 5.2(b)(1), (3) (2018);

3) using the mails or any means or instrumentality of interstate commerce, directly or indirectly to: (A) employ any device, scheme or artifice to defraud any client ... or prospective client ... , or (B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client ... or prospective client, in violation of 7 U.S.C. § 60(1) (2012);

4) failing to register as a CTA in violation of 7 U.S.C. § 2(c)(2)(C)(iii)(I)(bb), 6m(1) (2012), and 17 C.F.R. § 5.3(a)(3)(i) (2018); and

5) failing to register as an AP in violation of 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa), 6k(3) (2012) and 17 C.F.R. § 5.3(a)(3)(ii).

IT IS FURTHER ORDERED THAT:

2. Kholamian and Blue Star, and any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee, contractor or attorney of Kholamian and Blue Star, and any person who receives actual notice of this Order by personal service or otherwise

insofar as he or she is acting in concert or participation with Kholamian and Blue Star, are further restrained, enjoined and prohibited, until further order of the Court, from directly or indirectly:

- a. trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, 7 U.S.C. § 1a (2012));
- b. entering into any transactions involving "commodity interests" (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2018)) for his personal account or for any account in which he has a direct or indirect interest;
- c. (i) having any commodity interests traded on his behalf; (ii) 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; or (iii) soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- d. applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2018); and
- e. acting as a principal (as that term is defined in Regulation 3.I(a), 17 C.F.R. § 3.1(a) (2018)), 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) (2012)) 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) (2018).

IT IS FURTHER ORDERED THAT:

3. Defendants Kholamian and Blue Star and any firm, corporation, or other person or entity with notice that holds any accounts, funds, assets, or other property of Defendants is prohibited from withdrawing, transferring, removing, dissipating, concealing, assigning, pledging, encumbering, disbursing, converting, selling, or otherwise disposing of, in any manner, any funds, assets, or other property of Defendants, wherever situated

4. Defendants Kholamian and Blue Star, and all persons insofar as they are acting in the capacity of Defendant Kholamian's and Blue Star's agents, servants, successors, employees, contractors, assigns, and attorneys, and all persons insofar as they are acting in active concert or

participation with Kholamian and Blue Star who receive actual notice of such order by personal service or otherwise, are restrained, enjoined and prohibited, from destroying, mutilating, concealing, altering, or disposing of, in any manner, any books, records, or other documents of Defendants K.holamian and Blue Star, including all such records concerning Kholamian's and Blue Star's solicitation and trading activities, wherever located.

5. Defendants Kholamian and Blue Star, and all persons insofar as they are acting in the capacity of Defendants' agents, servants, successors, employees, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of such order by personal service or otherwise, are prohibited from refusing to pennit authorized representatives of the CFTC to inspect and copy, when and as reasonably requested, any books, records, or other documents of Defendants, including all such records concerning Defendants' solicitation and trading activities, wherever located, and whether they are in the possession of Defendants or others, either on or off the premises where they may be situated;

IT IS FURTHER ORDERED THAT:

6. The injunctive provisions of this Order shall be binding on Kholamian and Blue Star, upon any person insofar as he or she is acting in the capacity of officer, agent, servant, employee, contractor, or attorney of Defendants Kholamian and Blue Star, and upon any person who receives actual notice of this Order by personal service or otherwise, including by United Parcel Service, Federal Express, or other commercial overnight service, electronic mail, or facsimile, insofar as he or she is acting in active concert or participation with K.holamian and Blue Star.

IT IS FURTHER ORDERED THAT:

7. Defendant Kholamian shall prepare, sign and file with the Court, subject to his constitutional rights, within twenty one (21) calendar days of the date of this Order, a complete and accurate accounting of all of Defendant Kholamian's and Blue Star's assets and liabilities, wherever located, together with all funds Defendants Kholamian and Blue Star received from and paid to others in connection with futures of foreign currency transactions or purported futures or foreign currency transactions. Such accountings shall include, without limitation, the identification of:

