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U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

<p>U.S. Commodity Futures Trading Commission,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">vs.</p> <p>Kimball Parker; MakeYourFuture, LLC; Timothy Baggett; Changes Worldwide LLC; Changes Trading LLC,</p> <p style="text-align: center;">Defendants.</p>	<p>Case No. 2:16-cv-00983-BSJ</p> <p>ORDER ON CFTC'S MOTION FOR FINAL JUDGMENT BY DEFAULT, PERMANENT INJUNCTION, CIVIL MONETARY PENALTIES, AND OTHER STATUTORY AND EQUITABLE RELIEF AGAINST DEFENDANTS TIMOTHY BAGGETT, CHANGES WORLDWIDE LLC, AND CHANGES TRADING LLC</p> <p>Hon. Bruce S. Jenkins</p>
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On September 21, 2016, the Commodity Futures Trading Commission (“Commission” or “Plaintiff”) filed a Complaint charging defendants Timothy Baggett and his companies, Changes World Wide LLC (“Changes Worldwide”) and Changes Trading LLC (“Changes Trading”) (together, “Changes”), and defendants Kimball Parker and his company, MakeYourFuture, LLC (“MYF”), with violating Sections 4b(a)(1)(A), (B); 4o(1)(A), (B); and 6(c)(1) of the Act, and Commission Regulations 4.41(a)(1)-(3), (b)(1), (2); and 180.1(a)(1)-(3). 7 U.S.C. §§ 6b(a)(1)(A), (C); 6o(1)(A), (B); and 9(1); 17 C.F.R. §§ 4.41(a)(1)-(3), (b)(1), (2); and 180.1(a)(1)-(3).

On October 11, 2016, the defendants that are the subject of the CFTC’s motion for default judgment, Timothy Baggett, Changes Worldwide, and Changes Trading, were properly served with the summons and Complaint pursuant to Rule 4 of the Federal Rules of Civil Procedure. Baggett was served pursuant to Rule 4(e)(2), *i.e.*, by leaving a copy of the summons

and Complaint at Baggett's dwelling or usual place of abode with a person of suitable age and discretion (in this case, an adult female identifying herself as Baggett's live-in companion).

Changes Worldwide and Changes Trading were served in the same manner and on the same date as Timothy Baggett, pursuant to Rule 4(h)(1)(A), which provides that service on a corporation may be effected by following state law for serving a summons in the state where service is made.<sup>1</sup>

Baggett, Changes Worldwide, and Changes Trading have failed to appear or answer the Complaint within the time permitted by Rule 12(a)(1) of the Federal Rules of Civil Procedure. Accordingly, the Commission filed motions for entry of a clerk's default against Baggett, Changes Worldwide, and Changes Trading, and the Clerk of this Court entered a default against Baggett, Changes Worldwide, and Changes Trading.

The Commission has moved this Court to grant final judgment by default against Baggett, Changes Worldwide, and Changes Trading, order permanent injunctive relief, and impose a restitution obligation and civil monetary penalty.

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<sup>1</sup> State law in Florida, where Changes Worldwide and Changes Trading were served, specifies that, if the address provided for the agent, member, or manager of an LLC is a residence or private mailbox, service on the LLC may be made by serving the registered agent, member, or manager of the LLC in the same manner as service on an individual. Fla. Stat. Ann. § 48.062(4). Service on an individual may be effected under Florida law by leaving the copies of process and the complaint at the individual's usual place of abode with any person residing therein who is 15 years of age or older and informing the person of their contents. Fla. Stat. Ann. § 48.031(1)(a). Timothy Baggett is listed with the Florida Department of State as the agent, member, or manager of Changes Worldwide and Changes Trading, and the address for service provided by Mr. Baggett to the Florida Department of State is a residential or private address. When service was made on Baggett's live-in companion, the process server advised the companion as to the contents of the summons and Complaint. As such, service was properly effected as to Change Trading and Changes Worldwide.

