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UNITED STATES OF AMERICA
COMMODITY FUTURES TRADING COMMISSION
CLERK

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:	:	CFTC Docket No. 99-4
	:	
	:	
KYLER F. LUNMAN II & HOLD TRADE INC.,	:	ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AS TO KYLER F. LUNMAN II AND HOLD TRADE INC.
	:	
Respondents.	:	

I.

On February 4, 1999, the Commodity Futures Trading Commission ("Commission") filed a Complaint and Notice of Hearing ("Complaint") against Kyler F. Lunman II, Hold Trade, Inc. and others.¹ The Complaint charged, *inter alia*, that Respondents Kyler F. Lunman II ("Lunman") and Hold Trade, Inc., a/k/a Hold-Trade Ltd. ("Hold Trade") with violating or having violated Sections 4b(a)(i)-(iii) of the Commodity Exchange Act, as amended (the "Act"), 7 U.S.C. §§ 6b(a)(i)-(iii) (1999) pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), and former Section 2(a)(i)(A)(iii), 7 U.S.C. § 4 (as to Hold Trade only). In January 2001, the the Administrative Law Judge dismissed one count of the Amended Complaint and granted partial summary disposition against all Respondents on all remaining issues of liability in the Amended Complaint.

II.

In order to dispose of the remaining allegations and issues raised in the Amended Complaint as to themselves, Respondents Lunman and Hold Trade have submitted a joint offer of settlement that the Commission has decided to accept. Without admitting or denying the allegations in the Amended Complaint or the findings of fact in this Order Making Findings and Imposing Remedial Sanctions ("Order"), Respondents Lunman and Hold Trade acknowledge service of this Order, and consent, solely on the basis of their

¹ The original complaint was filed December 22, 1998, but was later amended to include a new respondent.

joint offer, to the use of the findings herein in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party.²

III.

The Commission finds the following:

A. SUMMARY

Between at least November 1993 and November 1994, Lunman, Hold Trade and others engaged in a scheme to fraudulently allocate trades belonging to Coastal Corporation ("Coastal") to themselves for profit. One respondent, a former futures trader at Coastal, used his position to identify certain profitable trades made on behalf of Coastal. This respondent then coordinated with a telephone clerk of Refined Energy Executions, Inc. ("Refined"), a floor operation at the New York Mercantile Exchange ("NYMEX"), to allocate the profitable trades belonging to Coastal to accounts belonging to Lunman and Hold Trade.

Lunman and Hold Trade distributed the profits from these allocated trades among the scheme's participants, including themselves. Lunman and Hold Trade knowingly aided and abetted the allocation of Coastal trades on at least fourteen different days within the time period, and generated illegal profits of at least \$276,557.

B. SETTLING RESPONDENTS

Kyler F. Lunman II is or was the President of Hold Trade and controlled commodity futures trading accounts in Hold Trade's name. Lunman has been registered with the Commission in various capacities between 1984 and 1997.

Hold Trade, Inc., a/k/a Hold-Trade Ltd. is or was a Delaware Corporation whose principal place of business was in Red Bank, New Jersey. Hold Trade's President was Respondent Lunman and its bank and commodity futures accounts were controlled by Lunman. Hold Trade has never been registered with the Commission in any capacity.

C. FACTS

Coastal's business, directly and through its various subsidiaries and divisions, included petroleum refining, marketing and distribution, natural gas transmission and storage, and oil and gas exploration and production. Coastal traded in the futures markets primarily to hedge the value of its positions in raw materials and refined products.

The scheme described below involved a futures trader at Coastal, a telephone clerk for Refined Energy Executions, Inc., a/k/a Refine Executions, Inc. ("Refined") on

² Provided, however, that Lunman and Hold Trade do not consent to the use of this Order or this Offer as the sole basis for any other proceeding brought by the Commission other than a proceeding to enforce the terms of this Offer or the Order, or the findings in the Order consented to in this Offer.

the floor of the NYMEX, the owner of Refined, and Lunman and Hold Trade. Lunman was friends and business partners with the owner of Refined and controlled commodity futures trading accounts in Hold Trade's name.

