



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION  
Case No.: 07-61058-CIV COOKE/BROWN

COMMODITY FUTURES TRADING  
COMMISSION,

*Plaintiff,*

v.

NATIONS INVESTMENTS, LLC, *et al.*,

*Defendants.*

\_\_\_\_\_/

AND RELATED THIRD-PARTY COMPLAINT

\_\_\_\_\_/

CONSENT ORDER OF PERMANENT INJUNCTION,  
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF

On July 30, 2007, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint alleging that, as of July 21, 2007, and perhaps earlier, Defendant Nations Investments, LLC’s (“Nations”) net capitalization was insufficient and below the adjusted net capital required by Section 4f(b) of the Commodity Exchange Act, as amended (the “Act”), and Commission Regulations (“Regulations”) 1.17(a)(1)(i)(C) and 1.17(a)(4). The Complaint also named as Relief Defendants Nations’ principals, Sulaiman “Sal” Husain and Sammy Joe Goldman, alleging that Nations’ undercapitalization was at least partly due to Nations’ repayment of their home equity loans.

By Order dated August 17, 2007, the Court appointed Bruce H. Matson as Receiver (“Receiver”) for Nations with full powers of an equity receiver.

On February 8, 2008, the Commission filed a First Amended Complaint adding a cause of action against Nations for filing false and misleading financial statements with the National

Futures Association ("NFA"), in violation of Section 9(a)(4) of the Act and Regulation 1.10(d)(1)(vi). The First Amended Complaint also added the principals of Nations, Sal Husain and Manny Husain, as Defendants and charged them with controlling person liability for Nations' violations; and added as Relief Defendants Lalita Husain and Rosalind Goldman, the wives of Sal Husain and Sammy Joe Goldman, alleging they were unjustly enriched through Nations' repayment of their home equity loans.

On February 18, 2008, Defendant Nations, through its Receiver, brought a Cross-Claim and Third-Party Complaint against Sal Husain, Manny Husain and Lalita Husain, and Sammy Joe Goldman and Rosalind Goldman. The Cross-Claim and Third-Party Complaint alleges causes of action for fraudulent conveyance and breach of fiduciary duty arising out of the use of Nations' funds for the repayment of these persons' personal home equity loans.

I.

**CONSENT AND AGREEMENT**

To effect settlement of this action without a trial on the merits or further judicial proceedings, Defendants Nations, Sal Husain, and Manny Husain, Third-Party Defendants Sal Husain, Manny Husain, Lalita Husain, Sammy Joe Goldman and Rosalind Goldman (all collectively referred to herein as the "Defendants") and Relief Defendants Lalita Husain, Sammy Joe Goldman and Rosalind Goldman (collectively "Relief Defendants"):

1. Consent to the entry of this *Consent Order Of Permanent Injunction, Civil Monetary Penalties And Other Equitable Relief* ("Consent Order");
2. Acknowledge service upon them of the summons, First Amended Complaint and Third-Party Complaint in this action;

3. Admit this Court's personal and subject matter jurisdiction over them in this action pursuant to Section 6c of the Act;

4. For purposes of this Consent Order, admit that venue properly lies with this Court pursuant to Section 6c of the Act;

5 Waive: (a) all claims that they may possess under the Equal Access to Justice Act (EAJA) ("EAJA"), 5 U.S.C. § 504 (2000) and 28 U.S.C. § 2412 (2000), and/or Part 148 of the Regulations, 17 C.F.R. §§ 148.1, et seq. (2008), relating to or arising from this action; (b) all claims that they may possess under the Small Business Regulatory Enforcement Act, Pub. L. 104-121, Subtitle B, Section 223, 110 Stat. 862-63 (March 29, 1996), relating to or arising from this action; (c) 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; and (c) all rights of appeal in this action;

6. Neither admit nor deny the allegations of the Complaint, First Amended Complaint, Third-Party Complaint or the Findings of Fact and Conclusions of Law contained in this Consent Order, except as to jurisdiction and venue, which they admit. The Defendants and the Relief Defendants do not consent to the use of this Consent Order, or the Findings of Fact or Conclusions of Law in this Consent Order, as the sole basis for any other proceeding brought by or involving the CFTC, other than a proceeding: in bankruptcy relating to any of the Defendants or Relief Defendants; to revoke, restrict, or condition the registration of any of the Defendants or Relief Defendants pursuant to Section 8a of the Act, 7 U.S.C. § 12a(1), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1, et seq.; or to enforce the terms of this Consent Order. Solely with respect to any bankruptcy proceeding relating to any of the Defendants and/or the Relief Defendants, any proceeding to revoke, restrict, or condition the registration of any of the

Defendants or Relief Defendants pursuant to Section 8a of the Act, 7 U.S.C. § 12a(1), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1, et seq., and/or any proceeding to enforce terms of this Consent Order, the Defendants and the Relief Defendants agree that the allegations of the Complaint, First Amended Complaint, Third-Party Complaint and the Findings of Fact and Conclusions of Law in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof.

