

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Civil Action No. _____ -Civ- _____

08-22027-CIV-GRAHAM/TORRES

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

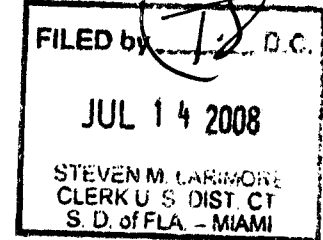
v.

ROBIN STATES (a/k/a GREGORY HAMPTON), d/b/a INFINITY ONLINE
INVESTORS GROUP; and
BERNADETTE BOWDEN (a/k/a BERNADETTE STATES),

Defendants, and

PAUL STATES,

Relief Defendant.



**COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF,
AND FOR CIVIL MONETARY PENALTIES UNDER
THE COMMODITY EXCHANGE ACT, AS AMENDED, 7 U.S.C. §§ 1 *ET SEQ.***

I.

SUMMARY

1. From approximately October 2004 through approximately September 2005 (the “relevant period”), Defendant Robin States (“States”), doing business as Infinity Online Investors Group (“Infinity”), fraudulently solicited, accepted, and pooled approximately \$650,000 (U.S.) from at least 900 members of the general public in the United States and throughout the world to participate in a commodity pool that purported to trade in commodity futures contracts (“commodity futures”), options on commodity futures (“options”), precious metals, and foreign currency. In his fraudulent solicitations via an internet website,

www.infinity-oig.com, and conference calls, States guaranteed daily profits, misrepresented the management and operations of Infinity to create an impression of legitimacy, and failed to disclose adequately the risks of trading commodity futures and options. Throughout the approximately year long operation of Infinity, pool participants tracked their Infinity investments via the website, which consistently reflected that their investments were earning profits.

2. In actuality, States never engaged in any trading for or on behalf of Infinity participants, but instead ran a “Ponzi scheme,” paying purported “profits” to existing pool participants with money obtained from newly solicited participants. At the same time, States and his wife, Defendant Bernadette Bowden (“Bowden”), misappropriated over \$600,000 (CAN) of the participants’ funds to obtain cash and pay for personal expenses, such as gambling and payments to law firms.

3. Relief Defendant Paul States is the brother of States and received approximately \$230,000 (CAN) of pool participants’ funds. Paul States provided no apparent legitimate services to the pool or Infinity and otherwise had no legitimate interest or entitlement to the pool participants’ funds.

4. In soliciting and accepting funds from individuals for the purpose of pooling those funds and trading commodity futures and options on behalf of the pool, States was acting as a Commodity Pool Operator (“CPO”) without being registered with the Commission as required. While acting as a CPO, States failed to operate the pool as a separate legal entity, commingled pool participant funds with personal funds in accounts held in the names of his wife and his brother, and failed to provide pool participants with required Disclosure Documents and Account Statements.

5. States's fraudulent solicitations, his false statements concerning the purported profits earned by pool participants, his omissions of facts concerning Infinity's trading, and his and Bowden's misappropriation of pool participants' funds violate Sections 4b(a)(2)(i) - (iii), 4c(b) and 4o(1) of the Commodity Exchange Act, as amended (the "Act"), 7 U.S.C. §§ 6b(a)(2)(i) - (iii), 4c(b) and 6o(1) (2002), and Commission Regulations 33.10(a) - (c), 17 C.F.R. §§ 33.10(a) - (c) (2008).

6 States's use of the mails or instrumentalities of interstate commerce in or in connection with his business as a CPO, while failing to register as a CPO, violates Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2002).

7 States's failure to operate the pool as a separate legal entity, commingling of pool funds with funds of others, and failure to furnish account statements and disclosure documents to his pool participant in accordance with and as required by regulation violates Section 4n(4) of the Act, 7 U.S.C. § 6n(4) (2002), and Commission Regulations 4.20, 4.21, and 4.22, 17 C.F.R. §§ 4.20, 4.21, and 4.22 (2008).

8. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Plaintiff Commodity Futures Trading Commission ("Commission") brings this action to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and Commission Regulations. In addition, the Commission seeks restitution to customers for losses proximately caused by Defendants' fraud, disgorgement of Defendants' and Relief Defendant's ill-gotten gains, civil monetary penalties and such other relief as this Court may deem necessary or appropriate.

9. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II.

JURISDICTION AND VENUE

10. The Act establishes a comprehensive system for regulating the purchase and sale of commodity futures and options. This Court has jurisdiction over this action pursuant to Sections 6c of the Act, 7 U.S.C. § 13a-1 (2002).

11. Section 6c of the Act provides that whenever it shall appear to the Commission 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.

12. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2002), in that Defendants transacted business in this District, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur, within this District, among other places.

III.

THE PARTIES

13. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged with the administration and enforcement of the Act, 7 U.S.C. §§ 1 et seq., and the regulations promulgated thereunder.

14. Defendant **Robin States (a/k/a Gregory Hampton)** is an individual whose last known place of residence is in Dartmouth, Nova Scotia, Canada. At various times, States, using either his own name or the name “Gregory Hampton,” held himself out as one of Infinity’s purported three Managing Partners, solicited individuals to participate in Infinity, controlled accounts in the name of Infinity to which individuals sent funds for the purpose of trading, directed payments made to Infinity participants, registered the domain name for Infinity’s website, and directed payments made in connection with the maintenance of Infinity’s website. Neither States nor Infinity has ever been registered with the Commission in any capacity.

15. Defendant **Bernadette Bowden (a/k/a Bernadette States)** is an individual whose last known place of residence is in Dartmouth, Nova Scotia, Canada. Upon information and belief, Bowden is States’s common-law wife, and shared a residence with States during the relevant period of this Complaint. At various times, Bowden opened and controlled an account to which individuals sent funds for participation in Infinity, and directed transfers of funds from that account and a separate account in the name of Infinity-OIG.com. Bowden also received over \$400,000 (CAN) in funds from the account of Infinity that was deposited into a personal bank account in her name in Nova Scotia. Bowden has never been registered with the Commission in any capacity.

16. Relief Defendant **Paul States** is an individual whose last known place of residence is in Vancouver, British Columbia, Canada. Paul States is States’s brother. Paul States received over \$200,000 (CAN) in funds from the account of Infinity that was deposited into a personal account in his name in British Columbia.

IV.

FACTS

A. The Fraudulent Solicitation of Pool Participants

17. From approximately October 2004 through approximately September 2005, States, operating out of Canada and doing business as Infinity, fraudulently solicited at least 900 individuals from throughout the United States and around the world to participate in a commodity futures, options, and Forex-based high-yield investment program, through, among other means, an Internet website, *www.infinity-oig.com*, and personal telephone solicitations. In his personal solicitations, States identified himself as “Gregory Hampton.”

18. Through the website, States represented that Infinity commenced operations in October 2004 and consisted of a group of three investors with over 22 years of experience in investing “both offline and online.” States also claimed that Infinity “regularly [sought] the advice and assistance of some of the best known Investment Managers in the online arena today.”

19. On the website, States described Infinity’s investment strategy as follows:

Our team is focused on attaining consistent returns on our client’s [sic] investments, while reducing risk of loss. This is done through having a strategic and balanced plan for all investments; the diversification of investments as well as maintaining a reserve fund as an insurance against loss. ***Our portfolio (as agreed upon by our core group as well as our assisting Investment Brokers/Analysts) is focused on trading in FOREX, Futures, Options and Precious Metals.***
(emphasis added)

20. Through the website and his personal solicitations, States guaranteed prospective participants daily fixed-percentage profits based on the amount of money invested and the amount of time a participant was willing to wait before being able to withdraw profits. States offered several investment plans, including the Bronze Plan, the Silver Plan, the Gold Plan, and

the Platinum Plan with varying investment minimums, daily rates of return and profit redemption restrictions. Under all of these investment plans, participants could not withdraw their principal for one year from the date of investment.

21. Participants in the Bronze Plan were guaranteed daily profits ranging from 1.25% (for investments of \$25-\$1,000) to 1.75% (for investments of \$5,001 and above) and could withdraw their profits at any time.

22. Participants in the Silver Plan were guaranteed daily profits ranging from 1.5% (for investments of \$50-\$1000) to 2.00% (for investments of \$5001 and above) but could not withdraw profits for three months.