During the relevant period, the Coastal futures trader and the Refined floor clerk, with the knowledge of Lunman and Hold Trade, misappropriated numerous Coastal futures transactions, including outright trades and intracommodity spreads, but also portions of intercommodity crack spreads, *i.e.*, the coordinated purchase and sale of crude oil futures against the sale or purchase of heating oil and unleaded gasoline futures. These individuals then wrongfully allocated the misappropriated trades to brokerage accounts controlled by Lunman and Hold Trade.

In general, the scheme worked like this: the Coastal futures trader placed orders for Coastal to buy or sell futures contracts or spreads in crude oil, heating oil, and unleaded gasoline on the NYMEX by contacting the Refined telephone clerk at its crude oil booth. The Refined telephone clerk then prepared the written order tickets and relayed the orders to the floor ring to be executed. After the executed orders were returned to the Refined telephone clerk, he contacted the Coastal futures trader to confirm the fills.

The Coastal futures trader then watched the market closely to identify opportunities to obtain a profitable offset of some or all of Coastal's open position. When such an opportunity arose, the Coastal futures trader instructed the Refined telephone clerk to offset all or a portion of Coastal's initial transaction, and designate the offsetting trade as belonging to other scheme participants rather than Coastal. To further the allocation, the Coastal futures trader caused Coastal's original order ticket to be changed to assign part or all of the trade to a scheme participant. To complete the misappropriation, the Coastal futures trader directed the Refined telephone clerk to place another order for Coastal to replace the contracts previously misallocated. Because the market had moved since the original Coastal trade, the price at which this later trade was filled was almost always worse than the original price for the trade, thus costing Coastal money.

The profitable misappropriated trades were placed in accounts controlled by Lunman and Hold Trade. All respondents benefited financially from the wrongful allocation of Coastal's trades. Both Lunman and Hold Trade received profits from this trading allocation scheme and distributed the illegal proceeds to the other scheme participants.

During the relevant time period, Respondents Lunman and Hold Trade knowingly aided and abetted the fraudulent allocation of trades belonging to Coastal into accounts controlled by themselves on at least the following days: November 11, 1993; November 12, 1993; December 14, 1993; December 27, 1993; January 19, 1994; February 9, 1994; February 10, 1994; February 14, 1994; February 15, 1994; February 16, 1994; February 17, 1994; October 11, 1994; and November 4, 1994. As a result these fraudulent allocations, Lunman, Hold Trade, and the other scheme participants obtained \$276,557.

D. LEGAL DISCUSSION

1. **Lunman and Hold Trade Aided and Abetted a Fraudulent Allocation Scheme**

Sections 4b(a)(i)-(iii) of the Act³ prohibit any person from cheating, defrauding, willfully deceiving or making false reports to, or attempting to cheat, defraud, or willfully deceive or make false reports to, other persons in, or in connection with, the purchase and sale of commodity futures contracts.

Under Section 13(a) of the Act, any person who commits, or willfully aids, abets, counsels, commands, induces, or procures any violation of the Act or the Commission's Regulations or who acts in concert with any person who violates the Act or Regulations may be held responsible for such violation as a principal.

Under former Section 2(a)(1)(A)(iii) of the Act,⁴ the act, omission, or failure of any official, agent, employee, or other person acting for any individual or entity within the scope of his employment or office shall be deemed the act, omission, or failure of such individual or entity, as well as of such agent or employee.

The Coastal futures trader fraudulently allocated profitable trades belonging to Coastal to accounts controlled by other scheme participants and made replacement trades at worse prices to cover up his allocations. Section 4b(a) prohibits the fraudulent allocation of winning and losing trades. *In re Lincolnwood Commodities, Inc.*, [1982-1984 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 21,986 at 28,246 (CFTC Jan. 31, 1984) (respondents allocated winning day trades to their account and losing day trades to customers' accounts); *In re GNP Commodities, Inc.*, [1990-1992 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 25,360 at 39,206 (CFTC Aug. 11, 1992) (allocating winning trades to respondents' accounts and losing trades to customer's account violates Section 4b); *In re Nikkhah*, [1999-2000 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 28,129 at 48,879 (CFTC May 12, 2000) (allocating trades to the benefit of one customer and to the detriment of another violates Section 4b). These kinds of allocations violate Section 4b(a) because arbitrarily allocating winning trades to one account and losing trades to another account is unfair and deprives the customer of a fair opportunity for profitable trades. *In re Nikkhah*, ¶ 28,129 at 49,885.