7. Agree to provide immediate notice to this Court and the Commission by certified mail of any bankruptcy proceeding filed by, on behalf of, or against them. No provision of this Consent Order shall in any way limit or impair the ability of any person to seek any legal or equitable remedy against the Defendants and/or the Relief Defendants, or any other person in any other proceeding.

8. Agree that they, and their agents, attorneys, representatives or employees acting under their authority or control, will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint, First Amended Complaint, Third-Party Complaint or Finding or Conclusion contained in this Consent Order, or creating, or tending to create, the impression that the Complaint, First Amended Complaint, Third-Party Complaint or this Consent Order are without a factual basis; and the Defendants and the Relief Defendants shall undertake all steps necessary to ensure that all of their agents and employees understand and comply with this agreement. Nothing in this provision shall affect the Defendants' and the Relief Defendants': (a) testimonial obligations or (b) right to take legal positions in other proceedings in which the Commission is not a party.

9. Consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Consent Order and for any other purposes relevant to this action,

even if any of the Defendants and/or Relief Defendants now or in the future reside outside this jurisdiction.

10. Affirm that each Defendant and Relief Defendant has read this Consent Order and agrees to this Consent Order voluntarily, and that no promise or threat of any kind has been made by the Commission or any member, officer, agent, or representative thereof, or by any other person, to induce his or her consent to this Consent Order, other than as set forth specifically herein.

## II.

### FINDINGS AND CONCLUSIONS

#### A. Findings of Fact

1. Nations Investments LLC is a Florida limited liability company whose principal place of business is located at 1700 NW 64th Street, Suite 100, Fort Lauderdale, Florida, 33309. On August 22, 2005, Nations became registered as a Futures Commission Merchant ("FCM") and began soliciting customers to open accounts to trade exchange-traded futures and off-exchange foreign currency transactions.

2. Defendant Sulaiman Husain, also known as Sal Husain, was a Director, the Chief Financial Officer, and a principal of Nations. He is a resident of Southwest Ranches, Florida.

3. Defendant Mansur Husain, also known as Manny Husain ("Manny Husain"), a resident of Davies, Florida, was the President and a principal of Nations from at least August 2005 to August 2007. Since January 30, 2006, he has been listed as a manager of Nations with the Florida Department of State Division of Corporation records. He is the son of Defendant Sal Husain and Relief Defendant Lalita Husain.

4. Relief Defendant Sammy Joe Goldman, also known as Sam Goldman, was an owner and former principal of Nations. He is a resident of Delray Beach, Florida.

5. Relief Defendant Lalita Husain is the wife of Defendant Sal Husain (and mother of Defendant Manny Husain) and was an owner and principal of Nations. She owns her primary residence with her husband as joint tenants by the entirety; this residence secured Sal Husain's home equity loan. She did not provide any consideration for Nations' paying off the home equity loan on her home. She had no legitimate interest in Nations' funds used to pay off the home equity loan.

6. Relief Defendant Rosalind Goldman is the wife of Relief Defendant Sammy Joe Goldman. Rosalind Goldman owns her primary residence with her husband as joint tenants by the entirety; this residence secured Goldman's home equity loan. She did not provide any consideration for Nations' paying off the home equity loan on her home. She had no legitimate interest in Nations' funds used to pay off the home equity loan.

7. In or about August 2005, Nations began soliciting customers to open accounts to trade exchange-traded futures and off-exchange foreign currency transactions. Pursuant to Section 4f(b) of the Act and Regulation 1.17(a)(1), Nations was required to maintain at least a minimum amount of \$1,000,000 in adjusted net capital to operate as a FCM. *See* 17 C.F.R. § 1.17(a)(1)(C).

8. As of July 2006, and perhaps earlier, Nations' net capitalization was below the adjusted net capital required by the Act and Commission Regulation 1.17(a)(1)(C).

