

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

BRUCE N. CROWN
700 N. Hiatus Road #203
Pembroke Pines, FL 33026

Registrant.

CFTC Docket No. SD 04 - 04

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**NOTICE OF INTENT TO REVOKE REGISTRATION PURSUANT TO SECTIONS
8A(2)(G), 8A(3)(M) AND 8A(4) OF THE COMMODITY EXCHANGE ACT**

The Commodity Futures Trading Commission (the "Commission") has received information from its staff which demonstrates, and the Commission's Division of Enforcement (the "Division") alleges and is prepared to prove, that:

I. BACKGROUND

1. Bruce N. Crown is an individual whose current address is 700 N. Hiatus Road #203, Pembroke Pines, Florida, 33026.
2. Since approximately November 24, 1997, Crown has been a member of the National Futures Association ("NFA") and registered with the Commission as an Associated Person ("AP") at various firms. Most recently, since January 7, 2003, Crown has been registered as an AP at Worldwide Commodity Corporation ("Worldwide Commodity").
 - A. **Crown was Previously Suspended and Subsequently Disbarred from the Practice of Law**
3. Crown was admitted to practice law in the state of Florida.

4. On April 24, 1997, the Florida Supreme Court accepted Crown's uncontested petition for disciplinary resignation, thereby suspending him from the practice of law. Division's Appendix to its Notice of Intent ("App.") at 1.¹

5. The Supreme Court of Florida subsequently disbarred Crown from the practice of law on November 18, 1999. App. at 2.

B. The Commission's Registration Process

6. The Commission requires all of its registrants who seek employment with Introducing Brokers to file with the NFA an Application for Registration as an Associated Person ("Form 8-R"). Regulation 3.12(c)(3), 17 C.F.R. § 3.12(c)(3) (2004).

7. Question 14(A)(iii) of the hard copy Form 8-R requires each applicant to identify whether the applicant had ever been the "subject to an expulsion, bar, fine, ...or civil monetary penalty, censure, denial (including withdrawal of an application for cause), suspension, restriction or revocation of membership or ... brought by or before ... any domestic or foreign professional association in [the fields of] accounting, banking, commodities, finance, insurance, *law*, real estate or securities." App. at 113, 127, 141, 158, 176, 188, 201 (emphasis added).

8. In May 2002, the NFA began using an electronic version of the Form 8-R. Question G of the electronic version of the Form 8-R requires each applicant to identify whether they have ever been "the subject of any order issued by a domestic or foreign regulatory authority or self-regulatory organization that prevented or restricted your ability to engage in any business in the financial services industry." App. at 24, 70. The instructions accompanying the

¹ The Appendix to the Division's Notice of Intent contains copies of the following documents: 1) certified records of the two relevant Florida Supreme Court Orders (App. at 1-2); 2) the certification of Sandra Guard, a Document Research Supervisor with the NFA, which certifies Crown's registration records (App. at 3-204); and 3) the declaration of Sandra Guard which authenticates the Instructions for Using the Individual Application Template for the electronic version of the Form 8-R (App. at 205-11).

electronic application define the financial services industry as the "commodities, securities, accounting, banking, finance, insurance, *law* or real estate industries." App. at 205, 208 (emphasis added).

C. Crown Failed to Disclose His Suspension and Subsequent Disbarment

9. The Division has filed a certified copy of Crown's registration records. App. at 3-204.

10. On November 24, 1997, Crown filed a Form 8-R with the NFA to become an AP at Universal Commodity Corporation. In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had suspended him from the practice of law. App. at 201.

11. On February 23, 1998, Crown filed a Form 8-R with the NFA to become an AP at Investors Trading Group L.C. ("ITG"). In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had suspended him from the practice of law. App. at 188.

12. After November 18, 1999, Crown never updated his ITG Form 8-R with the NFA to note that the Florida Supreme Court had disbarred him.

13. On March 16, 2001, Crown filed a Form 8-R with the NFA to become an AP at Silver Crown Commodities Corp. In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had disbarred him. App. at 176.

14. On May 11, 2001, Crown filed a Form 8-R with the NFA to become an AP at United Commodities Traders. In that application, he failed to disclose, in response to question

14(A)(iii), that the Florida Supreme Court had disbarred him from the practice of law. App. at 158.

15. On about September 14, 2001, Crown filed a Form 8-R with the NFA to become an AP at Commodity Investment Group, Inc. In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had disbarred him from the practice of law. App. at 141.

16. On January 3, 2002, Crown filed a Form 8-R with the NFA to become an AP at Risk Capital Trading Group, Inc. In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had disbarred him from the practice of law. App. at 127.

17. On February 27, 2002, Crown filed a Form 8-R with the NFA to become an AP at First Investors Group. In that application, he failed to disclose, in response to question 14(A)(iii), that the Florida Supreme Court had disbarred him from the practice of law. App. at 113.

18. On June 6, 2002, Crown filed an electronic Form 8-R with the NFA to become an AP at Commodity Investment Group, Inc. In that application, he failed to disclose, in response to question G, that the Florida Supreme Court had disbarred him from the practice of law. App. at 70.

19. On December 2, 2002, Crown filed an electronic Form 8-R with the NFA to become an AP at Worldwide Commodity. In that application, he failed to disclose, in response to question G, that the Florida Supreme Court had disbarred him from the practice of law. App. at 24.

20. These records demonstrate that Crown has repeatedly failed to disclose his suspension and subsequent disbarment in his Form 8-Rs.