A Section 4b violation also requires that the wrongdoer acted with scienter. *See Drexel Burnham Lambert, Inc. v. CFTC*, 850 F.2d 742, 748 (D.C. Cir. 1988). A finding of scienter can be supported by proof of recklessness and by inferences from circumstantial evidence. *CFTC v. Savage*, 611 F.2d 270, 283 (9th Cir. 1979); *In re JCC, Inc.*, [1992-1994 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26.080 at 41,579 (CFTC May 12, 1994), *aff'd sub nom. JCC, Inc. v. CFTC*, 63 F.3d 1557 (11th Cir. 1995).

³ This order uses the provisions originally charged. These sections are now Sections 4b(a)(2)(i)-(iii).

⁴ This section is now Section 2(a)(1)(B) of the Act.

The Coastal futures trader intentionally and willfully allocated trades belonging to Coastal. Lunman and Hold Trade knowingly and willfully aided and abetted those allocations by providing the futures accounts into which the misappropriated trades were allocated. Lunman and Hold Trade also distributed the illicit profits among the scheme participants. Therefore, Lunman and Hold Trade violated Sections 4b(a)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii), pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a). Since Lunman was the President of Hold Trade and his violations occurred in the course of his employment, Hold Trade is also liable for Lunman's violations pursuant to former Section 2(a)(1)(A)(iii) of the Act, 7 U.S.C. § 4.

IV.

JOINT OFFER OF SETTLEMENT

Respondents have submitted a Joint Offer of Settlement in which they neither admit nor deny the allegations in the Amended Complaint or the findings in the Order. Subject to the foregoing, Respondents Lunman and Hold Trade acknowledge service of this Order and admit the jurisdiction of the Commission with respect to the matters set forth in the Amended Complaint and the Order. They waive: (1) a hearing and all post-hearing procedures; (2) judicial review by any court; (3) any objection to the staff's participation in the Commission's consideration of the Joint Offer; (4) all claims which they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2000) and 28 U.S.C. § 2412 (2000), and Part 148 of the Regulations, 17 C.F.R. §§ 148.1, *et seq.*, relating to or arising from this proceeding or Order; and (5) any claim of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief.

Respondents Lunman and Hold Trade stipulate that the record basis on which this Order is entered consists of the Amended Complaint, and the Order and findings to which they have consented in their Joint Offer. Respondents Lunman and Hold Trade consent to the Commission's issuance of this Order, which makes findings as set forth herein and orders:

that:

- a) Respondents Lunman and Hold Trade cease and desist from violating the provisions of the Act and the Regulations that they have been found to have violated;
- b) Respondents Lunman and Hold Trade pay restitution jointly and severally with other respondents in the amount of \$276,557 plus post-judgment interest at the federal judgment rate pursuant to a ten-year payment plan ("payment plan");

- c) Respondents Lunman and Hold Trade pay a contingent civil monetary penalty (“CMP”) of \$250,000 pursuant to a payment plan;
- d) Respondent Lunman be prohibited, for a ten-year period, from trading on or subject to the rules of any contract market, and direct that all contract markets refuse all trading privileges to him during this period; be permanently prohibited from trading on or subject to the rules of any contract market; and
- e) Respondents Lunman and Hold Trade comply with the undertakings as set forth in the Joint Offer and incorporated in this Order.

V.

FINDINGS OF VIOLATIONS

Solely on the basis of the consents evidenced in Lunman and Hold Trade’s Joint Offer and prior to any further proceedings, the Commission finds that Lunman and Hold Trade violated Sections 4b(a)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii) (1999), pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), and, as to Hold Trade only, Section 2(a)(1)(B) of the Act, 7 U.S.C. § 4.

VI.

ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Lunman and Hold Trade shall cease and desist from violating Sections 4b(a)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii) (1999), pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), and, as to Hold Trade only, Section 2(a)(1)(B) of the Act;
- B. Lunman is prohibited from trading for himself or others on or subject to the rules of any registered entity for a period of ten (10) years, and directs all registered entities to refuse Lunman privileges, beginning on the third Monday after the date of this Order;
- C. Hold Trade is permanently prohibited from trading for itself or others on or subject to the rules of any registered entity and directs all registered entities to refuse Hold Trade privileges, beginning on the third Monday after the date of the Order;

- D. Lunman and Hold Trade shall pay restitution, jointly and severally with other respondents, of \$276,557 plus post-judgment interest at the federal judgment rate, as set forth in 28 U.S.C. § 1961(a), (the "Restitution Amount"), as compensation directly to Coastal or its successor, pursuant to a payment plan, as provided below. Under the plan, Lunman and Hold Trade shall make an annual restitution payment ("Annual Restitution Payment") as directed by a monitor designated by the Commission (the "Monitor") on or before July 31 of each calendar year, starting in calendar year 2005 and continuing for ten years (or until the Restitution Amount is paid in full, if that occurs first).⁵ Lunman and Hold Trade shall make each such Annual Restitution Payment by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Monitor⁶ and sent to Daniel Driscoll or his successor, Executive Vice President, National Futures Association, 200 West Madison Street, Chicago, IL 60606, under cover of letter that identifies Lunman and Hold Trade and the name and docket number of this proceeding;

The Commission notes that in the related criminal action, *United States v. Robert C. Rossi, et al.*, Criminal Action No. H-99-40 (S.D. Tex.), Lunman has been ordered to pay, jointly and severally with the other defendants therein, the same amount of restitution that he has been ordered to pay in this proceeding. The Commission shall credit Lunman and Hold Trade, dollar for dollar, any restitution that Lunman or the other defendants in *U.S. v. Rossi, et al.* pay Coastal, provided that Lunman submit proof of such restitution payment(s) to the Division of Enforcement, including any determination by any relevant court of the amount of the restitution paid; Lunman shall transmit a copy of the cover and form of payment, and proof of any restitution payment(s), to the Director, Division of Enforcement,

⁵ If the Monitor determines that an Annual Restitution Payment is due, then the Monitor will increase the amount of the remaining restitution payment by post-judgment interest calculated to the date of the payment based on the total remaining restitution obligation, pursuant to 28 U.S.C. § 1961. The Monitor shall then disburse any payment by Lunman and/or Hold Trade to Coastal Corp., or its successor, in the appropriate amount. Based upon the amount of funds available, the Monitor may decide to defer distribution. If, at the end of the ten-year period, any amount of the Annual Restitution Payments has not been distributed, that amount shall instead be paid and applied as a payment to the civil monetary penalty obligation, as provided below.

⁶ Lunman and Hold Trade agree that the National Futures Association is hereby designated as the Monitor for a period of ten years commencing from January 1, 2005. Notice to the Monitor shall be made to Daniel Driscoll or his successor, Executive Vice President, National futures Association, 200 West Madison Street, Chicago, IL 60606. For ten years, based on Lunman and Hold Trade's sworn financial statements, tax returns, and other financial information and records provided to the Monitor, the Monitor shall calculate the total amount of the Annual Restitution Payment and/or Annual CMP Payment to be paid by Lunman and Hold Trade for the year. On or before June 30 of each year and starting in calendar year 2005, the Monitor shall also send written notice to Lunman and Hold Trade with instructions to pay by no later than July 31 of that year the amount of the restitution and/or civil monetary penalty pursuant to the payment instructions provided above.

Commodity Futures Trading Commission, 1155 21st Street, NW,
Washington, D.C. 20581;

- E. Lunman and Hold Trade shall pay, jointly and severally as regards one another, a contingent civil monetary penalty in the amount of up to \$250,000 ("CMP Amount"), pursuant to a payment plan described below. Pursuant to the plan, Lunman and Hold Trade shall make an annual civil monetary penalty payment ("Annual CMP Payment") following Lunman and Hold Trade's discharge of their restitution obligation, on or before July 31 of each calendar year and continuing until December 31, 2015, (or until the CMP Amount is paid in full, if that occurs first).⁷ Lunman and Hold Trade shall make each such Annual CMP Payment by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Commodity Futures Trading Commission, and sent to Dennese Posey, or her successor, Commodity Futures Trading Commission, 1155 21st Street, NW, Washington, D.C. 20581, under cover of letter that identifies Lunman and Hold Trade and the name and docket number of this proceeding. Lunman and Hold Trade shall simultaneously transmit a copy of the cover letter and the form of payment to the Director, Division of Enforcement, Commodity Futures Trading Commission, 1155 21st Street, NW, Washington, DC 20581;

