



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
www.cftc.gov

Received
C.F.T.C.

2009 SEP -9 AM 7: 29

Office of
Proceedings
Proceedings Clerk

Office of Proceedings

<hr/>	
TRUONG LE,	*
Complainant,	*
	*
	*
v.	* CFTC Docket No. 08-R48
	* Served via Fedex
	*
CYNTHIA "Cindy" MORRIS	*
a/k/a CINDY GOLDBERG;	*
JIMI JALIL;	*
JULIO JALIL;	*
ANDRES RODRIGUEZ;	*
LUIS RODRIGUEZ;	*
GERALD "Jerry" SIPE;	*
CHRISTOPHER "Chris" SPINNLER; and	*
STONEBRIDGE FINANCIAL SERVICES,	*
Respondents.	*
<hr/>	*

DEFAULT ORDER

Introduction

Cynthia "Cindy" Morris a/k/a Cindy Goldberg, Jimi Jalil, Julio Jalil, Andres Rodriguez, Luis Rodriguez, Christopher "Chris" Spinnler and Stonebridge Financial Services have failed to file answers to Le's complaint, and thus are in default pursuant to CFTC rule 12.22.¹ In addition, Gerald "Gerry" Sipe has ceased participating in this case, and thus is in default pursuant to CFTC rules 12.35(f) and 12.201(f). Respondents' defaults constitute admissions of the

¹ The complaint was served on each respondent at the last-known address that they had provided the NFA for service of reparations complaints. *See* CFTC rule 3.30.

allegations in the complaint, as supplemented, waivers of any affirmative defenses, and waivers of the decisional procedures afforded by the CFTC reparations rules.

Although Le has not cited the specific statutory provisions that he alleges were violated, he has adequately set out allegations of misconduct in connection with a series of options on futures trades, including: fraudulent, high-pressure solicitation, lulling, and churning by Luis Rodriguez, “Cindy” Morris, “Jerry” Sipe and “Chris” Spinnler;² aiding and abetting by Jimi and Julio Jalil, and Andres and Luis Rodriguez; and failure to supervise by Julio Jalil and Andres Rodriguez.³ In this connection, the Commission has previously stated that a well-plead complaint need only provide “intelligible notice” of the complained of conduct,⁴ and that such notice does not require “a catalogue of the statutory or regulatory” provisions or violations at issue.⁵ Here, Le’s allegations have clearly implicated the antifraud provisions in Section 4c(b) of the Commodity Exchange Act and CFTC rule 33.10,⁶ the aiding and abetting provision in

² In their dealings with Le, respondents typically identified themselves and each other by just their first names or nick names as they tag-teamed and pressured Le.

³ Le’s allegations are set out in his complaint and three addenda to complaint, and two statements (filed April 27, and July 8, 2009). Since the defaults of Stonebridge and its principals precluded obtaining Stonebridge records, I issued a *sua sponte* subpoena to the carrying broker, Comtrust, Incorporated, to produce the account-opening documents, account statements and equity runs for the Le account, and I also took official notice of NFA records concerning the registration and disciplinary history of Stonebridge, and its principals and associated persons.

⁴ Final Rules Relating to Reparations, 49 Fed. Reg. 6602, 6607 (Feb. 22, 1984).

⁵ *Hall v. Diversified Trading Systems*, Comm. Fut. L. Rep. (CCH) ¶ 26,131, at 41,150-41,151 (CFTC 1994).

⁶ Section 4c(b) of the Act provides in pertinent part: “No person shall offer to enter into or confirm the execution of, any transaction involving any commodity regulated under this Act which is of the character of, or is commonly known to the trade as “option,” . . . “put,” “call,” . . . contrary to any rule, regulation, or order of the Commission prohibiting any such transaction or allowing such transaction under such terms and conditions as the Commission shall prescribe.” In turn, CFTC rule 33.10 provides: “It shall be unlawful for any person directly or indirectly – (a) To cheat or defraud or attempt to cheat or defraud any other person; (b) To make or cause to be made to any other person any false report or statement thereof or cause to be entered for any person any false record thereof; (c) To deceive or attempt to deceive any other person by any means whatsoever – in or in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of, any commodity option transaction.”