The Court has carefully considered the Complaint, the allegations of which are well-pleaded and hereby taken as true, the Commission's memorandum in support of its motion, the record in this case, and the Court being otherwise advised in the premises, it is hereby:

ORDERED that the Plaintiff's Motion for Final Judgment by Default, Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief against Baggett, Changes Worldwide, and Changes Trading, is GRANTED. Accordingly, the Court enters findings of fact, conclusions of law, and an Order of Final Judgment by Default for Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief ("Order") pursuant to Sections 6c and 6d of the Act, 7 U.S.C. § 13a-1, as set forth herein.

**I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**A. PARTIES TO THIS ORDER**

1. Plaintiff U.S. Commodity Futures Trading Commission ("CFTC" or "Commission") is the independent federal regulatory agency charged with the administration and enforcement of the Commodity Exchange Act ("Act") and regulations promulgated thereunder ("Regulations").

2. Defendant Changes Worldwide LLC ("Changes Worldwide") is a Florida limited liability corporation with its principal place of business in Lakeland, Florida.

3. Defendant Changes Trading LLC ("Changes Trading") is a Florida limited liability corporation with its principal place of business in Lakeland, Florida. Changes Trading is a wholly-owned subsidiary of Changes Worldwide.

4. Defendant Timothy Baggett is a natural person who resides in Lakeland, Florida. Baggett is the owner and controlling person of Changes Worldwide, and through Changes

Worldwide is the indirect owner of Changes Trading. Baggett is the controlling person of Changes Trading.

**C. OTHER PARTIES**

5. Defendant MakeYourFuture, LLC (“MYF”) is a Utah limited liability corporation with its principal place of business in Lehi, Utah. Defendant Kimball Parker is a natural person and resides in Lehi, Utah. Parker is the owner and controlling person of MYF.

**D. THE TRADING SYSTEM**

6. Beginning in March 2014, Defendants offered to sell customers a system for trading the e-mini S&P 500 futures contract (“ES”) on the Chicago Mercantile Exchange (“CME”). The trading system consists of “signals” that purportedly provide customers with “exact entrance and exit points” for trades. Defendants advertised the system as being “designed for both the new, inexperienced trader as well as the seasoned professional.”

7. In order to use the system, customers must download trading software from a third-party software developer and open a brokerage account. The signals generated by Defendants’ trading system “ride” on top of the third-party trading software as an add-on. According to Defendants, the signals “show you when to make the trades.”

8. The signals generated by Defendants’ trading system are not available to the general public. They are only available to customers who purchase the system. The signals are sent to customers’ computers over the internet.

9. Defendants offered the trading system for a one time, up-front payment which typically ranged from \$1,995 to \$2,495. In order to continue receiving the signals, customers also had to pay a monthly fee of \$100.

**E. RELATIONSHIP AMONG DEFENDANTS**

10. Defendant Parker is the developer of the trading system sold by Defendants. Before meeting Defendant Baggett, Parker sold his trading system through a small handful of distributors, and through MYF's website at [www.1myf.com](http://www.1myf.com).

11. Baggett's company, Changes Worldwide, was a multi-level marketing ("MLM") company engaged in selling various products, including vitamins, dietary supplements, insurance, and vacations, through a network of affiliates. Affiliates are independent contractors who work to promote a product in return for commissions. They may promote the product on the internet, or they may promote it at in-person seminars, or they may simply try to sell a product to their family or friends.

12. Parker and Baggett met at an MLM conference in Las Vegas in late 2013. They discussed the possibility of using Baggett's affiliate network to sell the trading system, which promised Baggett a higher profit margin than vitamins or insurance.

13. In January 2014, Parker and Baggett entered into an arrangement for Changes Worldwide to become the primary marketer and distributor of Parker's trading system. Parker would provide the trading system, materials for the company's website, and customer support.

14. Baggett began marketing the trading system no later than March 2014. Around that time, Baggett founded Changes Trading to serve as the primary vehicle through which the trading system would be marketed.

15. Changes Worldwide and Changes Trading marketed the trading system via their websites, [www.changesworldwide.net](http://www.changesworldwide.net), [www.trading4change.com](http://www.trading4change.com), and [www.changestrading.com](http://www.changestrading.com). Parker provided all trading system-related content for the websites, subject to Baggett's approval.

16. In addition to the websites, Defendants marketed the trading system via sales presentations. Some of these sales presentations occurred in-person at meetings or conferences. Other presentations, referred to as “webinars,” were broadcast over the internet. Defendants also marketed the trading system using Changes’s network of more than 100 affiliates.

