

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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4:14 pm, Mar 13, 2014

MICHAEL E. ROSE

v.

NATIONAL FUTURES ASSOCIATION

and

MARTIN BEDICK

v.

NATIONAL FUTURES ASSOCIATION

CFTC Docket No. CRAA-12-04

CFTC Docket No. CRAA-12-05

ORDER OF SUMMARY AFFIRMANCE

Our review of the record and the parties' briefs establishes that the findings and conclusions of the National Futures Association ("NFA") Appeals Committee are supported by the weight of the evidence and we therefore adopt them. We also find that none of the respondents' arguments on appeal raise important questions of law or policy. Accordingly, we summarily affirm the decision of the NFA Appeals Committee.

Michael E. Rose ("Rose") and Martin H. Bedick ("Bedick") were found to have violated NFA Compliance Rule 2-4 (failing to observe high standards of commercial honor and just and equitable principles of trade) in the exercise of their duties as principals of Angus Jackson, Inc. of Florida, an introducing broker and NFA Member. Bedick and Angus Jackson were also found to have violated NFA Compliance Rule 2-2(f) for willfully submitting false or misleading information to NFA. Angus Jackson was further found to have violated NFA Bylaws 1101 and 301(b) by conducting futures business with a non-NFA Member and permitting an unregistered

individual to act as an associated person of the firm. Angus Jackson was also found to have violated NFA Compliance Rules 2-9(c) (failing to develop and implement an adequate anti-money laundering program) and 2-26 (co-mingling customer and non-customer orders and improper post-execution of bunched customer orders).

NFA imposed upon Rose a two-year ban from registration and a permanent ban against acting as a principal of any NFA Member. NFA imposed upon Bedick a seven-year ban from registration and a permanent ban against acting as a principal of any NFA Member. It imposed upon Angus Jackson a seven-year ban from acting as a principal of any NFA Member, and a \$25,000 fine in the event that Angus Jackson applies for and is granted NFA membership or principal status in the future.

The appeals of Rose, Bedick, and Angus Jackson have not established the clear error required for a reversal of a final decision of the NFA in a disciplinary action as set forth in Commission Regulation 171.34(a), 17 C.F.R. §171.34(a).¹

Section 17(i) of the Commodity Exchange Act provides that, during a review of a final disciplinary action taken by a registered futures association against a member, “if the Commission finds that the member or person associated with a member has engaged in the acts or practices, or has omitted the acts, that the association has found the member or person to have engaged in or omitted; the acts or practices, or omissions to act, are in violation of the rules of

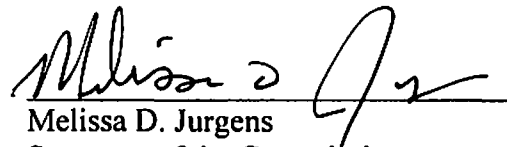
¹ On appeal, Rose argues that he did not have executive responsibilities at Angus Jackson; that he reasonably believed that Angus Jackson was in compliance with all applicable laws; and that he had no reasonable duty to suspect foul play. Rose argues that the Appeals Committee’s decision should be set aside, or, if not set aside, the penalty reduced to one year including time served. Bedick and Angus Jackson argue on appeal that a person is either exempt from registration as a commodity trade advisory (“CTA”) pursuant to 7 U.S.C. § 6m and 17 C.F.R. 4.14(a)(1) or not, and that they should not have been required to prove CTA status of a person to whom they paid commissions. Bedick and Angus Jackson further argue that the sanctions imposed by the NFA are inappropriate based on the specific facts of this case. Bedick and Angus Jackson argue that if a sanction is imposed, it should be limited to no more than a one-year suspension. We do not find these arguments persuasive. Additionally, the sanctions imposed upon respondents are consistent with those the NFA has imposed in similar circumstances, and Rose, Bedick, and Angus Jackson have not met their burden of showing that the sanctions here are oppressive or excessive in light of the violation found.

the association specified in the determination of the association; and such rules are, and were applied in a manner, consistent with the purposes of this Act, the Commission, by order, shall so declare and, as appropriate, affirm the sanction imposed by the association....” 7 U.S.C.

§ 21(i)(1)(A). Additionally, 17 C.F.R. §171.33(b) provides that where the Commission finds that the result reached by the NFA is “substantially correct and that none of the arguments on appeal made by the appellant[s] raise important questions of law or policy, the Commission may...summarily affirm the decision without opinion.” The decision of the Appeals Committee is supported by the weight of the evidence, is not clearly erroneous, and the sanctions levied are neither excessive nor oppressive in light of the violations found.²

IT IS SO ORDERED.

By the Commission (Chairman GENSLER and Commissioners CHILTON, O’MALIA, and WETJEN.)


Melissa D. Jurgens
Secretary of the Commission
Commodity Futures Trading Commission

Dated: December 2, 2013

² Pursuant to Commission Regulation 171.33(b), 17 C.F.R. § 171.33(b), neither the Commission’s order of summary affirmation nor the NFA’s underlying order shall serve as Commission precedent in other proceedings.