

# United States District Court

EASTERN DISTRICT OF WISCONSIN

U.S. COMMODITY FUTURES  
TRADING COMMISSION,

Plaintiff,

v.

**JUDGMENT IN A CIVIL CASE**

Case No. 13-C-0477

DAVID PRESCOTT,  
a/k/a David Weeks, Individually and  
d/b/a Cambridge Currency Partners,

Defendant.

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This action came before the court, the issues have been decided and a decision has been rendered. Now, therefore,

IT IS ORDERED AND ADJUDGED that

Defendant is permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Cheating or defrauding or attempting to cheat or defraud other persons and willfully deceiving or attempting to deceive other persons by making false, deceptive or misleading representations of material facts, by failing to disclose materials facts, or by misappropriating customer funds in or in connection with any order to make, or the making of, any contract of sale for future delivery, or swap, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market, in violation of Section 4b(a)(2)(A) and (C) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 6b(a)(2)(A), (C) (2012);
- b. Cheating or defrauding or attempting to cheat or defraud other persons and willfully deceiving or attempting to deceive other persons by making false, deceptive or misleading representations of material facts, by failing to disclose materials facts, or by misappropriating customer funds through

the use of the mails or any instrumentality of interstate commerce, in or in connection with any retail forex transaction, in violation of Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1),(3) (2013);

- c. Employing any device, scheme, or artifice to defraud any participant or prospective participant, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any participant or prospective participant, by use of the mails or any means or instrumentality of interstate commerce, while acting as a CPO, in violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2012); and
- d. Acting as a commodity pool operator ("CPO") without the benefit of registration with the U.S. Commodity Futures Trading Commission ("Commission"), in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012) and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2013).

Defendant is also 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 of the Act, 7 U.S.C. § 1a (2012));
- b. Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh) (2013)) ("commodity options"), swaps (as that term is defined in Section 1a(47) of the Act, and as further defined by Commission regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx)); security futures products, and/or foreign currency (as described in Sections 2(c)(2)(B) and/or 2(c)(2)(C)(i) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and/or 2(c)(2)(C)(i)) ("forex contracts") for his own personal account or for any account in which he has a direct or indirect interest;
- c. Having any commodity futures, options on commodity futures, commodity options, swaps, security futures products, and/or forex contracts traded on his behalf;
- d. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, swaps, security futures products, and/or forex contracts;
- e. Soliciting, receiving or accepting funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity

futures, commodity options, swaps, security futures products, and/or forex contracts;

- 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) (2013); and
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2013)), agent or any other officer or employee of any person (as that term is defined in Section 1a(28) of the Act, 7 U.S.C. § 1a(28) (2012)) 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) (2013).

Defendant shall pay restitution in the amount of \$455,098 (“Restitution Obligation”). Post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this judgment and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this judgment pursuant to 28 U.S.C. § 1961 (2012).

To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendant’s pool participants, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall collect restitution payments from Defendant 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.

Defendant shall make Restitution Obligation payments under this judgment to the Monitor in the name “Prescott/Cambridge Currency Partners – Restitution Fund” and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S.

postal money order, certified check, bank cashier's, 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 the Defendant and the name and docket number of this proceeding. Defendant 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.

The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in any equitable fashion to the Defendant's pool participants 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 participants and customers is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth below.

Defendant shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendant's participants to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendant shall execute any documents necessary to release funds that he has in any repository, bank,

investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendant's participants 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.

The amount payable to each participant shall not limit the ability of any participant from proving that a greater amount is owed from Defendant or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any participant that exists under state or common law.

Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each participant of Defendant who suffered a loss is explicitly made an intended third-party beneficiary of this judgment and may seek to enforce obedience of this judgment to obtain satisfaction of any portion of the restitution that has not been paid by Defendant to ensure continued compliance with any provision of this judgment and to hold Defendant in contempt for any violation of any provision of this judgment.

To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendant's Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

Defendant shall pay a civil monetary penalty in the amount of \$1,365,294 ("CMP Obligation"), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this judgment and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this judgment pursuant to 28 U.S.C. § 1961 (2012).

Defendant shall pay his 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 – AMZ 340  
E-mail Box: 9-AMC-AMZ-AR-CFTC  
DOT/FAA/MMAC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone: (405) 954-5644

If payment by electronic funds transfer is chosen, Defendant shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendant shall accompany payment of the CMP Obligation with a cover letter that identifies Defendant and the name and docket number of this proceeding. Defendant 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.

Any acceptance by the Commission or the Monitor of partial payment of Defendant's Restitution Obligation or CMP Obligation shall not be deemed a waiver of his obligation to make further payments pursuant to this judgment, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

Defendant shall not transfer, or cause others to transfer, funds or other property to the custody, possession, or control of any members of his family or any other person or entity for the purpose of concealing such funds from this court, the Commission, or the Monitor until the Restitution Obligation and the CMP Obligation set forth above have been satisfied in full.

All notices required by this judgment shall be sent by certified mail, return receipt requested. Notices to the CFTC shall be sent to the Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581. Defendant shall provide the CFTC with written notice of all changes to his contact telephone numbers and/or mailing addresses within 10 calendar days of the change(s). Until such time as Defendant satisfies his Restitution and CMP Obligations as set forth in this judgment, Defendant shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within 10 calendar days of the change.

The injunctive and equitable relief provisions of this judgment shall be binding upon Defendant, upon any person under his authority or control, and upon any person who receives actual notice of this judgment, by personal service, email, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendant.

This court shall retain jurisdiction of this cause to assure compliance with this judgment and the Restitution Obligation and for all other purposes related to this action. This judgment shall be interpreted and enforced according to the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the Eastern District of Wisconsin, and all provisions of the Act and Commission Regulations relating or referring to the obligations hereunder.

APPROVED: s/ C.N. CLEVERT, JR.  
C.N. CLEVERT, JR.  
U.S. District Judge

JON W. SANFILIPPO  
Clerk

10/31/2013  
Date

s/ C. Fehrenbach  
(By) Deputy Clerk