Section 13(a) of the Act,⁷ and the duty to supervise provision in CFTC rule 166.3.⁸

Accordingly, it has been concluded: that Luis Rodriguez, Gerald “Jerry” Sipe, “Cindy” Morris, and Christopher “Chris” Spinnler defrauded Truong Le in violation of Section 4c(b) of the Commodity Exchange Act and CFTC rule 33.10; that Jimi and Julio Jalil, and Andres and Luis Rodriguez, aided and abetted this fraud; that Julio Jalil and Andres Rodriguez failed to adequately supervise Stonebridge, Luis Rodriguez, Sipe, Morris and Spinnler; that these violations, separately and collectively, proximately caused \$26,000 in damages; that Stonebridge is liable for the violations of Jimi and Julio Jalil, Morris, Andres and Luis Rodriguez, Sipe, and Spinnler; and that Jimi and Julio Jalil, Morris, Andres and Luis Rodriguez, Sipe, and Spinnler are jointly and severally liable for the \$26,000 default award.

Background

Le

Truong Le, appearing *pro se*, is a resident of Seattle, Washington, was born in Vietnam in 1963, and did not begin learning English until 1989, when he arrived in America as part of the “Boat People” exodus. Since 1991, Le has owned and operated his own business, a flower shop/bakery, which requires that he work long hours, usually six or seven days a week.

⁷ Section 13(a) of the Act provides that: “Any person who commits, or willfully aids and abets, counsels, commands, induces or procures the commission of a violation of any provisions of this Act, or any [CFTC] rule, or who acts in combination or concert with any other person in any such violation, or who willfully causes such an act to be done or omitted which if directly performed or omitted by him or another would be a violation of [the Act or CFTC rule], may be held responsible for such violation as a principal.” *See generally McGaughey v. Hogan-Orr, Inc.*, Comm. Fut. L. Rep. (CCH) ¶22,479 (CFTC 1985). To establish aiding and abetting liability, knowing assistance may be inferred from the surrounding facts and circumstances. *See, e.g., CFTC v. Premex*, 785 F.2d 1403 (9th Cir. 1986).

⁸ CFTC rule 166.3 provides that: “Each Commission registrant . . . must diligently supervise the handling of its partners, officers, employees, and agents . . . of all commodity interest accounts carried, operated, advised, or introduced by the registrant and all other activities of its partners, officers, employees, and agents . . . relating to its business as a Commission registrant.”

After Le attended an “Invest Tool” seminar in late 2007, he would be cold-called by an agent of Stonebridge Financial Services, Luis Rodriguez. At this point, Le was a naïve, unsophisticated investor, with almost no investment experience and absolutely no knowledge of futures, options or other complex, high-risk derivatives.

Stonebridge and its principals

Stonebridge Financial Services, located in Delray, Florida, was registered as an introducing broker from October 2006 to May 2008. Stonebridge was the lineal descendent of Futuretech Trading Group, a boiler room operation in south Florida. When the NFA issued a disciplinary complaint against Futuretech in 2005, many of its brokers transferred *en masse* to Majestic Commodity Corporation, another firm located in south Florida. The process was repeated when the NFA issued a disciplinary complaint against Majestic in 2006, and many Majestic brokers transferred to Stonebridge.

Stonebridge’s owners, Andres Rodriguez and Julio Jalil, and the majority of Stonebridge’s associated persons, had been associated with a string of “tainted” firms that had been disciplined by the CFTC or the NFA for fraudulent sales and trading practices. When Stonebridge started up in 2006, almost its entire sales force had worked for tainted firms, most notably Futuretech and Majestic. About a year later – in November 2007 when Le was first contacted by a Stonebridge agent – the concentration of tainted brokers had been partially diluted, but remained high: out of 22 Stonebridge associated persons, ten were not rookies, and all ten experienced associated persons – including Gerald Sipe, Cindy Morris and Chris Spinnler -- had previously worked for extensive periods of time for tainted firms. As is typically the case with similarly constituted firms, almost all of Stonebridge’s customers lost most or all of their investments, principally because Stonebridge steered its customers into patently dubious trading

strategies that were designed to maximize Stonebridge's commission income. Although the Stonebridge principals and brokers probably knew, or suspected, or could have easily discovered, these facts, someone in Le's position – an unsophisticated, novice trader with no knowledge of the commodity options business -- could not have readily known, suspected or discovered, these facts.