9. At the time Nations began operating in 2005, Nations was required to maintain at least \$250,000 as a minimum amount of adjusted net capital to operate as a FCM. *See* Commission Regulation 1.17(a)(1)(C). However, in July 2006, this minimum capitalization

amount was increased to \$1,000,000, which was more money than Nations had. In their Memorandum in Opposition to Plaintiff's Motion for Preliminary Injunction with Asset Freeze (the "Response to PI Motion") [DE # 24], Defendants claim that, in order to meet the new higher capitalization requirement, in July 2006 Sal and Lalita Husain (collectively, "the Husains") and Sammy Joe and Rosalind Goldman (collectively, "the Goldmans") each took out \$500,000 home equity loans from Wachovia Bank ("Wachovia"), and then immediately re-loaned that \$1,000,000 in total funds to Nations. In exchange, say Defendants, Nations was required to pay off the Husain's and the Goldman's home equity loans directly to Wachovia. *Id.*

10. Nations was also required by law to file with the NFA monthly 1-FR forms, which are financial statements indicating Nations' net capitalization ("1-FRs"). The NFA, as Nations' designated self-regulatory organization, is authorized to require from Nations and receive its 1-FR forms by Section 4f(b) of the Act and Regulations 1.10(c) and 1.52. From July 2006 through June 2007, the 1-FR forms filed by Nations intentionally misrepresented Nations' net capitalization by failing to indicate that the \$1,000,000 cash infusion by the Defendants was actually a loan to Nations (i.e., a liability, not an asset), such that it would not increase Nations' net capitalization. These forms were prepared by Defendant Manny Husain and/or his father, Defendant Sal Husain.

11. It was not until July 21 and 23, 2007, that Nations, Sal Husain or Manny Husain notified the NFA, Commission, or Nations' customers of the undercapitalization.

12. On July 17, 2007, Defendant Sal Husain personally signed checks that transferred over \$1,000,000 out of Nations' accounts to pay off the Husain's and the Goldmans' personal home equity loans. Nations never had a duty to repay Wachovia, and Sal Husain's transferring of Nations' funds to pay off his and the Goldman's personal loans was a fraudulent transfer.



That is, even if Nations' \$1 million payment to Wachovia was a repayment of a "loan," Nations was not required to repay this loan when Sal Husain transferred these funds on July 17, 2007; the "loan" was not due until July 31, 2007.

13. Moreover, Nations was not ever required to repay this "loan." Indeed, if the loan had not been repaid, then Wachovia could seek to foreclose on the Husains and the Goldmans; Wachovia would have no recourse against Nations. Defendants Sal Husain, Manny Husain, and Relief Defendant Goldman were all unjustly enriched by the repayment of these loans. In addition, Relief Defendants Lalita Husain and Rosalind Goldman own their homes with their husbands jointly as tenants by the entireties, respectively, such that they were unjustly enriched by Nations' repayment of their home equity loans.

14. Four days later, on July 21, 2007, Nations notified the NFA via email that Nations had fallen under the NFA's minimum adjusted net capital required by the Act and Regulation 1.17(a).

15. Two days later, on the morning of July 23, 2007, Sal Husain represented that Nations was under the minimum required net capital by approximately \$3.5 million. On that same day, the NFA sent Nations a letter notifying it that, inasmuch as Nations was unable to demonstrate compliance with the minimum capitalization requirements, Nations was required to cease doing business, including the solicitation or acceptance of any additional customer funds, and could only accept or place trades for liquidation purposes until such time as it demonstrated it had in place the required capitalization, pursuant to Regulation 1.17(a)(4).

16. Also on July 23, 2007, the NFA received another notice from Nations representing that the firm had fallen under the required minimum capitalization requirements "due to losses in the forex markets."

17. Inasmuch as Sal Husain and Sammy Joe Goldman claim in their Response to the PI Motion [DE #24] that they loaned the \$1,000,000 to Nations, rather than invested such funds into Nations, Nations was required to report the \$1,000,000 as a loan obligation or liability on its 1-FRs filed with the Commission and NFA from August 2006 through June 2007.

18. Alternatively, if Sal Husain and Goldman did not loan funds to Nations, but rather simply invested those funds into Nations to meet the minimal capitalization requirement, then Sal Husain and Sammy Joe Goldman misappropriated \$1,000,000 of Nations' funds to pay off their personal home equity loans.

