

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

COMMODITY FUTURES	)	
TRADING COMMISSION	)	
	)	
Plaintiff,	)	Civil No. 17-cv-03262
	)	
vs.	)	Honorable Marvin E. Aspen
	)	
WILLIAM H. POWDERLY IV	)	
	)	
Defendant.	)	

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**SUPPLEMENTAL ORDER ASSESSING A CIVIL MONETARY PENALTY AGAINST  
DEFENDANT WILLIAM H. POWDERLY IV**

**I. BACKGROUND**

1. On May 1, 2017, Plaintiff Commodity Futures Trading Commission (the “Commission” or “CFTC”) filed a Complaint against Defendant William H. Powderly IV (“Powderly” or “Defendant”) 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 (2012), and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. pts. 1-190 (2018). (Doc. 1). In particular, the Commission’s Complaint alleged that from at least January 2016 through October 2016 (“relevant period”), Powderly fraudulently solicited customers and prospective customers for Powderly to trade commodity futures on their behalf, accepted approximately \$1,278,000 from seven customers, subsequently concealed that he had incurred in excess of \$1 million in trading losses while he reported profits, and returned \$207,800 to customers before his scheme collapsed, in violation of Sections 4b(a)(1)(A)-(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 9(1) (2012) and Commission Regulation (“Regulation”) 180.1(a), 17 C.F.R. § 180.1(a) (2018). (Doc. 1).

2. This Court entered a Consent Order of Permanent Injunction and Other Equitable Relief Against Defendant on September 11, 2018 (“Consent Order”). (Doc. 44). The Consent Order made findings of fact and conclusions of law that Defendant violated Sections 4b(a)(1)(A)-(C) and 6(c)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 9(1) (2012) and Regulation 180.1(a), 17 C.F.R. 180.1(a) (2018); entered a permanent injunction against Defendant against further violations of the commodities laws, as charged; ordered Defendant to pay \$1,069,300 in restitution to defrauded customers; entered permanent registration and trading bans against Defendant; and reserved the issue of civil monetary penalties for further determination by the Court.

3. The Court, being fully advised in the premises, finds there is good cause for entry of this Supplemental Order Assessing a Civil Monetary Penalty Against Defendant William H. Powderly IV (“Supplemental Order”), and that there is no just reason for delay.

## **II. FINDINGS AND CONCLUSIONS OF LAW**

4. The Findings of Fact and Conclusions of Law contained in the Consent Order are incorporated herein by reference and given preclusive effect as provided in the Consent Order.

## **III. CIVIL MONETARY PENALTY**

5. IT IS HEREBY ORDERED that Defendant Powderly shall comply fully with the following terms, conditions, and obligations relating to the payment of a civil monetary penalty:

6. Defendant’s violations of the Act and Regulations merit assessing a civil monetary penalty against Defendant. Powderly, therefore, shall pay a civil monetary penalty in the amount of one million eighty-three thousand one hundred thirty-eight dollars (\$1,083,138) (“CMP Obligation”), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Supplemental Order and shall be

determined by using the Treasury Bill rate prevailing on the date of entry of this Supplemental Order pursuant to 28 U.S.C. § 1961 (2012).

7. Powderly shall pay his 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/AMK 326  
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](mailto:9-AMC-AR-CFTC@faa.gov)

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

8. Partial Satisfaction: Acceptance by the Commission of any partial payment of Powderly's CMP Obligation shall not be deemed a waiver of his obligation to make further payments pursuant to this Supplemental Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

#### IV. MISCELLANEOUS PROVISIONS

9. If any provision of this Supplemental Order or if the application of any provision or circumstance is held invalid, then the remainder of this Supplemental Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

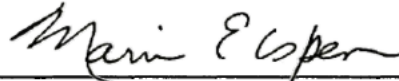
10. Defendant shall not transfer, or cause others to transfer, funds or other property to the custody, possession or control of any member of his family or any other person or entity for the purposes of concealing such funds from this Court or the Commission, until the CMP Obligation set forth above has been satisfied in full.

11. All notices required by this Supplemental Order shall be sent by certified mail, return receipt requested. Notices to the Commission shall be sent to the Regional Counsel, Division of Enforcement, U.S. Commodity Futures Trading Commission, 525 West Monroe Street, Suite 1100, Chicago, Illinois 60661. Defendant shall provide the Commission with written notice of all changes to his contact telephone number(s) and/or mailing address(es) within ten (10) calendar days of the change(s).

12. This Court shall retain jurisdiction of this cause to assure compliance with the Consent Order and this Supplemental Order and for all other purposes related to this action. This Supplemental Order shall be interpreted and enforced according to the Federal Rules of Civil Procedure, the Local Rules of the United States Court for the Northern District of Illinois, Eastern Division, and all provisions of the Act and Commission Regulations relating to or referring to the obligations hereunder.

13. There being no just reason for delay, the Clerk of the Court shall enter final judgment against Defendant Powderly in this action forthwith and without further delay. There being no pending matters remaining in this matter, the case may be closed.

**IT IS SO ORDERED** on this 5th day of March, 2019.



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Honorable Marvin E. Aspen  
United States District Judge