

UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

RECEIVED  
C.F.T.C.  
2004 SEP 29 4:10:05  
OFFICE OF PROCEEDINGS  
PROCEEDINGS CLERK

\_\_\_\_\_) )  
In the Matter of ) )  
 ) )  
JOHN M. LOFGREN ) )  
 ) )  
Registrant. ) )  
\_\_\_\_\_ ) )

CFTC DOCKET NO. SD 04-09

**NOTICE OF INTENT TO SUSPEND, REVOKE, OR RESTRICT REGISTRATION OF  
JOHN M. LOFGREN AS AN ASSOCIATED PERSON**

**I.**

The Commodity Futures Trading Commission (“Commission”) has received information from its staff which tends to show, and the Commission’s Division of Enforcement (“Division”) alleges and is prepared to prove, that:

1. John M. Lofgren (“Lofgren”) resides in Littleton, New Hampshire, but resided in Kenilworth, Illinois at all times relevant to this Notice.
2. Since 1998, Lofgren has been registered with the Commission as an associated person (“AP”) of Melrose Asset Management Corp. (“Melrose”), a registered commodity trading advisor (“CTA”) and commodity pool operator (“CPO”), pursuant to Section 4k(2) and (3) of the Act, 7 U.S.C. § 6k(2) and (3) (2002).
3. On August 30, 2002, the Commission filed a complaint against Lofgren and Melrose in an injunctive action in the U.S. District Court for the Northern District of Illinois. *CFTC v. John M. Lofgren, et al.*, No. 02C 6222 (N.D. Ill.). The Commission filed an amended complaint in that action on March 15, 2004.

4. On August 30, 2004, the court entered a *Consent Order of Permanent Injunction and Other Equitable Relief Against Defendant John M. Lofgren* (“Consent Order”). The Consent Order permanently enjoins Lofgren from:

- a. violating Sections 4b(a)(2), 4c(b), 4o(1)(B), and 6(c) of the Act, 7 U.S.C. §§ 6b(a)(2), 6c(b), 6o(1), and 9 (2002); and Commission Regulations 4.7(b)(3), 4.22(h) and 33.10, 17 C.F.R. §§ 4.7(b)(3), 4.22(h) and 33.10 (2004).
- b. participating in the futures industry in any registered or exempt capacity except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2004);
- c. trading on or subject to any registered entity and engaging in, controlling directing or accepting funds for the trading of any futures or options accounts for or on behalf of any other person or entity, whether by power of attorney or otherwise.

5. The facts set forth in paragraphs 3 and 4 above constitute a basis for statutory disqualification from registration under Sections 8a(2)(C) and (E) of the Act, 7 U.S.C. §§ 12a(2)(C) and (E), pursuant to which the current registration of Lofgren may be suspended, restricted or revoked.

## II.

Pursuant to Commission Regulation 3.60(a), 17 C.F.R. § 3.60(a) (2004), Lofgren is hereby notified that a public proceeding shall be conducted in accordance with the provisions of Commission Regulation 3.60, 17 C.F.R. § 3.60 (2004), on the following questions:

1. Whether Lofgren is subject to statutory disqualification under Sections 8a(2)(C) and (E) of the Act, as set forth in Section I, above; and

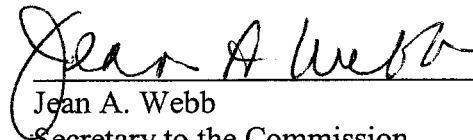
2. If the answer to question 1 is affirmative, whether the registrations of Lofgren as an AP should be conditioned, suspended, restricted or revoked. Such proceeding shall be held before an Administrative Law Judge, in accordance with Commission Regulation 3.60, and all post-hearing procedures shall be conducted pursuant to Commission Regulation 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j) (2004).

In accordance with the provisions of Commission Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3) (2004), Lofgren is entitled to file a response challenging the evidentiary bases of the statutory disqualification or show cause why, notwithstanding the accuracy of the allegations, his registration should not be suspended, revoked, or restricted. Such response must be filed with the Hearing Clerk, Office of Hearings and Appeals, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581, and served upon Elizabeth Streit, Lead Trial Attorney, Division of Enforcement at 525 W. Monroe Street, Suite 1100, Chicago, Illinois 60661, within thirty (30) days after the date of service of this Notice upon Lofgren in accordance with the provisions of Commission Regulation 3.60(b). If Lofgren 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 Commission Regulation 3.60(g), 17 C.F.R. § 3.60(g) (2004).

**III.**

The Hearing Clerk shall serve this *Notice of Intent to Suspend, Revoke, or Restrict Registrations of John M. Lofgren* by registered or certified mail pursuant to Commission Regulation 3.50, 17 C.F.R. § 3.50 (2004).

By the Commission.

A handwritten signature in cursive script that reads "Jean A. Webb". The signature is written in black ink and is positioned above a horizontal line.

Jean A. Webb  
Secretary to the Commission  
Commodity Futures Trading Commission

Dated: September 29, 2004