**F. DEFENDANTS’ FRAUDULENT MISREPRESENTATIONS AND OMISSIONS**

**“Documented and Verifiable Results”**

17. Defendants’ websites contained numerous fraudulent misrepresentations and omissions designed to mislead customers and prospective customers into believing that the trading system was profitable and effective. The websites claimed that Defendants’ trading system has “a documented and verifiable track record of unmatched performance in trading futures contracts (commodities).”

18. On a webpage titled “Results,” Defendants invited visitors to “click the monthly charts below to see an expanded detailed view of actual results using the Changes Trading System.” The monthly charts purported to show returns of between 11% to 68% per month between January and December 2014, and profits of between \$2,830 and \$17,037.50 per month on a \$25,000 trading account. The monthly charts also purported to show the percentage of “winning trades” generated by the system each month; these percentages ranged from 88% to 93%.

19. Defendants made similar misrepresentations in eBooks that they distributed to customers and prospective customers. In the eBooks, Defendants claimed that:

Virtually every system recommended trade for over four years has been documented and recorded and the performance of this proprietary trading system is without equal in the industry. Over 300% annual return has been documented through 2014 and interested individuals can go to the archived records of CTS [Changes Trading] and verify every trade.

According to the eBooks, “CTS shows subscribers and clients every system indicated trade for the past four years, with percentages of success ranging from 83% to 93% efficiency.”

20. Defendants made similar misrepresentations during presentations to customers and prospective customers. In these presentations, Defendants claimed falsely that, “In our first 50 months, since introducing the system, we never had a losing month.”

21. In reality, the Defendants’ “documented and verifiable results” were false. The results touted by Defendants in the websites, eBooks, and presentations did not reflect any actual trading of real money in any futures account. Defendant Parker admitted this during the CFTC’s investigation. In a letter to the CFTC, Parker explained:

The spreadsheets that you inquired about that are on the CT [Changes Trading] website are spreadsheets that I produce each month based upon the trading results of the system in a ‘perfect world.’ It is impossible to duplicate the ‘system’ because of the human element.

22. During the CFTC’s investigation, Parker admitted that the results on the spreadsheets—and indeed all of the trading results touted in Defendants’ promotional materials—were hypothetical and simulated. Defendant Baggett similarly was aware that the depicted “documented and verifiable results” were false. During the CFTC’s investigation, Baggett admitted that he understood the results were achievable only in a “perfect world,” and that they were hypothetical and simulated.

23. It is untrue that Defendants have “never had a losing month.” Changes and MYF did not have trading accounts, and never traded futures. Parker and Baggett consistently lost money trading futures, suffering net losses of tens of thousands of dollars in their personal trading accounts. During the CFTC’s investigation, Defendant Parker admitted that he lost \$10,000 to \$11,000 a year trading futures between 2014 and 2015. Defendants did not disclose their losses to customers or prospective customers.

**“Earn a Full Time Income”**

24. Defendants’ websites claimed that users of the trading system “earn a full time income working just 2 hours a day.” Defendants’ websites promised that:

Current users of our system regularly earn \$200, \$300, even \$600 and \$700 in a morning. Many have reported earnings of over \$1,000. And they did it working only 2 hours a day or less, on their computers, from the comfort of their own homes.

25. Defendants made similar misrepresentations during sales presentations, claiming that the trading system offers “[a] revolutionary new way to earn a FULL TIME INCOME in just two (2) hours a morning!” In those presentations, Defendants reported that a “realistic income” for users of the trading system would be “\$200-\$300 a day; [e]ven \$600 or \$700 a day; [s]ome have earned \$1,000 or more.”

26. Defendants’ claims were false. During the CFTC’s investigation, Defendants testified that they were unaware of any person who makes or has made a full-time income using the system, including Defendants themselves. Defendants testified that they were unaware of anyone who made between \$200 and \$1,000 a day using the trading system. In reality, most if not all of the customers who used Defendants’ trading system lost money. Baggett was aware of this, and received numerous emails from customers complaining of large financial losses.