On October 3, 2007 – about a month before Le opened his account – the NFA brought a disciplinary complaint against Stonebridge and its president, Andres Rodriguez, alleging: that they had been allowing a suspended former principal of a firm disciplined for boiler-room practices -- Julio Jalil's brother, Jimi Jalil the owner of Futuretech -- to run Stonebridge; that Stonebridge agents had engaged in misleading sales solicitations; and that Rodriguez and Stonebridge had failed to implement the augmented supervisory safeguards mandated by NFA rules for firms with a high percentage of tainted brokers. On February 22, 2008 – about a month before Le approved the last set of trades – the NFA issued a consent order in which Stonebridge and Rodriguez agreed to a variety of sanctions, including a two year membership bar for Stonebridge and a one-year membership bar for Rodriguez.⁹ Soon afterwards, several Stonebridge associated persons, including Cindy Morris and Chris Spinnler, began applying to be associated persons with Global Trading Center, LLC, which was a replacement introducing broker using the same office space, equipment and back office operations.

Jimi Jalil first registered with the NFA in January 2000, and was last registered in November 2008. During that time he was registered as an associated person and principal of a string of tainted firms, including Group One Financial Services, Inc., First Liberty Investments, Futuretech Trading Group, and Majestic Commodity Corp. He is currently not registered. In

⁹*In re Stonebridge Financial Services and Andres Rodriguez*, NFA case number 07-BCC-36.

2005, the NFA issued a complaint against Futuretech, Jimil Jalil and others, alleging that Jalil had defrauded customers and failed to supervise Futuretech. On October 16, 2006, Jalil agreed to settle those charges by agreeing to a variety of sanctions, including a six-month membership ban and other restrictions on his business activities.¹⁰ Notwithstanding these restrictions, Jalil had a regular and active presence at Stonebridge from the beginning, leading motivational daily sales meetings, offering trade recommendations, and hiring and firing new brokers.

Julio Jalil, Jimi's brother, was an owner and a registered associated person with Stonebridge from April 12, 2007, to April 10, 2008. He became a registered principal of Stonebridge on October 23, 2006, just as his brother was beginning his six-month suspension. Julio was briefly registered as an associated person with Global Trading Center in March 2008. He is currently not registered.

Andres Rodriguez was an owner and a registered principal and associated person with Stonebridge from October 3, 2006, to April 10, 2008. Previously, he had been a registered principal and associated person with Futuretech and Majestic. On February 22, 2008, the NFA issued a consent order in which Rodriguez agreed to a variety of sanctions, including a one-year membership ban. He currently is not registered.

Luis Rodriguez and Gerald "Jerry" Sipe

Luis Rodriguez, Andre's brother, filed an application for registration as an associated person with Stonebridge on December 11, 2007, which remained pending until April 10, 2008, when Stonebridge ceased operation and his application was withdrawn. By letter dated January 31, 2008, the NFA had given Rodriguez the option to withdraw his application in lieu of submitting additional documentation concerning his arrest record. He is currently not registered.

¹⁰ *In re Futuretech, et al.* (05-BCC-13).

Gerald "Jerry" Sipe, one of the most experienced brokers at Stonebridge, was a registered associated person with Stonebridge from December 21, 2006, to February 5, 2008. Sipe first became registered in 2003, and worked for a series of tainted firms, including United Investors Group, Futuretech Trading Group, and Majestic Commodity Corporation. Sipe was briefly registered as an associated person with Global Trading Center from November 19, to December 8, 2008. He is currently not registered.

Luis Rodriguez would cold-call Le, convince him to open the account and deposit \$3,000, recommend the first trade, and introduce Le to Sipe, Morris and Spinnler. After taking over as Le's broker, Gerald Sipe would convince Le to borrow from his equity line of credit and deposit an additional \$20,000, and recommend two trades. The three trades recommended by Rodriguez and Sipe would generate \$8,361 in commissions and wipe out Le's entire \$23,000 deposit in just four weeks.