19. Regardless of whether the \$1,000,000 was a loan or an investment, the July 17, 2007 withdrawal of Nations' funds to repay the Husains' and Goldmans' personal home equity loans was an improper transfer of Nations' funds. Neither the Husains nor the Goldmans were entitled to these funds because, as discussed herein, even if the \$1,000,000 was a loan, the transfer of the funds from the Nations' bank account was a fraudulent transfer.

20. Sal Husain and Manny Husain exercised complete control of Nations. Manny Husain was the President and a principal of Nations during the relevant period and was listed as a manager of Nations with the Florida Department of State Division of Corporation records. He, along with his father Sal, ran and exercised direct and complete control of Nations. Sal Husain and Manny Husain were both intimately involved with the finances of Nations and the filing of Nations' 1-FRs. Sal Husain was Nations' Director, Chief Financial Officer and often communicated with the NFA regarding Nations audits and form 1-FRs. Sal Husain even signed the two checks totaling over \$1,000,000 that contributed to Nations' undercapitalization.

21. Sal Husain obtained funds through a home equity loan, falsely presenting the funds as capital on multiple occasions on 1-FRs, and contributing to the undercapitalization by

withdrawing over \$1,000,000. Manny Husain signed the purported loan agreements. In addition, Sammy Joe Goldman has testified in deposition that both Sal Husain and Manny Husain exercised complete control over the operations of the company. Manny Husain also participated in the loan scheme by receiving the loan on behalf of Nations for the purpose of capitalizing Nations and then working with Sal Husain and Sammy Joe Goldman to ensure its repayment when Nations was losing money.

**B. Conclusions of Law**

22. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which provides that whenever it shall appear to the CFTC that any 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 promulgated thereunder, the Commission may bring an action against such person to enjoin such practice or to enforce compliance with the Act.

23. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because the Defendants and Relief Defendants resided in and transacted Nations' business in the Southern District of Florida, and the acts and practices in violation of the Act occurred within this District, among other places.

24. Section 4(f)(b) of the Act, 7 U.S.C. § 6f(b) (2002), and Regulation 1.17(a)(1)(i)(C), 17 C.F.R. § 1.17(a)(1)(i)(C) (2007), specify that a registered FCM, such as Nations, is required to meet the adjusted net capital requirement set by the NFA. Since at least July 2006, and perhaps earlier, Nations failed to meet NFA's adjusted net capitalization requirement. Additionally, Nations continued to operate as a FCM while undercapitalized in violation of Regulation 1.17(a)(4), 17 C.F.R. § 1.17(a)(4) (2007).

25. Section 9(a)(4) of the Act makes it unlawful to willfully submit false or fraudulent financial statements to the NFA. Further, Regulation 1.10(d)(1)(vi) provides that each form 1-FR must contain “material” information to make the form not misleading. Nations violated both of these provisions by knowingly submitting false 1-FRs to the NFA each month from July 2006 through June 2007.

26. Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Sal Husain and Manny Husain are both liable for Nations’ violations of the Act and Regulations as controlling persons of Nations.

27. Pursuant to Section 13(a) of the Act, Sal Husain and Manny Husain are liable for aiding and abetting Nations’ violations of Section 4f(b) of the Act and Regulations 1.17(a)(1)(C) and 1.17(a)(4) because they participated in the loan scheme contributing to the undercapitalization of Nations and sought to have the scheme succeed.

28. Lalita Husain, Sammy Goldman and Rosalind Goldman were properly named as nominal or Relief Defendants because their home equity loans were paid off with funds to which they did not have a legitimate claim. The transfer of funds to pay off these home equity loans was a fraudulent transfer by Nations because the payments contributed to the insolvency of Nations or were made while Nations was insolvent. *See Florida Statutes Annotated*, Sections 726.105 & 726.106, Florida Statutes (A transfer made . . . by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made . . . if the debtor made the transfer . . . without receiving a reasonably equivalent value in exchange for the transfer . . . and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer. . . .)<sup>1</sup>

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<sup>1</sup> In this case, the creditors consist of the customers (among others) who were supposed to be afforded the protection of Nations’ capital. *See First Commercial Financial Group*, CFTC Docket No. 95-10, Opinion and Order, 1999 WL 325338 (May 20, 1999) (“minimum capital requirements are of central importance because they are the primary financial protection for public customers ....”) (internal citations omitted).