- a. All funds, securities, commodity interests, assets and other property currently owned or controlled (legally, equitably or otherwise) directly or indirectly by Kholamian or Blue Star, whether individually or jointly, including accounts or assets of Kholamian or Blue Star held by financial institutions located inside and outside the territorial United States;
- b. All funds, securities, commodity interests, assets and other property received directly or indirectly by Kholamian or Blue Star, describing the source, amount, disposition, and current location of each listed item, including accounts or assets of Kholamian or Blue Star held by financial institutions located inside and outside the territorial United States;
- c. All funds, securities, commodity interests, assets and other property transferred or otherwise disposed of directly or indirectly by Kholamian and Blue Star, describing the source, amount, disposition, and current location of each listed item, including accounts or assets of K.holamian and Blue Star held by financial institutions located inside and outside the territorial United States;
- d. The names and last known addresses, phone numbers and email addresses of each client of the Defendants from January 2013 to the present, including the dates of all funds transferred from clients to either of the Defendants and any corresponding returns of funds to clients ; and
- e. The names and last known addresses of each bailee, debtor or other person or entity currently holding any funds, securities, commodity interests, assets or other property owned or controlled (legally, equitably or otherwise) by Kholamian and Blue Star.

III. BOND NOT REQUIRED OF PLAINTIFF

IT IS FURTHER ORDERED THAT:

As Plaintiff Commission has made a proper showing under Section 6c(b) of the Act, 7 U.S.C. § 13a-1(b) (2012), it is not required to post any bond in connection with this Order.

IV. SERVICE OF THE ORDER

IT IS FURTHER ORDERED THAT copies of this Order may be served by any means, including by way of personal service, United Parcel Service, Federal Express, or other commercial overnight service, electronic mail, facsimile, or pursuant to Rule 5 of the Federal Rules of Civil Procedure, or Articles 2 through 10 of the Hague Convention, Service Abroad of Judicial and Extrajudicial Documents, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of Kholamian or Blue Star, or that may be subject to any provision of this Order. Heather Dasso, Susan Padove, Elizabeth Streit, Ray Lavko, and Venice Bickham, employees of the CFTC, are hereby specially appointed to serve process, and/or effectuate service of process, including this Order and all other papers in this cause.

V. SERVICE ON THE COMMISSION

IT IS FURTHER ORDERED THAT the Defendants shall serve all pleadings, correspondence, notices required by this Order, and other materials on the Plaintiff CFTC by delivering a copy to Susan Padove, Senior Trial Attorney, or Elizabeth Streit, Chief Trial Attorney, Division of Enforcement, Commodity Futures Trading Commission, 525 West Monroe Street, Suite 1100, Chicago, Illinois, 60661, and/or by filing such pleadings or other materials electronically with the Court pursuant to the Court's requirements.

VI. COURT MAINTAINS JURISDICTION

IT IS FURTHER ORDERED THAT:

This Order shall remain in full force and effect until further order of the Court, and the Court shall retain jurisdiction over this action to ensure compliance with this Order and for all other purposes related to this action. This Order supersedes the Statutory Restraining Order entered by this Court on November 30, 2018. Nothing herein shall prevent any party from seeking relief from or amendments to this Order.

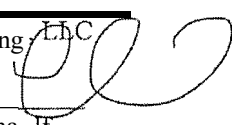
IT IS SO ORDERED.


DATED: December 13, 2018

A handwritten signature in black ink, appearing to read 'S. L. Ellis', written in a cursive style.

The Honorable Sara L. Ellis
United States District Court Judge

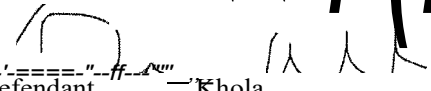
CONSENTED TO AND APPROVED BY:

DefB Trading, LLC



Susan B. Padove

By: Dro Kholamian, on behalf of Bluz Sar Trading, LLC

Attorney for Plaintiff in Commodity Futures Trading Commission
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0700


Dated December 11, 2018

Defendant: Dro Kholamian

(312) 596-0714 (facsimile)
spadove@cftc.gov

Dated: December 11, 2018

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APPROVED AS TO FORM:


Anthony Pinelli

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312/362-9907 (fax)
anthony@pinelli-law.com

Dated December 11, 2018

CERTIFICATE OF SERVICE

I hereby certify that on December 12, 2018, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF, which will simultaneously transmit an electronic copy of the foregoing to the following counsel:

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Counsel for the Defendants

/s/ Susan B. Padove

Susan B. Padove, Trial Counsel
Elizabeth Streit, Chief Trial Attorney
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