In his answer, Sipe generally denied any violations, denied any knowledge of Rodriguez's conversations with Le during the solicitation, account-opening, first trade recommendation and first week of trading, and essentially argued that the various written risk warnings and a tape-recorded and scripted "compliance session" -- purportedly provided by Stonebridge, but never produced here -- shield him from any liability. Sipe also asserted that after he had advised Le about a margin call on December 28, 2007, he suffered a heart attack, and entered the hospital. Otherwise, Sipe failed to offer a meaningfully detailed description of various relevant matters, such as: what was the nature and extent of Sipe's experience and expertise; what were Sipe's responsibilities at Stonebridge; how exactly did Sipe come to be Le's account executive; why did Sipe never consult Rodriguez about the Le account; who at Stonebridge did Sipe consult about the Le account; how often and when did Sipe and Le

communicate with each other; what exactly was said by Sipe and Le during their conversations, particularly concerning Le's trading objectives, and the specific costs, and specific risks and rewards associated with the trading strategies favored by Sipe and Stonebridge; how often and how closely did Sipe monitor the trades in the Le account; who generated the trade recommendations passed on to Le; what was the basis for each of the trades recommended by Rodriguez and Sipe; and whether the recommended trades served Le's interests.

Accordingly, because Sipe's answer had not included the required "precise and detailed" statement of the facts which constituted his grounds for defense, I directed Sipe to perfect his deficient answer by producing an affidavit with replies to a series of requests focused on the matters listed above.¹¹ Sipe chose to disregard this and a subsequent order, and thus failed to rebut Le's allegations and failed to substantiate his defenses. As a result, adverse inferences are taken that the information not produced by Sipe would have substantiated Le's related allegations of fraudulent solicitation and churning, and it is concluded that Sipe has defaulted by abandoning defense of this case.

Cynthia "Cindy" Morris and Christopher "Chris" Spinnler

After Sipe's heart attack, Cindy Morris and Chris Spinnler took over as Le's brokers.

¹¹ The determination of whether a broker has adequately and fairly disclosed all material facts about risk and profitability requires an examination of the overall tone, thrust and balance of all written and oral communications between the broker and the customer. In this connection, it is well established that a "compliance session" cannot be used as "advance exoneration of contemplated fraudulent conduct," particularly if it is not designed or conducted to discover, cure and prevent the sort of misrepresentations and deceptions alleged by Le. See *JCC, Incorporated v. CFTC*, Comm. Fut. L. Rep. (CCH) ¶ 26,492, at 43,217-43,218 (11th Cir. 1995). Thus, in the Order, I informed Sipe and Le that this case would turn on whether or not respondents had made intentionally or recklessly deceptive oral statements that contradicted or undermined any written risk warnings. See, e.g., *Levine v. Refco*, Comm. Fut. L. Rep. (CCH) ¶24,488, at 36,115-36,116 (CFTC 1989); and *O'Hey v. Drexel Burnham, Inc.*, Comm. Fut. L. Rep. (CCH) ¶22,754, (CFTC 1985).

Morris and Spinnler, working with Luis Rodriguez, would convince Le to deposit an additional \$3,000, continuously pressed him to deposit even more funds, and recommended four more trades that generated an additional \$2,492 in commissions and wiped out his \$3,000 investment.

Cynthia Jeanne “Cindy” Morris, a/k/a Cindy Goldberg, first became registered as an associated person in November 2001. Before working for Stonebridge, she worked for five years for the tainted firm, Executive Commodity Corporation. Morris was one of the most experienced brokers at Stonebridge, with whom she was associated from April 18, 2007, to April 10, 2008. Morris would apply to be registered as an associated person with Global just before the NFA issued its decision in March 2008, which put Stonebridge out of business, and a couple weeks before the transfer of Le’s account to Global. She is currently not registered.