Furthermore, the transfers were made to close relatives, who qualify as “insiders” under the Florida law, rendering the transfers suspect. *See Florida Statutes Annotated*, Sections 726.105(1)(a), (2)(a), (2)(e), (2)(i), and (2)(j) (actual intent to defraud any creditor is evidenced by a transfer to an insider, a transfer of substantially all of the debtor’s assets, a transfer when the debtor was insolvent or became insolvent shortly after the transfer was made, or the transfer occurred shortly before or shortly after a substantial debt was incurred). *See United States v. Fernon*, 640 F.2d 609, 613-14 (5th Cir. 1981).

29. Thus, the Relief Defendants are in possession of a benefit to which they are not entitled and must pay back the benefit for distribution to creditors.

### III.

#### **ORDER FOR PERMANENT INJUNCTION**

Based upon and in connection with the foregoing, IT IS HEREBY ORDERED THAT:

1. Defendants Nations, Sal Husain, and Manny Husain are permanently restrained, enjoined and prohibited from directly or indirectly:
  - a. Failing to satisfy the minimum financial requirements for FCMs registered with the Commission and members of the NFA, in violation of Section 4(f)(b) of the Act, 7 U.S.C. § 6f(b);
  - b. Failing to meet minimum financial requirements for FCMs and failing to immediately transfer all customer accounts and cease doing business as a FCM until such time as the firm is able to establish compliance with its minimum financial requirements, in violation of Regulations 1.17(a)(1)(i)(C) and 1.17(a)(4), 17 C.F.R. §§ 1.17(a)(1)(i)(C) and 1.17(a)(4);
  - c. Filing false and/or materially misleading financial statements with the NFA, in violation of Section 9(a)(4) of the Act and Regulation 1.10(d)(1)(vi).

2. Defendants Sal Husain and Manny Husain are each permanently restrained, enjoined and prohibited from engaging, directly or indirectly, in any activity related to trading in any commodity, as that term is defined in Section 1a(4) of the Act, 7 U.S.C. § 1a(4) (“commodity interest”), including but not limited to, the following:

- a. trading on or subject to the rules of any registered entity, at that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29);
- b. engaging in, controlling or directing the trading for any commodity interest account for or on behalf of any other person or entity, whether by power of attorney or otherwise;
- c. soliciting or accepting any funds from any person in connection with the purchase or sale of any commodity interest contract;
- d. 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), or acting as a principal, agent or any other officer or employee of any person 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); and
- e. engaging in any business activities related to commodity interest trading.

3. The injunctive provisions of this Consent Order shall be binding upon Defendants, upon any person acting in the capacity of officer, agent, attorney, servant, or employee of any of the Defendants, and upon any person who receives actual notice of this Consent Order by personal service or otherwise insofar as such person is in active concert or participation with any of the Defendants.

#### IV.

#### **ORDER FOR RESTITUTION, CIVIL MONETARY PENALTY DISGORGEMENT AND OTHER ANCILLARY RELIEF**

IT IS HEREBY ORDERED that Defendants and Relief Defendants shall comply fully with the following terms, conditions and obligations relating to the payment of restitution, civil monetary penalties and disgorgement and other ancillary relief:

**A. Restitution**

1. Defendants Nations, Sal Husain and Manny Husain shall be jointly and severally liable for the payment of Three Million Five Hundred Thousand Dollars (\$3,500,000) in restitution plus post-judgment interest; provided, however, that the Receiver shall not be so liable (the "Restitution Obligation").

2. Post-judgment interest shall accrue beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

3. Nations, Sal Husain and Manny Husain shall pay the Restitution Obligation to the Receiver, Bruce Matson, LeClair Ryan, PC, Riverfront Plaza, East Tower, 951 East Byrd Street, 8<sup>th</sup> Floor, Richmond, VA 23218, by cashier's check, certified check or postal money order, under cover of a letter that identifies the name of the paying Defendant, the name and Docket number of this action and the name of this Court. The paying Defendant shall simultaneously transmit copies of the cover letter and the form of payment to (a) Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, NW, Washington, D.C. 20581, and (b) Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

**B. Civil Monetary Penalties**

1. Good cause exists for the imposition of a civil monetary penalty upon the Defendants pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002).

2. Sal Husain shall pay a civil monetary penalty in the amount of Five Hundred Thousand Dollars (\$500,000), plus post-judgment interest, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1. This civil monetary penalty is due and owing upon entry of this Consent Order.