23. Participants in the Gold Plan were guaranteed daily profits ranging from 1.75% (for investments of \$75-\$1000) to 2.25% (for investments of \$5001 and above), but could not withdraw profits for six months.

24. Participants in the Platinum Plan were guaranteed daily profits of 2.00% (for investments of \$100-\$1000) to 2.50% (for investments of \$5001 and above), but could not withdraw profits for one year.

25. In his personal solicitations via telephone calls with prospective and current participants to solicit funds, States misrepresented his identify by holding himself out to be "Gregory Hampton."

26. In his telephone solicitations, States misrepresented the management and operations of Infinity in order to create the impression of legitimacy. For example, States claimed that Infinity's trading was handled by a licensed and registered "financial assets group" in Durham, North Carolina and that Infinity coordinated daily and met weekly with this firm to ensure that the investments aligned with Infinity's strategic plan. States described this firm as an

international firm that had been in existence for several years and was licensed “in many of the major centers worldwide,” specifically mentioning the United States, Panama, Mexico, and Canada.

27. To further create the impression of legitimacy, States also falsely claimed that Infinity was applying to be a licensed broker in North Carolina in order to conduct its own trading and that it was building its headquarters in Durham, North Carolina to accommodate its expanding operation.

28. States also misrepresented during these calls the trading activity and profits being earned by Infinity. He reinforced that Infinity was generating profitable returns on a daily basis, as guaranteed, and that participants would reap profits greater than if they invested with their banks. At various times, States informed prospective and current participants that Infinity was earning a return on its investments ranging from 3.15%-3.82% above and beyond its average daily payouts to investors.

29. Contrary to the representations made on Infinity’s website, and by States personally in his calls with investors, neither Defendants nor anyone else in fact ever engaged in any commodity futures or options trading of Infinity participants’ funds.

30. In his solicitations, States misrepresented that Infinity had 3,500 participants with a total of \$2.8 million invested, all of whom were receiving timely profit payments. States further misrepresented that Infinity had sufficient reserves to make full refunds to participants.

31. As he made these misrepresentations concerning the profitability of Infinity’s trading and legitimacy of its operations, States never discussed the risk of loss associated with the trading of commodity futures and options, the trading of which Infinity was purportedly

engaged. To the contrary, on the home page of the Infinity website, States described investing with Infinity as a “Secure and Stable Investment Opportunity.”

32. States knowingly or recklessly made the material misrepresentations and omissions of material facts set forth above in soliciting prospective and current pool participants.

33. States solicited and accepted funds from pool participants without providing any disclosure documents to pool participants before or after they invested. In addition, at no time during the operation of Infinity did States provide participants with statements of account regarding the current status of all trading accounts in which each such participant had an interest in accordance with Commission Regulations.

B. Misappropriation of Participants’ Funds

34. On the basis of States’s misrepresentations and omissions on the Infinity website and in his solicitations via the telephone conference calls, at least 900 individuals invested approximately \$650,000 (U.S.) in Infinity, with individual investments amounts varying from \$25 to \$25,000.

35. The Infinity website directed participants to open and fund an individual digital currency account with one of two digital currency companies, INT Gold or e-Gold, and then transfer their funds from the individual account into purported Infinity digital currency accounts.

36. The Infinity digital currency accounts were held in the name of or controlled by States or Bowden.

37. The Infinity website represented that: participants could withdraw their daily profits through their Infinity account; interest on their accounts was credited at the end of each day; and that participants could check their account balances on line 24 hours a day, seven days a week.

38. Participants tracked their investments online and saw what they believed to be accruing daily profits. For example, one participant was led to believe on the basis of his online statement that his Platinum Plan investment of \$2,090.95 on July 11, 2005, had earned \$298.64 in daily interest by July 19, 2005.

39. Pool participants' funds were not used for trading of commodity futures, options, Forex, precious metals, or any other type of trading. Rather, States and Bowden misappropriated over \$600,000 (CAN) of the participants' funds, directing the money into personal bank accounts in the names of Bowden and States's brother, Paul States. Bowden received over \$400,000 (CAN) in this manner, while Paul States received over \$200,000 (CAN).

40. States used approximately \$55,000 (U.S.) of the participants' funds to pay out requests by existing participants for withdrawal of their purported profits.