The amount of Lunman and Hold Trade's Annual Payment shall consist of a portion of: (1) the adjusted gross income (as defined by the Internal Revenue Code) earned or received by Lunman and Hold Trade during the course of the preceding calendar year; plus (2) all other net cash receipts, net cash entitlements, or net proceeds of non-cash assets received by him during the course of the preceding calendar year. The Annual Payment will be determined as follows:

Where Adjusted Gross Income Plus Net Cash Receipts Total:	Percent of Total to be Paid by Lunman and Hold Trade is:
Up to \$25,000	0%
\$25,001-\$50,000	20% of the amount above \$25,000
\$50,001-\$100,000	\$5,000 (this represents 20% of the amount between \$25,000 and \$50,000) plus 30% of the amount above \$50,000
Above \$100,000	\$20,000 (this represents

⁷ Should the amount due under the payment plan for any Annual Restitution Payment be greater than the balance due on Lunman and Hold Trade's Restitution Obligation, the amount due under the payment plan not paid as restitution will constitute Lunman and Hold Trade's first Annual CMP Payment.

	20% of the amount between \$25,000 and \$50,000, plus 30% of the amount between \$50,000 and \$100,000) plus 40% of the amount above \$100,000.
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- F. In the event that Lunman and Hold Trade do not make payments as directed above, the Commission may bring a proceeding or an action to enforce compliance with this Order and at its option may seek payment of restitution or the civil monetary penalty required above. The only issues Lunman and Hold Trade may raise in defense of such enforcement action is whether they have made the Annual Restitution and/or Annual CMP Payments in accordance with the terms of the Order. Any action or proceeding brought by the Commission compelling payment of the Annual Restitution and/or Annual CMP Payments, due and owing as set forth above, or any portion thereof, or any acceptance by the Commission of partial payment of the Annual Restitution and/or CMP Payments made by Lunman and Hold Trade, shall not be deemed a waiver of Lunman and Hold Trade's obligations to make further payments pursuant to a payment plan, or a waiver of the Commission's right to seek to compel payments of the remaining balance of the restitution or the civil monetary penalty assessed against them;
- G. The Commission notes that an order requiring immediate payment of a civil monetary penalty and restitution against Lunman and Hold Trade would be appropriate in this case, but does not impose it based upon Lunman and Hold Trade's financial condition. Lunman and Hold Trade acknowledge that the Commission's acceptance of the Joint Offer is conditioned upon the accuracy and completeness of the sworn Financial Statements and other evidence they have provided regarding his financial condition. Lunman and Hold Trade consent that if at any time following the entry of this Order, the Division obtains information indicating that their representations concerning their financial condition were fraudulent, misleading, inaccurate, or incomplete in any material respect at the time they were made, the Division may, at any time following the entry of the Order, petition the Commission to: (1) reopen this matter to consider whether Lunman and/or Hold Trade provided accurate and complete financial information at the time such representations were made; (2) require immediate payment of the full amount of the restitution award and immediate payment of the full amount of the civil monetary penalty, required by paragraphs D and E, *supra*; and (3) seek any additional remedies that the Commission would be authorized to impose in this proceeding if Lunman and Hold Trade's Joint Offer had not been accepted. No other issues shall be considered in connection with this petition other than whether the financial information provided by Lunman

and Hold Trade was fraudulent, misleading, inaccurate, or incomplete in any material respect, and whether any additional remedies should be imposed. Lunman and Hold Trade may not, by way of defense to any such petition, contest the validity of, or the findings in, the Order, assert that payment of a civil monetary penalty or restitution should not be ordered, or contest the amount of the civil monetary penalty or restitution to be paid. If in such proceeding, the Division petitions for, and the Commission orders, payment of less than the full amount of the restitution award or the full amount of the civil monetary penalty, such petition shall not be deemed a waiver of Lunman and Hold Trade's obligations to pay the remaining balance of the restitution or civil monetary penalty assessed against Lunman and Hold Trade, pursuant to the payment plans; and