**“Professional and Profitable Traders”**

27. Defendants made numerous misrepresentations to customers and prospective customers about Defendants’ success as traders. In the eBooks Defendants distributed, Defendants claimed that:

We enjoy trading in our personal accounts and to date we run a very high rate of success. Even though we do make money in our personal accounts, we are by nature - very conservative traders. The main reason for starting Changes Trading Systems is that by sharing this knowledge; and the tools of success with others, we will be personally compensated as business owners, but we will also be able to

help hundreds, if not thousands, of people in their own personal quest for financial freedom.

28. Defendants made similar misrepresentations in communications with individual customers. For example, in a June 21, 2014 email, Defendant Parker told a customer that he “discovered patterns that applied to the futures market and [ ] finally started to make money on a consistent basis.” “That was over 4 years ago,” Parker exclaimed, “and I have been a professional and profitable trader since then.” “The system has been around for over 4 years and we have losing trades and losing days but have never had a losing month! There is hope!” Parker told another customer that the trading system “set him free,” and had given him “financial independence.”

29. In reality, Defendants were not successful or profitable traders. As set forth above, Defendants consistently lost money attempting to trade futures.

#### **Customer Testimonial**

30. Defendants’ websites include a testimonial from a customer identified only as “B.F.” The testimonial states:

As a retired stock broker I planned on adding to my retirement income by Day Trading. I soon found that futures trading was outside of my area of expertise. Thankfully, I found the system and have enjoyed making money on a consistent basis. I’m beginning my 3rd year with the Company and plan on using this amazing system well into the future.

31. There is no such person as B.F., and the testimonial was fabricated by Defendants. During the CFTC investigation, Defendants testified that they did not know who B.F. was, or where the testimonial came from. Defendants were unable to identify any customer who made money “on a consistent basis” using the trading system.

### **The Live Training Room**

32. On and off between June 2014 and August 2015, Defendants offered customers access to what they referred to as the “live training room.” For an additional \$150 a month, customers could “‘look over the shoulder’ online of an experienced trader who is using our system.”

33. According to Defendants’ websites, the live training room was “ongoing training in a ‘real world’ environment to show you how to capitalize on all the advantages to be had using our proven system.” Defendants represented to customers that:

This service will show you professional Traders using the CTS Trading System and will flatten the “learning curve,” considerably with reference to time. For example, most new and inexperienced Traders will require 4 to 6 months of learning and demo trading practice .... That learning process can be reduced by several months in many instances by attending the live training room and watching the live application of the system in actual trading situations.

34. The traders in the live training room purported to trade along with the signals generated by Defendants’ system. These traders always or almost always appeared to make a profit using the system. The traders in the training room assured viewers that they were trading with “real money,” and that real money was “on the line.”

35. The live training room was actually part of Defendants’ fraudulent scheme to convince customers that the trading system was profitable so they would continue paying the monthly fee for signals. In reality, the traders in the live training room were not professional traders. One of the so-called traders was Defendants’ IT person, who had never traded in his life before going to work for Defendants.

36. Contrary to Defendants’ representations, the individuals in the trading room were not trading with “real money.” Rather, they were trading mostly if not exclusively in “sim” mode, which allowed them to achieve simulated profits that would be impossible in real life.

### **The Robot**

37. Between July and November 2014, Defendants offered customers the opportunity to purchase and download the “Opening Bell Robot Trading System,” also referred to as the “robot.” Once activated by a customer, the robot would automatically place trades via the customer’s brokerage account according to signals generated by Defendants’ trading system.

38. Defendants extolled the virtues of the robot on their websites. “Using our proven and proprietary algorithm,” Defendants exclaimed, “your Robot knows exactly what to do, and when to do it. You just set it and forget it... and make money! Our New Robotic Trading System also includes the GOLDEN Trade, which has been documented to have a +90% success rate!”

39. In reality, there was no 90% success rate for the robot. During the CFTC’s investigation, Defendants acknowledged that the robot did not work, and that customers lost money attempting to use it.

40. Defendant Parker admitted in testimony that the robot had never been tested using real money. Parker admitted in the CFTC’s investigation that he knew customers would lose money using the robot, and that the robot was “dangerous.” Parker nonetheless allowed Defendants to offer the robot for sale to customers.