II. PUBLIC PROCEEDING

Pursuant to Regulation 3.60(a), 17 C.F.R. § 3.60(a), Crown is hereby notified that a public proceeding shall be conducted in accordance with the provisions of Regulation 3.60, 17 C.F.R. § 3.60, on the following questions:

- A. Whether Crown is subject to statutory disqualification from registration pursuant to Section 8a(2)(G) of the Act, 7 U.S.C. § 12a(2)(G), for his failure to disclose his suspension and subsequent disbarment from the practice of law on his Form 8-Rs, as set forth in Section I;
- B. Whether Crown is subject to statutory disqualification from registration as good cause exists to affect his registration pursuant to Sections 8a(3)(M) and (4) of the Act, 7 U.S.C. §§ 12a(3)(M) and (4) for his suspension and subsequent disbarment from the practice of law, as set forth in Section I;
- C. If the answer to the questions set forth in Paragraphs A or B is affirmative, whether Crown's registration should be revoked.

Such proceeding shall be held before an Administrative Law Judge, in accordance with Regulation 3.60, 17 C.F.R. § 3.60, and all post-hearing procedures shall be conducted pursuant to Regulation 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j), subject to the expedited procedures set forth in Section III below.

III. COMMISSION FINDINGS

Upon consideration of the information received from its staff and of the allegations of the Division contained in paragraphs 1 through 20 above, the Commission finds that:

- A. The issues framed by this Notice are clear, narrow and capable of speedy resolution.
- B. Nearly seven years ago, Crown obtained his registration without disclosing on his Form 8-R the material fact that he had been suspended from the practice of law.
- C. Since his initial registration, Crown has failed to update his Form 8-R with the material fact that he had been disbarred from the practice of law.
- D. Since his initial registration, Crown has filed eight additional Form 8-Rs in which he failed to disclose the material facts that he had been suspended and disbarred from the practice of law.
- E. Pursuant to his registration, Crown participates in the industry.
- F. Based on (A) through (E) above, there is an interest in expediting the decision and other good cause for adopting expedited procedures.

WHEREAS the Commission has determined that no party to this proceeding will be prejudiced and that the ends of justice will be served by the adoption of expedited procedures in this matter,

IT IS ORDERED that pursuant to Regulations 3.60(k), 3.61 and 10.3, 17 C.F.R. §§ 3.60(k), 3.61 and 10.3, that the time limits set forth in Regulation 3.60, 17 C.F.R. § 3.60, shall be shortened as follows:

- (A) In accordance with the provisions of Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3), Crown is entitled to file a response challenging the evidentiary bases of the statutory disqualification or show cause why, notwithstanding the accuracy of the allegation, his registration should not be revoked. Such response must be filed with the Hearing Clerk, Office of Hearings and Appeals, U.S. Commodity

Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581, and served upon Jed M. Silversmith, Trial Attorney, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581 within seven (7) days after the date of service of this Notice upon Crown in accordance with the provisions of Regulation 3.60(b). If Crown fails to file a timely response to this Notice, the allegations set forth herein shall be deemed to be true and the presiding officer may issue an Order of Default in accordance with the provisions of Regulation 3.60(a)(4), 17 C.F.R. § 3.60(a)(4).

- (B) If, in the response, Crown states that he intends to make the showing referred to in Regulation 3.60(b)(2)(i), 17 C.F.R. § 3.60(b)(2)(i), he shall file and serve his further submission within seven (7) days after filing his initial response.
- (C) Within seven (7) days after the later of the following dates: 1) the date Crown serves a copy of his response; or 2) if no further submission is to be made in accordance with Regulation 3.60(b)(2)(ii), 17 C.F.R. § 3.60(b)(2)(ii), the date he serves a copy of his further submission, the Division shall file and serve its reply pursuant to Regulation 3.60(c), 17 C.F.R. § 3.60(c).
- (D) Within seven (7) days after the Division files its reply, the Administrative Law Judge shall issue an order pursuant to Regulation 3.60(d), 17 C.F.R. § 3.60(d). If a hearing is ordered pursuant to Regulation 3.60(d)(2), 17 C.F.R. § 3.60(d)(2), the Administrative Law Judge shall schedule the hearing within seven (7) days, and shall otherwise expedite all post hearing procedures to enable him to file his Initial Decision not later than thirty (30) days following the hearing.

- (E) Pursuant to Sections 8a(4) and 6(c), 7 U.S.C. §§ 9, 12a(4), and 15, of the Act, appeals must be initiated through the filing of a Notice of Appeal within seven (7) days of the service of the Initial Decision.
- (F) Crown and the Division shall each serve and file an initial brief within seven (7) days of the service of any Notice of Appeal.
- (G) Crown and the Division shall each serve and file reply briefs, if any, within seven (7) days of the service of the last initial brief.
- (H) The Commission shall issue and serve its Opinion and Order within 60 days of the filing of the last reply brief.
- (I) Pursuant to Regulations 3.60(k), 3.61 and 10.3, 17 C.F.R. §§ 3.60(k), 3.61 and 10.3, the Administrative Law Judge, in the exercise of his discretion and for good cause shown, may extend or shorten the time limits prescribed above, or otherwise provided by the Regulations, upon his own motion or the motion of a party.
- (J) Pursuant to Regulations 3.60(k), 3.61 and 10.3, 17 C.F.R. §§ 3.60(k), 3.61 and 10.3, the Commission retains its discretion, for good cause shown, to extend or shorten the time limits prescribed above, or otherwise provided by the Regulations, upon its own motion or the motion of a party.

IV. SERVICE

IT IS FURTHER ORDERED that the Hearing Clerk shall serve this Notice of Intent to Revoke Registration by registered or certified mail pursuant to Regulation 3.50, 17 C.F.R.

§ 3.50.

By the Commission.

Edward W. Colbert

Edward W. Colbert
Deputy Secretary of the Commission
U.S. Commodity Futures Trading Commission

Dated: July 30, 2004