3. Manny Husain shall pay a civil monetary penalty in the amount of Five Hundred Thousand Dollars (\$500,000), plus post-judgment interest, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1. This civil monetary penalty is due and owing upon entry of this Consent Order.

4. Nations shall pay a civil monetary penalty in the amount of Five Hundred Thousand Dollars (\$500,000), plus post-judgment interest, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1. This civil monetary penalty shall be subordinated to the claims of Nations' customers for losses caused by Defendants, which claims shall be administered by the Receiver.

5. Post-judgment interest shall accrue beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order, pursuant to 28 U.S.C. § 1961.

6. Defendants each shall pay their respective civil monetary penalties by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money. If payment is to be made other than by electronic funds transfer, 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: Marie Bateman - AMZ-300  
DOT/FAA/MMAC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone: 405-954-6569

7. If payment is to be made by electronic funds transfer, the paying Defendant shall contact Marie Bateman or her successor at the above address to receive payment instructions and shall fully comply with those instructions. The paying Defendant shall accompany payment of the penalty with a cover letter that identifies the paying Defendant and the name and docket number of this proceeding. The paying Defendant shall simultaneously transmit copies of the



cover letter and the form of payment to the Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

**C. Disgorgement**

1. Defendants Sal Husain and Manny Husain and Relief Defendants Sammy Joe Goldman, Rosalind Goldman and Lalita Husain are hereby ordered to pay disgorgement, jointly and severally, in the amount of \$400,000 (the "Disgorgement Obligation").

2. Defendants Sal Husain and Manny Husain and Relief Defendants Sammy Joe Goldman, Rosalind Goldman and Lalita Husain shall pay the Disgorgement Obligation to the Receiver, Bruce Matson, LeClair Ryan, PC, Riverfront Plaza, East Tower, 951 East Byrd Street, 8<sup>th</sup> Floor, Richmond, VA 23218, by cashier's check, certified check or postal money order, under cover of a letter that identifies the name of the paying Defendant, the name and Docket number of this proceeding. The paying Defendant shall simultaneously transmit copies of the cover letter and the form of payment to (a) Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, NW, Washington, D.C. 20581, and (b) Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

2. Defendants Sal Husain and Manny Husain represent that Four Hundred Thousand Dollars (\$400,000) has been deposited into escrow with the Homer Bonner Law Firm (the "Escrow Agent").

3. The Escrow Agent avers that it will not (a) return any portion of the \$400,000 cash to the Husains, the Goldmans, or Manny Husain, or (b) otherwise deliver such funds to any

person at anytime, except that it may return the funds to the Husains and/or Goldmans if the Court does not enter the Consent Order.

4. Upon entry of the Consent Order, the Escrow Agent shall deliver the \$400,000 in escrowed funds to the Receiver pursuant to the procedure set forth in Part IV.C.2., above.

5. The Disgorgement Obligation shall be reduced, dollar for dollar, by the Escrow Agent's transfer of escrowed funds to the Receiver.

**D. Authority of the Receiver**

1. The Receiver shall oversee the Disgorgement Obligation and the Restitution Obligation, and shall have discretion to determine the manner for distribution of funds in an equitable fashion to Nations' customers, as appropriate, or may defer distribution until such time as it deems appropriate. In the event that the amount of disgorgement and/or restitution payments to the Receiver are of a *de minimis* nature such that the Receiver determines that the administrative costs of making a restitution distribution is impractical, the Receiver may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Receiver shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part IV.B., above.

2. The Receiver, subject to approval of the Court, is entitled to reasonable compensation for the performance of duties pursuant to this Consent Order by it and all personnel hired by the Receiver, including counsel to the Receiver, and is also entitled to the cost of actual out-of-pocket expenses incurred by them (the "Receivership fees and expenses").

3. Within ninety (90) days after the Court approves and enters this Consent Order, the Receiver shall submit to the Court for approval, and serve upon the parties, a Distribution Plan setting forth the Receiver's methodology and protocol for disbursing funds to Nations'

customers. Such Distribution Plan shall be consistent with the authority granted to the Receiver in Part IV.D.1., above.

4. Since inception of the Receivership, the Receiver has made to the Court and served upon the parties requests for compensation containing periodic reports which state the status of the of the Receiver's activities in connection with the collection and disbursement of funds and which include the Receiver's request for compensation of Receivership fees and expenses. The Receiver shall continue to file such reports periodically over the course of the Receivership, in any event at least every sixty (60) days.