41. The programmer who developed the robot warned Parker that the robot would not be “consistently or significantly profitable.” In subsequent emails, the programmer acknowledged that “consistently profitable futures robots are mythical creatures.”

### **G. BAGGETT STOPS MARKETING THE TRADING SYSTEM**

42. In November 2014, Baggett ceased his marketing efforts with respect to the trading system. Nonetheless, Baggett continued to allow Parker to use the Changes websites,

which were still registered to and owned by Baggett, as well as the Changes Trading name, to market the trading system.

#### **H. CUSTOMER LOSSES**

43. CFTC Investigator Jeffrey Gomberg conducted an analysis of Defendants' bank records to determine how much money customers paid Defendants for the trading system. Mr. Gomberg learned through his investigation that Changes Trading and Changes Worldwide had accounts at Sun Trust Bank, TD Bank, and JPMorgan ("the Banks").

44. Mr. Gomberg sent subpoenas to the Banks for records relating to Changes Worldwide and Changes Trading. The records show that between April 1, 2014 and October 8, 2014 Changes Worldwide and Changes Trading received a total of \$498,600.97 from customers for the purchase of the trading system.

### **II. CONCLUSIONS OF LAW**

#### **A. JURISDICTION AND VENUE**

45. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which provides that whenever it shall appear to the Commission that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

46. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because the Defendants reside or transacts business in this jurisdiction and the acts

and practices in violation of the Act and Regulations occurred, are occurring or are about to occur within this District, among other places.

**B. FRAUD BY A CTA, FRAUD IN CONNECTION WITH ORDERS FOR FUTURES CONTRACTS, AND FAILURE TO MAKE DISCLOSURES REQUIRED OF A CTA**

47. By the conduct described in paragraphs 6 through 44 above, Changes Worldwide and Changes Trading, through the sale of their trading system and ancillary services, acted as CTAs within the meaning of Section 1a(12) of the Act. 7 U.S.C. § 1a(12).

48. By the conduct described in paragraphs 6 through 44 above, Changes Worldwide and Changes Trading, by the use of the internet and other instrumentalities of interstate commerce, directly or indirectly (A) employed a device, scheme, or artifice to defraud customers or prospective customers, and prospective clients or participants; or (B) engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon customers or prospective customers, in violation of Section 4o(1) of the Act. 7 U.S.C. § 6o(1)(A), (B). Regulation 4.41(a) prohibits CTAs from advertising in a similar fraudulent manner. 17 C.F.R. § 4.41(a)(1), (2).

49. By the conduct described in paragraphs 6 through 44 above, Changes Worldwide and Changes Trading cheated or defrauded, or attempted to cheat or defraud, customers and prospective customers in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, in violation of Section 4b(a) of the Act. 7 U.S.C. § 6b(a)(1)(A), (C).

50. By the conduct described in paragraphs 6 through 44 above, Changes Worldwide and Changes Trading, directly or indirectly, in connection with any contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of

any registered entity, intentionally or recklessly: (1) used or employed, or attempted to use or employ, manipulative devices, schemes, or artifices to defraud; (2) made, or attempted to make, untrue or misleading statements of a material fact or omitted to state material facts necessary in order to make the statements made not untrue or misleading; or (3) engaged, or attempted to engage, in acts, practices, or courses of business, which operated or would have operated as a fraud or deceit upon customers or prospective customers, in violation of Section 6(c) of the Act, and Regulation 180.1(a). 7 U.S.C. § 9(1), 17 C.F.R. § 180.1(a)(1)-(3).

51. By the conduct described in paragraphs 17 through 23 and 32 through 36 above, Changes Worldwide and Changes Trading presented the performance of simulated or hypothetical trading in commodity futures without prominently displaying the required disclosures set forth in Regulation 4.41(b). 17 C.F.R. § 4.41(b).

52. By the conduct described in paragraphs 30 and 31 above, Changes Worldwide and Changes Trading advertised in a manner which referred to a testimonial without prominently displaying the required disclosures set forth in Regulation 4.41(a)(3). 17 C.F.R. § 4.41(a)(3).