41. Defendants and Relief Defendant used the remainder of the pool participants' funds, approximately \$593,000, for cash or to pay for personal expenses and personal goods and services, such as gambling, an automobile and payments to law firms.

V.

VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT ONE

VIOLATIONS OF SECTION 4b(a)(2) OF THE ACT: SOLICITATION FRAUD, FRAUD BY MISAPPROPRIATION, FALSE STATEMENTS AND OMISSIONS (Futures)

42. The allegations set forth in paragraphs 1 through 41 are re-alleged and incorporated herein by reference.

43. Defendants States and Bowden, in or in connection with the orders to make, or the making of, contracts of sale of commodities for future delivery, made or to be made, for or on

behalf of any other persons, where such contracts for future delivery were or could be used for the purposes set forth in Section 4b(a) of the Act, 7 U.S.C. § 6b(a), have cheated or defrauded or attempted to cheat or defraud customers or prospective customers, and/or willfully deceived or attempted to deceive persons by, among other things, making false, deceptive, or misleading representations and omissions of material facts in solicitations of individuals to trade commodity futures and/or by misappropriating customer funds all in violation of Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2002).

44. Defendant States has willfully made or caused to be made, or entered or caused to be entered false reports or false statements relating to the profitability of the trading of commodity futures to individuals who invested with Infinity, all in violation of Section 4b(a)(2)(ii) of the Act, 7 U.S.C. §§ 6b(a)(2)(ii) (2002).

45. Each act of solicitation fraud and false statement or report Defendant States made during the relevant time period, and each act of fraud by misappropriation committed by Defendants States and Bowden, including but not limited to those specifically alleged herein, is alleged as separate and distinct violations of Sections 4b(a)(i) - (iii) of the Act, 7 U.S.C. §§ 6b(a)(i) - (iii) (2002).

46. Defendant Bowden willfully aided, abetted, counseled, commanded, induced, or procured the commission of violations of the Act, or acted in combination or in concert with Defendant States, or willfully caused acts to be done or omitted which, when directly performed or omitted, constituted Defendant States's violations of the Act described in this Count. Pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), Defendant Bowden therefore violated Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) - (iii) (2002), as described in this Count.

COUNT TWO

VIOLATIONS OF SECTION 4c(b) OF THE ACT AND COMMISSION REGULATION 33.10: SOLICITATION FRAUD, FRAUD BY MISAPPROPRIATION, FALSE STATEMENTS AND OMISSIONS (Options)

47. The allegations set forth in paragraphs 1 through 46 are re-alleged and incorporated herein by reference.

48. Defendants States and Bowden, in or in connection with offers to enter into, the entry into, the confirmation of the execution of, or the maintenance of, commodity option transactions, have cheated or defrauded or attempted to cheat or defraud customers or prospective customers, and willfully deceived or attempted to deceive customers or prospective customers by, among other things, making false, deceptive, or misleading representations and omissions of material facts in solicitations of individuals to trade commodity options and misappropriating customer funds all in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulations 33.10 (a) and (c), 17 C.F.R. §§ 33.10 (a) and (c) (2008).

49. Defendant States has willfully made or caused to be made, or entered or caused to be entered false reports or false statements relating to the profitability of the trading of commodity options to individuals who had invested with Infinity, all in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 33.10 (b), 17 C.F.R. § 33.10 (b) (2008).

50. Each act of solicitation fraud and false report or statement Defendant States made or caused to be made during the relevant time period, and each act of fraud by misappropriation committed by Defendants States and Bowden, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2008).

51. Defendant Bowden willfully aided, abetted, counseled, commanded, induced, or procured the commission of violations of the Act, or acted in combination or in concert with Defendant States, or willfully caused acts to be done or omitted which, when directly performed or omitted, constituted Defendant States's violations of the Act and Commission Regulations described in this Count. Pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), Defendant Bowden therefore violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2008), as described in this Count.

COUNT THREE

VIOLATIONS OF SECTION 4m(1) OF THE ACT: FAILURE TO REGISTER AS A COMMODITY POOL OPERATOR

52. The allegations set forth in paragraphs 1 through 51 are re-alleged and incorporated herein by reference.

53. Defendant States, by engaging in a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, and by, in connection therewith, soliciting, accepting, or receiving from others, funds, securities, or property, for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market, operated as a CPO within the meaning of Section 1a(5) of the Act, 7 U.S.C. § 1a(5) (2002), and by using the mails or instrumentalities of interstate commerce in or in connection with his business as a CPO while failing to register with the Commission as a CPO, States violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1)(2002).