On December 29, 2008, the NFA issued a disciplinary complaint against Morris, alleging that, while employed at Stonebridge and Global, she had engaged in deceptive, misleading and high-pressure sales tactics. The NFA alleged that she had steered her customers into dubious trades – typically extremely high-risk out-of-the-money option spreads – which served no discernable purpose for her customers and which generated excessive commissions. As a result, from April 2007 through March 2008, all of Morris’ Stonebridge customers had lost money, with losses totaling approximately \$650,000, largely due to commissions totaling \$560,000. On April 27, 2008, Morris filed an answer generally denying the allegations of violations, but not challenging the assertions about the consistently poor performance of her customers’ accounts.¹² This NFA proceeding is pending as of the date of this default order.

Christopher Spinnler first became a registered associated person in July 2004. Before joining Stonebridge, Spinnler had worked at two tainted firms: Futuretech and Majestic.

¹² *In re. Cynthia Jeanne Morris, a/k/a Cindy Goldberg* (08-BCC-35).

Spinnler was a registered associated person with Stonebridge from December 21, 2006, to April 10, 2008. He is currently not registered.

On November 29, 2007, about a month before Spinnler would take over as a co-broker for Le, the NFA issued a disciplinary complaint against Majestic and various Majestic associated persons including Spinnler, alleging a variety of fraudulent sales and trading tactics. On June 14, 2008, the NFA issued a consent order in which Spinnler agreed to various sanctions, including a one-year ban.

Global Trading Center

Global Trading Center, located in Boca Raton, Florida, was a registered introducing broker from July 28, 2004, to April 23, 2009. On April 3, 2008, when Stonebridge ceased operations, Le's account was transferred to Global. At the time of the transfer, Le's account had a negative \$49 cash balance and a long option liquidation value of \$200. On October 28, 2008, the NFA issued a disciplinary complaint alleging a variety of boiler-room violations by Global, its owner, and its brokers, including Morris. This NFA proceeding is pending as of the date of this default order.

Solicitation and Trading

Le deposited a total of \$26,000, and maintained his account with Stonebridge from November 5, 2007 to April 1, 2008, and with Global Trading Center from April 1 to 30, 2008.

In a series of conversations with Luis Rodriguez, Jerry Sipe, Chris Spinnler and Cindy Morris, Le made it obvious to Rodriguez, Sipe, Morris and Spinnler that he had no investment experience; that he knew nothing about the commodity markets or about trading commodity options on commodity futures; that he had little time to devote to following markets or

investments; and that he would be relying on them to serve his interests and to provide good faith, expert advice to select suitable trades, to closely monitor his account, and to decide when to enter and exit the market. Rodriguez fraudulently induced Le to open the account and approve the first commission-generating trade. Then, Rodriguez and Sipe, followed by Rodriguez, Morris and Spinnler, fraudulently lulled Le into investing more funds and approving more commission-generating trades. Rodriguez, Sipe, Morris and Spinnler, working together, used a combination of abusive and deceptive boiler-room tactics, such as: high-pressure tactics; baseless guarantees of huge profits; false and misleading representations about their experience, expertise and reputation; and misrepresentations and omissions about the mechanics, costs, risks and results of their recommended trades.

Luis Rodriguez pressured and deceived Le into opening the account on November 5, 2007, making the first deposit of \$3,000, and approving the first trade -- three January crude oil call spreads -- which generated \$599 in commissions. Both legs expired worthless on December 13, 2007, for total loss of \$2,998. About a week later, Rodriguez learned that Le had obtained a substantial equity line of credit, and promptly introduced Gerald Sipe as Rodriguez's mentor and one of the most experienced and successful senior brokers at Stonebridge. Sipe perpetuated Rodriguez's false portrayal, misleadingly assured Le that he had consistently made large profits for his customers, and effectively took over as Le's account executive. Sipe convinced him to withdraw \$20,000 from his home equity line of credit and to approve additional trades -- twenty December Euro option strangles, and nineteen December Euro call spreads -- which generated an additional \$7,781 in commissions.