53. Defendant Timothy Baggett controlled Defendants Changes Worldwide and Changes Trading, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, Changes Worldwide's or Changes Trading's act or acts in violation of the Act and Regulations; therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Defendant Baggett is liable for Change Worldwide's and Changes Trading's violations of Sections 4b(a)(1)(A), (B); 4o(1)(A), (B); and 6(c)(1) of the Act, and Commission Regulations 4.41(a)(1)-(3), (b)(1), (2); and 180.1(a)(1)-(3). 7 U.S.C. §§ 6b(a)(1)(A), (C); 6o(1)(A), (B); and 9(1); 17 C.F.R. §§ 4.41(a)(1)-(3), (b)(1), (2); and 180.1(a)(1)-(3).

54. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendants Baggett, Changes Worldwide, and Changes Trading will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

### **III. ORDER FOR RELIEF**

#### **IT IS HEREBY ORDERED THAT:**

55. The Commission's Motion for Final Judgment by Default, Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief against Defendants Timothy Baggett, Changes Worldwide, and Changes Trading is GRANTED.

#### **IT IS HEREBY ORDERED THAT:**

##### **A. PERMANENT INJUNCTION**

56. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Defendants Timothy Baggett, Changes Worldwide, and Changes Trading are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Using the internet and other instrumentalities of interstate commerce, directly or indirectly to (A) employ a device, scheme, or artifice to defraud customers or prospective customers, and prospective clients or participants; or (B) engage in transactions, practices, or courses of business which operated as a fraud or deceit upon customers or prospective customers, in violation of Section 4o(1) of the Act and Regulation 4.41(a), 7 U.S.C. § 6o(1)(A), (B), and, with respect to advertisements, Regulation 4.41, 17 C.F.R. § 4.41(a)(1), (2).

- b. Presenting the performance of simulated or hypothetical trading in commodity futures without prominently displaying the required disclosures set forth in Regulation 4.41(b). 17 C.F.R. § 4.41(b).
- c. Advertising in a manner which referred to a testimonial without prominently displaying the required disclosures set forth in Regulation 4.41(a)(3). 17 C.F.R. § 4.41(a)(3).
- d. Cheating or defrauding, or attempting to cheat or defraud, customers and prospective customers in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, in violation of Section 4b(a) of the Act. 7 U.S.C. § 6b(a)(1)(A), (C).
- e. Directly or indirectly, in connection with any contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, intentionally or recklessly: (1) using or employing, or attempting to use or employ, manipulative devices, schemes, or artifices to defraud; (2) making, or attempting to make, untrue or misleading statements of a material fact or omitted to state material facts necessary in order to make the statements made not untrue or misleading; or (3) engaging, or attempting to engage, in acts, practices, or courses of business, which operated or would have operated as a fraud or deceit upon customers or prospective customers, in violation of Section 6(c) of the Act, and Regulation 180.1(a). 7 U.S.C. § 9(1), 17 C.F.R. § 180.1(a)(1)-(3).

57. Defendants Timothy Baggett, Changes Worldwide, and Changes Trading, are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40));
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3(yy), 17 C.F.R. §1.3(yy)) for their own personal account or for any account in which they have a direct or indirect interest;
- c. Having any commodity interests traded on their behalf;
- d. Controlling or directing the trading for, or on behalf of, any other person or entity, whether directly or indirectly, by power of attorney or otherwise, in any account involving commodity interests;
- e. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9); and
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person or entity registered, exempted from registration or required to be registered with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).

**B. RESTITUTION**

58. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall pay, jointly and severally, restitution in the amount of four hundred ninety-eight thousand six hundred dollars and ninety-seven cents (\$498,600.97) (“Restitution Obligation”), plus post-judgment interest. Post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

59. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants Timothy Baggett’s, Changes Worldwide’s, or Changes Trading’s customers, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall collect restitution payments from Defendants Timothy Baggett, Changes Worldwide, and Changes Trading, and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA’s appointment as Monitor, other than actions involving fraud.

60. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall make Restitution Obligation payments under this Order to the Monitor in the name “Timothy Baggett/ Changes Trading Fund” and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier’s check, or bank money order, to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606 under cover letter that identifies Timothy Baggett, Changes Worldwide, or Changes Trading and the name and docket number of this proceeding. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading 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 St., NW, Washington, D.C. 20581.

61. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants Timothy Baggett's, Changes Worldwide's, or Changes Trading's customers identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible customers is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part II.C. below.

62. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants Timothy Baggett's, Changes Worldwide's, or Changes Trading's customers to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

63. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants Timothy Baggett's, Changes

Worldwide's, or Changes Trading's customers during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

64. The amounts payable to each customer shall not limit the ability of any customer from proving that a greater amount is owed from Defendants Timothy Baggett, Changes Worldwide, or Changes Trading, or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any customer that exist under state or common law.

65. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each customer of Defendants Timothy Baggett, Changes Worldwide, or Changes Trading who suffered a loss is explicitly made an intended third-party beneficiary of this Order and may seek to enforce obedience of this Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants Timothy Baggett, Changes Worldwide, or Changes Trading to ensure continued compliance with any provision of this Order and to hold Defendants Timothy Baggett, Changes Worldwide, or Changes Trading in contempt for any violations of any provision of this Order.

66. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants Timothy Baggett's, Changes Worldwide's, or Changes Trading's Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

**C. CIVIL MONETARY PENALTY**

67. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall pay, jointly and severally, a civil monetary penalty in the amount of one million four hundred ninety-five thousand eight hundred two dollars and ninety-one cents (\$1,495,802.91) (“CMP Obligation”), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

68. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall pay their 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:

Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables  
DOT/FAA/MMAC/AMZ-341  
CFTC/CPSC/SEC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
(405) 954-7262 office  
(405) 954-1620 fax  
nikki.gibson@faa.gov

If payment by electronic funds transfer is chosen, Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall contact Nikki Gibson or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants Timothy Baggett, Changes

Worldwide, or Changes Trading and the name and docket number of this proceeding.

Defendants Timothy Baggett, Changes Worldwide, or Changes Trading 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.

**D. PROVISIONS RELATED TO MONETARY SANCTIONS**

69. Partial Satisfaction: Acceptance by the Commission/CFTC or the Monitor of any partial payment of Defendants Timothy Baggett's, Changes Worldwide's, or Changes Trading's Restitution Obligation, or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission/CFTC's right to seek to compel payment of any remaining balance.

**E. MISCELLANEOUS PROVISIONS**

70. Notice: All notices required to be given by any provision in this Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Rosemary Hollinger (rhollinger@cftc.gov)  
Deputy Director  
CFTC  
525 W. Monroe St., Suite 1100  
Chicago, IL 60661

Notice to NFA:

Daniel Driscoll, Executive Vice President, COO  
National Futures Association  
300 S. Riverside Plaza, Suite 1800  
Chicago, IL 60606-3447

All such notices to the Commission or the NFA shall reference the name and docket number of this action.

71. Change of Address/Phone: Until such time as Defendants Timothy Baggett, Changes Worldwide, or Changes Trading satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Order, Defendants Timothy Baggett, Changes Worldwide, or Changes Trading shall provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within ten (10) calendar days of the change.

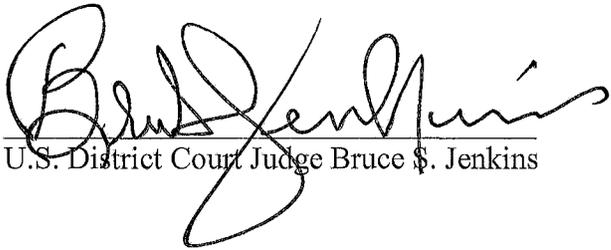
72. Invalidation: If any provision of this Order or if the application of any provision or circumstance is held invalid, then the remainder of this Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

73. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Order and for all other purposes related to this action, including any motion by Defendants Timothy Baggett, Changes Worldwide, or Changes Trading to modify or for relief from the terms of this Order.

74. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Order shall be binding upon Defendants Timothy Baggett, Changes Worldwide, or Changes Trading, upon any person under the authority or control of any of the Defendants Timothy Baggett, Changes Worldwide, or Changes Trading, and upon any person who receives actual notice of this Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants Timothy Baggett, Changes Worldwide, or Changes Trading.

75. There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this Order forthwith and without further notice.

IT IS SO ORDERED at Salt Lake City, Utah on this 1<sup>st</sup> Day of February 2017.

  
U.S. District Court Judge Bruce S. Jenkins