COUNT FOUR

VIOLATION OF SECTION 4q(1) OF THE ACT: FRAUD AS A CPO

54. The allegations set forth in paragraphs 1 through 53 are re-alleged and incorporated herein.

55. Defendant States, acting as a CPO, by the use of the mails or other means or instrumentalities of interstate commerce, has employed a device, scheme, or artifice to defraud participants or prospective participants, or has engaged in transactions, practices or a course of business which operated as a fraud or deceit upon participants or prospective participants by, among other things, making false, deceptive, or misleading representations and omissions of material facts in solicitations of participants, making , or causing to be made, false statements or reports concerning the profitability of the trading of commodity futures and options to individuals who invested with Infinity, and misappropriating participants' funds all in violation of Section 4q(1) of the Act, 7 U.S.C. § 6q(1)(2002).

56. Each act of solicitation fraud, false statement or report, and misappropriation committed or made by Defendant States during the relevant period, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4q(1) of the Act, 7 U.S.C. § 6q(1) (2002).

57. Defendant Bowden willfully aided, abetted, counseled, commanded, induced, or procured the commission of violations of the Act, or acted in combination or in concert with Defendant States, or willfully caused acts to be done or omitted which, when directly performed or omitted, constituted Defendant States's violations of the Act described in this Count. Pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), Defendant Bowden therefore violated Section 4q(1) of the Act, 7 U.S.C. § 6q(1) (2002), as described in this Count.

COUNT FIVE

**VIOLATIONS OF COMMISSION REGULATION 4.20:
CPO'S ACCEPTING PARTICIPANT FUNDS OTHER THAN IN THE NAME OF THE POOL,
COMMINGLING OF POOL FUNDS WITH FUNDS OF OTHER PERSONS, AND FAILURE
TO TREAT THE POOL AS A SEPARATE ENTITY**

58. The allegations set forth in paragraphs 1 through 57 are re-alleged and incorporated herein by reference.

59. Defendant States, by failing to operate the pool as a separate legal entity, receiving funds from existing or prospective pool participants into accounts in his name and his wife's name instead of into accounts in the name of the pool, and by commingling pool funds with the funds of his wife and his brother, violated Commission Regulations 4.20(a)-(c), 17 C.F.R. §§ 4.20(a)-(c) (2008).

60. Defendant Bowden willfully aided, abetted, counseled, commanded, induced, or procured the commission of violations of the Regulations, or acted in combination or in concert with Defendant States, or willfully caused acts to be done or omitted which, when directly performed or omitted, constituted Defendant States's violations of the Regulations described in this Count. Pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a), Defendant Bowden therefore violated Commission Regulations 4.20(a)-(c), 17 C.F.R. §§ 4.20(a)-(c) (2008), as described in this Count.

COUNT SIX

**VIOLATIONS OF COMMISSION REGULATION 4.21:
FAILURE TO DELIVER REQUIRED POOL DISCLOSURE DOCUMENTS**

61. The allegations set forth in paragraphs 1 through 60 are re-alleged and incorporated herein by reference.

62. Defendant States, by failing to deliver or cause to be delivered to prospective pool participants a Disclosure Document prepared in accordance with Commission Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24 and 4.25 (2008), and by receiving funds from prospective pool participants without first receiving a signed and dated acknowledgement from the participant that he received the Disclosure Document, violated Commission Regulation 4.21, 17 C.F.R. § 4.21 (2008).

COUNT SEVEN

VIOLATIONS OF SECTION 4n(4) OF THE ACT AND COMMISSION REGULATION 4.22: FAILURE TO PROVIDE REQUIRED ACCOUNT STATEMENTS

63. The allegations set forth in paragraphs 1 through 62 are re-alleged and incorporated herein by reference.

64. Defendant States, by failing to distribute to each pool participant and Account Statement presented and prepared in accordance with Commission Regulation 4.22, 17 C.F.R. § 4.22 (2008), violated Section 4n(4) of the Act, 7 U.S.C. § 6n(4) (2002), and Commission Regulation 4.22, 17 C.F.R. § 4.22 (2008).

