

**In The United States District Court
For The Northern District Of Illinois
Eastern Division**

Commodity Futures Trading Commission,
Plaintiff,

v.

Kevin J. Steele,
Defendant.

Civil Action No: 05C 3130

Honorable Judge Shadur

Magistrate Judge Schenkier

**RESTRAINING ORDER and
ASSET FREEZE**

EX PARTE STATUTORY RESTRAINING ORDER AND ASSET FREEZE

This Court has read the Complaint for Injunctive and Other Equitable Relief, the Plaintiff's Motion for *Ex Parte* Statutory Restraining Order ("SRO"), the Declarations of pool participants Alan De Chezet and David Fulkco, Jeffrey Bauch, a compliance officer at Interactive Brokers, LLC and Mary E. Spear, Senior Futures Trading Investigator with the Commission, and exhibits thereto and the Brief in Support of Plaintiff's Motion for SRO and Preliminary Injunction submitted in support of its motions, and all other papers filed by Plaintiff Commodity Futures Trading Commission ("Commission" or "CFTC"):

THIS COURT FINDS:

1. This Court has jurisdiction over the subject matter.
2. Section 6c of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 13a -1 (2002), permits this Court to enter an *ex parte* statutory restraining order.
3. It appears to the satisfaction of this Court that there is good cause to believe that Defendant Kevin J. Steele ("Steele" or "Defendant") has engaged, is engaging and is about to

engage in violations of Sections 4b(a)(2)(i)-(iii), 4m(1) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii), 6m(1) and 6o(1) (2002).

4. It further appears to the satisfaction of this Court that this is a proper case for granting an *ex parte* restraining order to preserve the *status quo* and to protect public customers from further loss and damage;

IT IS HEREBY ORDERED THAT:

I.

Statutory Restraining Order and Asset Freeze

5. Defendant Steele and all persons insofar as they are acting in the capacity of his agent, successor, assign or attorney, and all persons insofar as they are acting in active concert or participation with any of them who receive actual notice of such order by personal service or otherwise, shall be prohibited from directly or indirectly:

- A. Withdrawing, transferring, removing, dissipating, concealing or disposing of funds, assets or other property, wherever situated, within or outside the United States, including but not limited to all funds, personal property, money or securities held in safes, safety deposit boxes and all funds on deposit in any financial institution, bank or savings and loan account held by, under the control of (directly or indirectly) or in the name of the Defendant. The assets affected by this Section shall include both existing assets and assets acquired after the issuance of this Order;
- B. Destroying, altering, concealing or disposing of any books, records, documents, correspondence, brochures, manuals, electronically stored data, meta data, tape recordings or other property, wherever stored or located, concerning the Defendant; and
- C. Refusing to permit authorized representatives of the Commission to inspect; when and as reasonably requested, any books, records, electronically stored data or other documents, wherever stored, concerning the Defendant.

6. **IT IS FURTHER ORDERED** that: each firm, corporation or other person or entity with notice, including but not limited to Bank of America, NY, NY, Bank of America,

Seattle, Washington and Interactive Brokers, LLC, that holds or that is a depository of funds, securities, property, or other assets of or under the control of the Defendant, including funds and property of investors, is prohibited from transferring, withdrawing, removing or disposing of any such funds, securities, property or other assets until further order of this Court.

7. **IT IS FURTHER ORDERED** that representatives of the Plaintiff Commission be allowed to immediately inspect the books, records and other electronically stored data, tape recordings and other documents of the Defendant and his agents and be allowed to copy said documents, data and recordings either on or off the premises wherever they may be situated.

II.
Service of Order

8. **IT IS FURTHER ORDERED** that copies of this Order may be served by any means, including facsimile transmission, electronic mail or data transfer, upon any financial institution or other entity or person that may have possession, custody or control of any documents or assets of the Defendant or that may be subject to any provision of this Order.

9. **IT IS FURTHER ORDERED** that Mary E. Spear, Senior Futures Investigator with the Commission, is appointed to serve process, including the summons and complaint, and all other papers in this cause. It is further ordered that this Order may be served by facsimile transmission, electronic mail or data transfer, courier service, certified, registered or first class mail, Federal Express or personal service.

III.
Service on the Commission

10. **IT IS FURTHER ORDERED** that the Defendant shall serve all pleadings, correspondence, notices required by this Order and other materials on the Commission by delivering a copy to Diane M. Romaniuk, Senior Trial Attorney or Ava M. Gould, Senior Trial

Attorney, Division of Enforcement, Commodity Futures Trading Commission, 525 W. Monroe, Suite 1100, Chicago, Illinois 60661. Electronic transmission of pleadings and correspondence to the Commission will not be accepted until expressly agreed to by Commission staff.

IV.
Court Maintains Jurisdiction

11. IT IS FURTHER ORDERED that this Ex Parte Statutory Restraining Order shall remain in full force and effect until further order of this Court and that this Court retains jurisdiction of this matter for all purposes.

V.
Further Hearings

12. IT IS FURTHER ORDERED that this matter is set for status hearing on June 6, 2005 at 8:45 a.m. without further notice, at which time it is anticipated that the Motion for a Preliminary Injunction will be set for a hearing.

SO ORDERED May 26, 2005


United States District Judge