After Sipe's heart attack, Rodriguez, Morris and Spinnler concealed and perpetuated Rodriguez's and Sipe's fraud, and pressured Le to make two additional deposits totaling \$3,000

and to approve additional trades which generated another \$2,492 in commissions. This round of commissions would consume 83% of Le's second round of deposits. Eventually, by April 28, 2008, trading losses would wipe out the remainder of the \$3,000 deposit.

Respondents steered Le into questionable multi-contract trades that generated large commissions: four out-of-the-money ("OTM") call spreads,¹³ two OTM option strangles, and one outright purchase of OTM options.¹⁴ Since the premiums on OTM options are much cheaper than the premiums for in-the-money options, each of these trades was comprised of multiple contracts. As a result, these seven trades incorporated a total of 109 separate option contracts. Since Stonebridge charged up-front commissions at the rate of \$99.50 per contract, these multi-contract trades quickly and inexorably racked up huge commissions.¹⁵ The first three trades recommended by Rodriguez and Sipe involved 84 contracts and generated almost \$8,380 in commissions, which in just two weeks consumed over 36% of Le's initial investment of \$23,000.¹⁶ The degree to which this cost substantially increased the risk of loss and reduced the

¹³ A call spread involves the simultaneous purchase of an OTM call option and the sale of an OTM call option on the same underlying futures contract. Engaging in these spreads enabled Stonebridge to double commission rates, since Le was charged on the buy and sell sides. (Stonebridge did not discount the commissions for the spread, as is the industry norm.) Since Le's account received credits for premiums on the sell side, Stonebridge was able to solicit and purchase additional positions, which in turn generated more commissions. The combination of high commissions and high-risk OTM options created a substantial cost barrier for Le to overcome merely to break even, let alone enjoy any profits. As a result, the specific risks that Le faced were significantly greater than the general, albeit high, risks discussed in standard risk disclosure statements. *See Ferriola v. Kearsse-McNeill*, Comm. Fut. L. Rep. (CCH) ¶ 28,172, at 50,154-50,156 (CFTC 2000). (Since the profit potential of an OTM option, as measured by its delta, is lower than that of an in-the-money ("ITM") option of the same type, "when customers are paying commissions on a per-contract basis, an account executive seeking to serve his customer's interests will purchase the lower-cost ITM position.")

¹⁴ A strangle involves the simultaneous purchase of a call option and a put option, at different strike prices, but in the same contract and same contract month.

¹⁵ By charging a commission of \$99.50 per option contract, Stonebridge skirted the NFA requirement, imposed November 1, 2007, that any firm that charged its customers commissions that total \$100 or more per option contract must adopt "enhanced supervisory requirements," which include the mandatory recording of all communications with customers. *See* ¶ 9012, NFA rules.

¹⁶ An unanticipated credit adjustment, by Comtrust on December 31, 2007, would retroactively reduce the first round of commissions to 20% of Lee's initial investment. After this adjustment – done, after the first round of trades had been closed out, to cover a debit balance -- Le's entire \$23,000 initial deposit remained totally wiped out.

likelihood of profit was reflected in commission-paid/net-premium-paid ratios,¹⁷ which ranged from 25% to 57%:

<i>In</i>	<i>Out</i>	<i>Trade</i>	<i>Commission</i>	<i>Commission-to-Premium Ratio</i>	<i>Net Profit/(loss)</i>
11-07	12-07	3 Jan. Crude spreads	\$ (599)	25%	\$ (2,400)
11-13	11-20 & 12-10	20 Dec. Euro strangles	(3,980)	29%	(6,480)
11-20 & 11-26	11-28 & 12-10	19 Dec. Euro spreads	(3,782)	38%	(16,970)
1-16	3-03	1 May RBOB gas spread	(200)	27%	514
3-24	3-26	6 May Euro spreads	(1,194)	57%	506
3-26	3-28	3 May wheat strangles	(697)	25%	(2,410)
3-28	4-28	4 May soybean calls	(398)	25%	(1,998)

Here, the high ratios strongly suggest that the trades recommended by Stonebridge did not serve Le's best interest. While it may be reasonable to expect an experienced trader or futures professional to readily detect the questionable nature of such trading strategies, it may not be so reasonable to expect an inexperienced and unsophisticated customer to make the necessary detection, even after losses have accumulated.

