

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: 05-CIV-60342-COOKE/BROWN

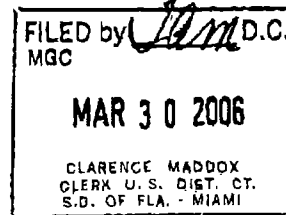
COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

SONOMA TRADING CORPORATION,
WILLIAM DAVID SEIGLER, JR.,

Defendants.



**JUDGMENT BY DEFAULT AND
ORDER OF PERMANENT INJUNCTION**

Plaintiff, Commodity Futures Trading Commission, has moved this Court for Judgment by Default and Order of Permanent Injunction. Based upon plaintiff's memorandum in support of its motion and exhibits attached thereto, the record in this case, and the Court being otherwise advised in the premises, it is:

HEREBY ORDERED that plaintiff's motion is granted and judgment by default is entered against the defendants, Sonoma Trading Corporation and William David Seigler, Jr.;

IT IS FURTHER ORDERED that the Court finds that:

This Court has jurisdiction over the subject matter of this action and the defendants pursuant to Section 6c of the Commodity Exchange Act ("Act"), 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive relief against any person whenever it shall appear

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that such 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 thereunder; and that venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1, in that the acts and practices in violation of the Act occurred within this district, among other places; and that:

The defendants have violated Section 4c (b) of the Commodity Exchange Act ("Act"), 7 U.S.C. §6c (b) (2002) and Commission Regulation ("Regulation") 32.11(a), 17 C.F.R. §32.11(a) (2004) and Section 4c (b), 7 U.S.C. § 6c (b) (2002) and Regulation 30.4(a), 17 C.F.R. § 30.4(a) (2004) as alleged in the Complaint and that there is the likelihood of future such violations, to wit, the defendants have solicited and/or accepted orders for, and/or accepted money, securities or property in connection with, the purchase and sale of commodity options when: (a) such transactions have not been conducted or executed on or subject to the rules of a contract market, or a foreign board of trade in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.11(a), 17 C.F.R. § 32.11(a) and the defendants have failed to be registered as a futures commission merchant ("FCM") in violation of Section 4c (b), 7 U.S.C. § 6c (b) (2002) and Regulation 30.4(a), 17 C.F.R. § 30.4(a) (2004); by, among other things, the following acts:

- a) On or about December 30, 2002, the defendants caused the website domain name [www. SonomaTrading.com](http://www.SonomaTrading.com) to be registered in the name of "Sonoma Trading Corporation."

- b) Through the Sonoma website, the defendants solicit the public in Florida and throughout the United States to speculate in “the up and down price movements within the global currency markets” by purchasing foreign currency options through the defendants.
- c) The clients are then instructed to wire transfer funds to a U.S. based bank that acts as a conduit for the immediate routing of those funds to an account denominated “Customer Segregated Funds” held by Sonoma at a bank located in San Jose, Costa Rica.
- d) Sonoma states in its New Account Documents that “Neither the company or its officers, managers or agents are licensed with any state or federal agency.”
- e) From at least December 2002, neither Sonoma nor Seigler have been registered with the Commission in any capacity or designated by the Commission as a contract market or derivatives transactions execution facility.
- f) The defendants solicited or accepted orders for foreign options, which are transactions or agreements which are or are held out to be of the character of, or are commonly known to the trade as, an option made or to be made on or subject to the rules of any foreign board of trade.
- g) Sonoma solicited customers who were foreign options customers, namely, persons located in the United States, its territories or possessions who trade in foreign options.
- h) The transactions defendants purport to offer were not conducted on a contract market or a foreign board of trade;

IT IS FURTHER ORDERED that the defendants are hereby permanently enjoined from violating the Commodity Exchange Act and Regulations as charged and found herein, to wit, by soliciting and/or accepting orders for, and/or accepting money, securities or property in connection with, the purchase and sale of commodity options when such transactions have not been conducted or executed on or subject to the rules of a contract market, or a foreign board of trade in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.11(a), 17 C.F.R. § 32.11;

IT IS FURTHER ORDERED that the defendants are hereby permanently enjoined from violating the Commodity Exchange Act and Regulations as charged and found herein, to wit, by failing to be registered as an FCM in violation of Section 4c (b), 7 U.S.C. § 6 c (b) (2002) and Regulation 30.4(a), 17 C.F.R. § 30.4(a) (2004);

IT IS FURTHER ORDERED that the defendants are assessed a civil monetary penalty of \$500,000 for violations of the Commodity Exchange Act and the Regulations.

DONE AND ORDERED in Miami, Florida,

this 30 day of March 2006.



THE HONORABLE MARCIA G. COOKE
UNITED STATES DISTRICT JUDGE