5. The Receiver's requests for compensation of Receivership fees and expenses shall itemize the specific out-of-pocket expenses and the time and specific nature of services rendered by the Receiver and all personnel hired by the Receiver. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of this Court. The Commission shall have the opportunity to review and to object to each such request for compensation. Compensation approved by this Court shall be paid from funds held in the Receivership Checking Account.

**E. Priority of Monetary Sanctions, Partial Payments and Accruals to U.S. Treasury**

1. All payments by the Defendants and Relief Defendants pursuant to this Consent Order shall first be applied to satisfaction of the Disgorgement Obligation and thereafter to the Restitution Obligation. After satisfaction of the Disgorgement Obligation and Restitution Obligation, payments by Defendants pursuant to this Consent Order shall be applied to satisfy the civil monetary penalties ordered in Part IV.B. of this Consent Order.

2. Any acceptance by the Commission and/or Receiver of partial payment of the Disgorgement Obligation, Restitution Obligation or civil monetary penalties ordered in this

Consent Order shall not be deemed a waiver of the Defendants' or Relief Defendants' requirement to make further payments pursuant to this Consent Order, or a waiver of the Commission's and/or Receiver's right to seek to compel payment of any remaining balance.

10. To the extent that any funds accrue to the U.S. Treasury as a result of either the Disgorgement Obligation or Restitution Obligation, such funds shall be transferred to the Receiver for disbursement in accordance with the procedures set forth in paragraph IV.D.1, above.

**F. Equitable Relief Provisions**

The equitable relief provisions of this Consent Order shall be binding upon the Defendants and Relief Defendants, upon any person insofar as he or she is acting in the capacity of officer, agent, servant or employee of any of the Defendants and/or Relief Defendants, and upon any person who receives actual notice of this Consent Order, by personal service, email, facsimile or otherwise, insofar as he or she is acting in active concert or participation with any of the Defendants and/or Relief Defendants.

**V.**

**MISCELLANEOUS PROVISIONS**

1. Notices. All notices required by this Consent Order shall be sent by certified mail, return receipt requested, as follows:

- a. Notice to Plaintiff Commission:  
Director, Division of Enforcement  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581
- b. Notice to the Receiver:  
Bruce Matson  
LeClair Ryan, PC  
Riverfront Plaza, East Tower

951 East Byrd Street, 8<sup>th</sup> Floor  
Richmond, VA 23218

2. Successors and Assigns. This Consent Order shall inure to the benefit of and shall bind the parties' successors, assigns, heirs, beneficiaries and administrators.
3. Counterparts. This Consent Order may be executed by the parties in counterparts and by facsimile.
4. Entire Agreement, Amendments and Severability. This Consent Order incorporates all of the terms and conditions of the settlement among the parties, provided that the Final Order Approving the Receiver's Administration of Receivership contains additional terms of the settlement between Defendants and the Receiver. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (1) reduced to writing, (2) signed by all parties, and (3) approved by order of the Court.
5. Invalidation. If any provision of this Consent Order, or if the application of any provisions or circumstances is held invalid, the remainder of this Consent Order and the application of the provisions to any other person or circumstance shall not be affected by the holding.
6. Waiver. The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

7. Continuing Jurisdiction of this Court. The Court shall retain jurisdiction of this case to assure compliance with this Consent Order and for all other purposes related to this action.

DONE AND ORDERED this 25<sup>th</sup> day of August, 2008.

*Marcia G. Cooke*

Marcia G. Cooke  
United States District Judge

Consented to and  
Approved for Entry by:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Bruce Matson, Esq. Receiver for Nations  
Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Adam Shonson, Esq., Christopher King,  
Esq., Homer Bonner Law Firm,  
Sal Husain, Lalita Husain,  
Goldman and Rosalind

counsel for  
Sammy Joe  
Goldman

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mansur "Manny" Husain  
Defendant and Third Party Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Sulaiman "Sal" Husain  
Defendant and Third Party Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Rosalind Goldman  
Relief Defendant and Third Party Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Lalita Husain

Relief Defendant and Third Party Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Sammy Joe Goldman  
Relief Defendant and Third Party Defendant

Dated: \_\_\_\_\_

\_\_\_\_\_  
Luke B. Marsh, Esq.  
CFTC  
1155 21<sup>st</sup> Street, N.W.  
Washington D.C. 20581  
(202) 418-5322 (telephone)  
(202) 418-5332 (facsimile)  
Counsel for Plaintiff Commission