- H. Lunman and Hold Trade shall comply with their undertakings as set forth in Section III of the Offer, as follows:
1. Lunman and Hold Trade shall never apply for registration or seek exemption from registration with the Commission in any capacity, except as provided for in Section 4.14(a)(9) of the Regulations, 17 C.F.R. § 4.14(a)(9) (2001), and shall never engage in any activity requiring registration or exemption from registration, except as provided for in Section 4.14(a)(9) of the Regulations, or act as a principal, agent or officer of any person registered, exempted from registration or required to be registered with the Commission, except as provided for in Section 4.14(a)(9) of the Regulations;
 2. Neither Lunman nor Hold Trade nor any of their agents or employees shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in the Order, or the allegations in the Complaint, or creating, or tending to create, the impression that the Order, or the allegations in the Complaint, are without a factual basis; provided, however, that nothing in this provision affects Lunman and Hold Trade's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Lunman and Hold Trade shall take all steps necessary to ensure that their agents or employees, if any, understand and comply with this undertaking;
 3. Lunman and Hold Trade shall provide the Monitor with their sworn financial statement on June 30 and December 31 of each calendar year, starting June 30, 2005 and continuing through and including December 31, 2015. The Financial Statement shall provide:

- (a) a true and complete itemization of all Lunman and Hold Trade's rights, title and interest in (or claimed in) any asset, wherever, however and by whomever held;
 - (b) an itemization, description and explanation of all transfers of assets with a value of \$1,000 or more made by or on behalf of Lunman and Hold Trade over the preceding six-month interval; and
 - (c) a detailed description of the source and amount of all of Lunman and Hold Trade's income or earnings over the preceding six-month interval, however generated;
4. Lunman and Hold Trade shall also provide the Monitor with complete copies of their signed federal income tax returns (for the previous calendar year), including all schedules and attachments thereto (e.g., IRS Forms W-2) and Forms 1099, as well as any filings they are required to submit to any state tax or revenue authority, on or before June 30 of each calendar year, or as soon thereafter as the same are filed, beginning in 2005 and ending in 2015 (for calendar year 2014). If Lunman or Hold Trade moves their place of residence or business at any time, they shall provide written notice of their new addresses to the Monitor and the Commission within ten (10) days thereof. If, during the same time period, Lunman elects to file a joint tax return, he shall provide all documents called for by this paragraph, including the signed and filed joint tax return, plus a draft individual tax return prepared on IRS Form 1040 containing a certification by a licensed certified public accountant that the "Income" section truly, accurately, and completely identifies all deductions that he has a right to claim on the joint tax return; provided, however, that Lunman may claim 100% of the deductions contained in the "Adjusted Gross Income" section that are solely his. Such individual tax return shall include all schedules and attachments thereto (e.g., IRS Forms W-2) and Forms 1099, as well as any filings required to be submitted to any state tax or revenue authority;
5. Lunman and Hold Trade shall cooperate fully and expeditiously with the Monitor and the Commission in carrying out all aspects of the Annual Payments. They shall cooperate fully with the Monitor and the Commission in explaining their financial income and earnings, status of assets, financial statements, asset transfers, tax returns, and shall provide any information concerning themselves as may be required by the Commission. Furthermore, Lunman and Hold Trade shall provide additional information and documents

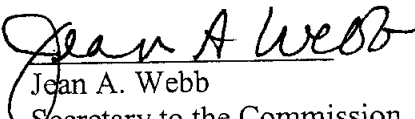
with respect thereto as may be requested by the Monitor and the Commission; and

6. Lunman and Hold Trade shall not transfer or cause others to transfer funds or other property to the custody, possession, or control of any member of Lunman's family or any other person or entity for the purpose of concealing such funds or property from the Monitor or the Commission.

The provisions of this Order shall be effective on this date.

BY THE COMMISSION.

Dated: February 11, 2004


Jean A. Webb
Secretary to the Commission
Commodity Futures Trading Commission