

**In The United States District Court
For The Northern District Of Illinois
Eastern Division**

**Commodity Futures Trading
Commission,**

Plaintiff,

v.

Peter D. Hoffman,

Defendant.

Civil Action No. 06C 6473

Judge Joan H. Lefkow

Magistrate Judge Cole

~~Proposed~~ **STATUTORY RESTRAINING ORDER**

The Court having read the Complaint for Injunctive and Other Equitable Relief, the Plaintiff's Motion for a Statutory Restraining Order ("SRO") on Notice, the Brief in Support of Plaintiff's Motion for a SRO, the Declarations of Howard Black, Robert Spiegel, Peter Palomino, Lewis Daniels, John Wubbenhorst, Larry Propp, Gerald Haynes, and Thomas Koprowski, excerpts of transcripts of testimony of Carolyn Ensley and Steven Camp, and the exhibits and attachments thereto, and all other papers filed herein by the Plaintiff, Commodity Futures Trading Commission ("Commission"),

THE COURT FINDS:

1. The Court has jurisdiction over the subject matter.
2. Section 6c of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 13a-1 (2002), permits this Court to enter a statutory restraining order ("SRO").
3. It appears to the satisfaction of the Court that there is good cause to believe that the Defendant, Peter Hoffman ("Hoffman"), has engaged, is engaging in and is about to engage in violations of the March 1999 Commission Order and Sections 4b(a)(2)(i) and (iii), 4c(b), 4o(1), 4m(1) and 6c of the Act and Commission Regulation 33.10(a) and (c), 7 U.S.C.

§§ 6b(a)(2)(i) and (iii), 6c(b), 6o(1), 6m(1) and 13a-1 (2002), and 17 C.F.R. § 33.10(a) and (c) (2006).

4. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for clients in the form of monetary redress will occur from the sale, transfer, assignment, or other disposition by the Defendant of his assets or destruction of records unless the Defendant is immediately restrained and enjoined by Order of this Court and, accordingly, there is good cause to issue this order

5. It further appears to the satisfaction of the Court that this is a proper case for granting a statutory restraining order to preserve the *status quo* and to protect public clients from further loss and damage.

ORDER

DEFINITIONS

For the purposes of this Order, the following definitions apply:

6. "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including but not limited to chattels, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries, inventory, checks, notes, accounts including bank accounts and accounts at financial institutions, credits, receivables, lines of credit, contracts including spot and futures contracts, insurance policies, and all cash, wherever located.

7. The term "document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes, writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

8. "Defendant" means Peter D. Hoffman, and any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee or attorney of Hoffman, and any person who receives actual notice of this Order by personal service or otherwise, including Federal Express and facsimile, insofar as he or she is acting in concert or participation with Hoffman.

RELIEF GRANTED
STATUTORY RESTRAINING ORDER

I. ASSET FREEZE

IT IS ORDERED that Defendant is restrained and enjoined from directly or indirectly withdrawing, transferring, removing, dissipating, selling, alienating, liquidating, encumbering, pledging, leasing, loaning, assigning, concealing, converting, or otherwise disposing of any funds, assets or other property, wherever located, including funds, property or assets held outside the United States, except as ordered by the Court. The assets affected by this Paragraph shall include both existing assets and assets acquired after the effective date of this Order, as well as accounts not specifically identified below.

IT IS FURTHER ORDERED that, pending further Order of this Court, any financial or brokerage institution, business entity, or person that holds, controls, or maintains custody of any funds, assets or other property of the Defendant, or has held, controlled, or maintained custody of any funds, assets or other property of the Defendant, and who receives notice of this order by any means, including facsimile and Federal Express, shall:

A. Prohibit Defendant and any other person from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any such asset except as directed by further order of the Court;

B. Deny Defendant, and all other persons access to any safe deposit box that is:

1. titled in the name of the Defendant, either individually or jointly; or
2. otherwise subject to access by the Defendant;

C. Provide counsel for the CFTC within five (5) business days of receiving a copy of this Order, a statement setting forth:

1. the identification number of each such account or asset titled in the name, individually or jointly, of the Defendant, or held on behalf of, or for the benefit, of the Defendant;

2. the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and

3. the identification of any safe deposit box that is either titled in the name, individually or jointly, of the Defendant, or is otherwise subject to access by the Defendant;

D. Upon the request by the CFTC, promptly provide the CFTC with copies of all records or other documentation pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Cooperate with all reasonable requests of the CFTC relating to implementation of this Order, including producing records related to Defendant's accounts and Defendant's businesses.

II. PROHIBITION OF DESTRUCTION OF BOOKS AND RECORDS

IT IS FURTHER ORDERED that the Defendant and all persons or entities who receive notice of this Order by personal service or otherwise, including facsimile and Federal Express, are restrained and enjoined from directly or indirectly destroying, mutilating, erasing, altering, concealing or disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or business or personal finances of the Defendant.

III. ACCESS TO AND INSPECTION OF BOOKS AND RECORDS

IT IS FURTHER ORDERED that representatives of the CFTC be allowed immediately to inspect the books, records, and other documents of the Defendant and his agents including, but not limited to, electronically stored data, tape recordings, and computer discs, wherever they may be situated and whether they are in the possession of the Defendant or others, and to copy said documents, data and records, either on or off the premises where they may be situated including but not limited to:

A. A list of all persons and entities whose commodity futures and options trading accounts were directed by, or "mentored" by the Defendant as described in the Complaint in this action from April 1999 to the present, including the name, address, telephone number, date(s) of relationship, amounts of funds traded, a description of the provided service, and any correspondence relating to the directing of trading;

B. Copies of all commodity brokerage account documents reflecting all deposits and trades made or directed by Defendants from April 1999 to the present;

C. Scripts, past and current promotional materials, and advertisements relating to the services described in the Complaint; and

D. All records, including trading logs relating to the activities described in the Complaint.

IV. SERVICE OF ORDER

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission and Federal Express, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of the Defendant, or that may be subject to any provision of this Order. Tom Koprowski, William Heitner, Cynthia Cannon, and Venice Bickham, all employees of the CFTC, are hereby specially appointed to serve process, including this Order and all other papers in this cause.

IT IS FURTHER ORDERED that the Defendant shall serve all pleadings, correspondence, notices required by this Order, and other materials on the Commission by delivering a copy to Jennifer S. Diamond, Trial Attorney or Susan J. Gradman, Trial Team Leader, Division of Enforcement, Commodity Futures Trading Commission, 525 W. Monroe, Suite 1100, Chicago, Illinois 60661.

V. Court Maintains Jurisdiction

IT IS FURTHER ORDERED that this Statutory Restraining Order shall remain in full force and effect until further Order of this Court, upon application, notice and an opportunity to be heard, and that this Court retains jurisdiction of this matter for all purposes.

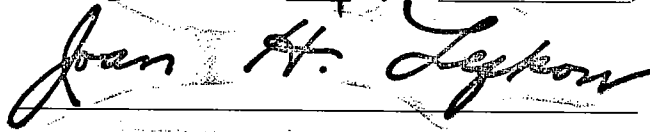
VI. Further Court Hearings

6. IT IS FURTHER ORDERED that this matter is set for a status hearing on _____

7. 14. IT IS FURTHER ORDERED that plaintiff's Motion for a Preliminary Injunction is set for hearing on Dec. 5, 2006 at 2:00 pm.

IT IS SO ORDERED.

Signed at 10:10 o'clock am on the 29 day of November, 2005

Handwritten signature of Joan H. Leyton in cursive script.

UNITED STATES DISTRICT JUDGE