COUNT EIGHT

DISGORGEMENT OF FUNDS FROM THE RELIEF DEFENDANT

65. The allegations set forth in paragraphs 1 through 64 are re-alleged and incorporated herein by reference.

66. Defendants have engaged in a fraudulent scheme that defrauded Infinity pool participants.

67. Paul States has received funds that were obtained as a result of the Defendants' fraudulent conduct.

68. Paul States has no legitimate entitlement to or interest in the funds received from the Defendants' fraudulent conduct.

69. By reason of the foregoing, Paul States holds funds in constructive trust for the benefit of Infinity pool participants who were victimized by Defendants' fraudulent scheme.

70. Paul States should be required to disgorge the funds he received from the Defendants' fraudulent conduct, or the value of those funds that Paul States may have subsequently transferred to third parties.

RELIEF REQUESTED

WHEREFORE, Plaintiff respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), and pursuant to its own equitable powers enter:

a) a permanent injunction prohibiting Defendant States from engaging in conduct violative of Sections 4b(a)(i)-(iii), 4c(b), 4m(1) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii), 6c(b), 6m(1) and 6o(1) (2002), and Commission Regulations 4.20, 4.21, 4.22 and 33.10(a)-(c), 17 C.F.R. §§ 4.20(a)(1), 4.21, 4.22 and 33.10(a)-(c) (2008);

b) a permanent injunction prohibiting Defendant Bowden from engaging in conduct violative of Sections 4b(a)(i)-(iii), 4c(b), and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(i)-(iii), 6c(b), and 6o(1) (2002), and Commission Regulation 33.10(a)-(c), 17 C.F.R. § 33.10(a)-(c) (2008);

c) an order directing the Defendants and Relief Defendant to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices that constitute violations of the Act or Commission Regulations, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

d) an order directing the Defendants to make full restitution to every participant whose funds they received as a result of acts and practices that constituted violations of the Act and Commission Regulations, described herein, and pre- and post-judgment interest thereon from the date of such violations;

d) an order directing the Defendants to each pay a civil monetary penalty in the amount of not more than the higher of \$120,000 or triple the monetary gain to Defendant for each violation of the Act or Commission Regulations committed before October, 24, 2004, and the higher \$130,000 or triple the monetary gain to

Defendant for each violation of the Act or Commission Regulations committed from October 24, 2004 to the present; and

e) such other and further remedial ancillary relief as the Court may deem appropriate.

Respectfully submitted,



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Attorneys for Plaintiff
U.S. Commodity Futures Trading Commission

Dated: July 11, 2008

JS 44 (Rev. 2/08)

CIVIL COVER SHEET

July 14, 2008

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

NOTICE: Attorneys MUST Indicate All Re-filed Cases

STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

I. (a) PLAINTIFFS

U.S. Commodity Futures Trading Commission

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Alan Edelman
1155 21st Street, N.W. 7th Floor
Washington, D.C. 20581

DEFENDANTS

Robin States (a/k/a Gregory Hampton), Bernadette Bowden (a/k/a Bernadette States), Paul States, Relief Defendant

County of Residence of First Listed Defendant Nova Scotia, Canada

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT LAND INVOLVED.

Attorneys (If Known)

(a) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Foreign Nation, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Re-filed (see VI below)
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation
7 Appeal to District Judge from Magistrate Judgment

VI. RELATED/RE-FILED CASE(S).

a) Re-filed Case YES NO b) Related Cases YES NO
(See instructions second page): JUDGE DOCKET NUMBER

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity):
7 USC 6b(a)(2)(i) - (iii) Commodity Fraud; 7 USC 4c(b) Options Fraud; 7 USC 6o(1) Commodity Pool Fraud; 7 USC 6m(1) Unregistered Commodity Pool Operator; 7 USC 6n(4) Failure to Furnish Statements of Account
LENGTH OF TRIAL via 5 days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: YES NO

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

SIGNATURE OF ATTORNEY OF RECORD

DATE

[Handwritten Signature]

7/11/08

FOR OFFICE USE ONLY

AMOUNT RECEIPT # IFP