After a couple of credit adjustments,¹⁸ the commissions for all of the trades in the Le account would ultimately total \$7,348. Thus, ultimately, commissions would consume 28% of Le's total investment of \$26,000.

¹⁷ The commission-paid/net-premium-paid ratio indicates the rate at which an option, or option spread, must appreciate to merely breakeven by overcoming the costs of the commissions. That is, the higher the ratio, the more onerous the burden of the commissions and the more likely the trade will result in a substantial loss.

¹⁸ After the last of the initial options had expired, or been closed out, on December 10, 2007, the Le account had a negative \$3,448 cash balance. On December 28, an option trade was erroneously placed in Le's account which triggered a margin call from Comtrust. On December 31, the erroneous trade was removed, and Stonebridge instructed Comtrust to cover the debit with a \$3,448 commission credit adjustment, which brought the account to a zero balance. This credit had the effect of reducing Le's total losses in 2007 from \$26,448 to \$23,000 (*i.e.*, his entire

ORDER

Based on the defaults of Cynthia Morris a/k/a Cindy Goldberg, Jimi Jalil, Julio Jalil, Andres Rodriguez, Luis Rodriguez, Gerald Sipe, Christopher Spinnler and Stonebridge Financial Services, it has been concluded:

- That Luis Rodriguez and Gerald Sipe defrauded Truong Le during the solicitation and trading of Le's account, and churned Le's account, in violation of Section 4c(b) of the Commodity Exchange Act and CFTC rule 33.10.
- That Cynthia Morris, and Christopher Spinnler perpetuated and concealed Rodriguez's and Sipe's fraud, lulled Le into making additional deposits and approving additional trades, and churned Le's account in violation of Section 4c(b) of the Act and CFTC rule 33.10.
- That Jimi and Julio Jalil and Andres Rodriguez aided and abetted the fraud of Luis Rodriguez, Sipe, Spinnler and Morris in violation of Section 13(a) of the Act.
- That Luis Rodriguez aided and abetted the fraud of Sipe, Spinnler and Morris in violation of Section 13(a) of the Act.
- That Julio Jalil and Andres Rodriguez failed to adequately supervise Stonebridge, Luis Rodriguez, Sipe, Spinnler and Morris in violation of CFTC rule 166.3.
- That respondents' violations, separately and collectively, proximately caused \$26,000 in damages.
- That Stonebridge is liable for the violations of Jimi and Julio Jalil, Morris, Andres and Luis Rodriguez, Sipe, and Spinnler pursuant to Section 2(a)(1)(b) of the Act.

Accordingly, Cynthia Jeanne Morris a/k/a Cindy Goldberg, Jimi Jalil, Julio Jalil, Andres Rodriguez, Luis Rodriguez, Gerald Sipe, Christopher Spinnler and Stonebridge Financial

Services are ordered to pay to Truong Le reparations of \$26,000, plus interest on that amount at

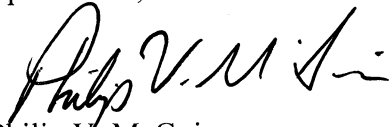
initial investment), reducing the total commissions charged to Le's account in 2007 from \$8,380 to \$4,432, and reducing the commission rate for the 2007 trades to about \$55 per contract. When applied proportionately, this credit reduced the commissions and loss directly attributable to the first trade recommended by Rodriguez to \$358, and \$2,619, respectively; and reduced the commissions and losses attributable to the two trades recommended by Sipe to \$4,574, and \$20,381, respectively. The credit was not enough to convert any losing trades into winning trades, and of course did not change the fact that Le had lost all of his \$23,000 initial investment. On April 3, 2008, by which time the account had been transferred to Global, Comtrust covered a second debit balance with a \$49 commission credit adjustment.

0.42% compounded annually from November 6, 2007, to the date of payment, plus \$125 in costs for the filing fee. Liability is joint and several.

Any motion to vacate this default order must meet the appropriate standards set out in CFTC rule 12.23.

Any party with a procedural question may call my office at 202-418-5500.

Dated September 9, 2009.



Philip V. McGuire,
Judgment Officer