

**In The United States District Court
For The Middle District of Florida
Tampa Division**

Commodity Futures Trading Commission,

Plaintiff,

v.

Edward J. Evors,

Defendant,

**Bally Lines, Ltd., and
GPS Fund, Ltd.,**

Relief Defendants.

Civil Action No:

**Complaint For Injunctive And
Other Equitable Relief And Civil
Monetary Penalties Under The
Commodity Exchange Act**

I.

Summary of Action

1. From at least July 2004 to the present ("the relevant period"), Defendant Edward J. Evors ("Defendant" or "Evors") fraudulently solicited at least two customers to invest in trading commodity futures contracts and misappropriated at least \$452,000 in customer funds that he accepted, through his companies, relief defendants Bally Lines, Ltd. ("Bally Lines") and GPS Fund, Ltd. ("GPS") (collectively, the "Relief Defendants"), to invest in trading commodity futures contracts.

2. Evors represented to customers that their funds would be invested with a commodity pool named Tech Traders, Inc. ("Tech Traders") to trade commodity futures contracts. In fact, Evors did not invest the funds with Tech Traders but misappropriated the funds for his personal use. In addition, Evors created false account statements that he sent to at least two customers that misrepresented the the status of the customers' investments.

3. Consequently, Evors engaged, is engaging, or is about to engage in acts or practices that violate the anti-fraud prohibitions of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. §§ 1 *et seq.* (2002). Specifically, Evors has violated Section 4b(a) of the Act, 7 U.S.C. § 6b(a) (2002), by fraudulently soliciting customers in connection with commodity futures transactions, misappropriating customer funds invested to trade commodity futures contracts, and sending customers false account statements.

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

5. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), the Commission brings this action to enjoin such acts and practices, prevent the dissipation of assets, and compel compliance with the provisions of the Act. In addition, the Commission seeks civil penalties, restitution, disgorgement and such other equitable relief as the Court may deem necessary or appropriate under the circumstances.

II.

Jurisdiction and Venue

6. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder.

7. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1(e) (2002), in that the Defendant 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 and Other Relevant Individuals and Entities

A. The Parties

8. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged with responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1 *et seq.* (2002), and the regulations promulgated thereunder, 17 C.F.R. §§ 1 *et seq.* (2007).

9. Defendant Edward J. Evors' last known address is 720 W. Orient St., Tampa, FL 33603.

10. Relief Defendant Bally Lines, Ltd. was a Nevada corporation controlled by Evors. Bally Lines was dissolved on May 26, 2006. Bally Lines' last known address was 720 W. Orient St., Tampa, FL 33603. Bally Lines received customer funds for the purpose of investing the funds with Tech Traders, but the funds were not so invested. Bally Lines performed no services for the customers and has no legitimate claim to any customer funds.

11. Relief Defendant GPS Fund Ltd. is a Nevada corporation controlled by Evors. GPS' corporate status with the Secretary of State of Nevada was in default as of April 1, 2007. GPS' last known address is 720 W. Orient St., Tampa, FL 33603. GPS received customer funds for the purpose of investing the funds with Tech Traders, but the

funds were not so invested. GPS performed no services for the customers and has no legitimate claim to any customer funds.

B. Other Relevant Individuals and Entities

12. Tech Traders, Inc. is a Delaware corporation located in Gastonia, North Carolina. On April 1, 2004, the Commission brought an injunctive action against Tech Traders and others alleging, *inter alia*, that Tech Traders was an unregistered commodity pool operator and a fraudulent enterprise. *CFTC v. Equity Fin. Group, LLC*, Civil Action 04-cv-1512 (D.N.J.).

13. On April 1, 2004, the *Equity* court issued an order freezing Tech Traders' assets and accounts and placing them under the control of an equity receiver, and Tech Traders ceased operations. The *Equity* action remains pending against certain defendants.

14. On June 28, 2007, the *Equity* court entered a Consent Order of Permanent Injunction against Tech Traders and others that found, Tech Traders had falsely represented to participants that Tech Traders enjoyed extraordinary success trading in selected financial futures contracts using a confidential, proprietary "portfolio" trading system.

IV.

Facts

15. In or around July 2004, approximately four months after Tech Traders ceased operations, Evors solicited Fred Bischoff ("Bischoff") to invest \$100,000 with Tech Traders to trade commodity futures contracts.

16. Evors told Bischoff he had been paying a profit of 6% per quarter to other investors. Evors told Bischoff that the profits would come from Tech Traders' profits trading commodity futures contracts. According to Evors, if Tech Traders' trading profits were higher than 6% per quarter, Bischoff's profits could be greater.

17. Evors told Bischoff that Bally Lines was a company he operated and that the funds he was collecting would be deposited with Bally Lines, which would then invest the funds with Tech Traders.

18. On or about July 14, 2004, Bischoff gave Evors a personal check in the amount of \$100,000 payable to Bally Lines. Evors never invested the funds with Tech Traders.

19. Between July 2004 and May 2006, Evors sent Bischoff quarterly account statements that showed he had an account that maintained a balance of \$100,000 and earned profits of 6% per quarter. In fact, the account statements were false because the funds had never been invested with Tech Traders and there were no profits.

20. During this period, Evors also sent Bischoff quarterly payments totaling approximately \$48,000 that were purportedly derived from profits from Tech Traders' trading of commodity futures. In fact, the payments did not come from any profits from trading commodity futures.

21. Bischoff received his last account statement in May 2006 and his last payment in July 2006. Bischoff's last contact with Evors was on or about March 12, 2007. Evors owes Bischoff at least \$52,000 in principal.

22. In or around April 2005, approximately twelve months after Tech Traders ceased operations, Evors solicited Ronald Waldron ("Waldron") to invest \$400,000 with Tech Traders to trade commodity futures contracts.

23. Evors guaranteed Waldron a profit of at least 6% per quarter to be generated from Tech Traders' trading profits. Evors told Waldron that if Tech Traders' trading profits exceeded 6% per quarter, Waldron's profits could be greater.

24. Evors told Waldron that GPS was a company he operated and that the funds he was collecting would be deposited with GPS, which would then invest the funds with Tech Traders.

25. On or about April 25, 2005, Waldron wire transferred \$250,000 to a GPS bank account identified by Evors. On or about May 11, 2005, Waldron wire transferred an additional \$150,000 to the GPS bank account. Evors never invested the funds with Tech Traders.

26. From May 2005 until May 2006, Evors sent Waldron quarterly statements that showed that his account maintained a balance of \$400,000 and earned a profit of 6% per quarter. In fact, the account statements were false because the funds had never been invested with Tech Traders, and there were no trading profits.

27. In or around early July 2006, Waldron contacted Evors to request a return of principal on his \$400,000 investment. Evors told Waldron he would receive his funds at the end of July. Approximately two weeks later, Waldron tried to contact Evors but discovered that Evors' phone had been disconnected. Subsequently, Waldron has been unable to communicate with Evors.

V.

Count I

**Violations of Sections 4b(a)(2)(i) (ii) and (iii) of the Act:
Solicitation Fraud, False Statements and Misappropriation**

28. The allegations set forth in paragraphs 1 through 27 are re-alleged and incorporated herein.

29. Sections 4b(a)(2)(i), (ii) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i), (ii) and (iii) (2002), make it unlawful for any person to cheat or defraud or attempt to cheat or defraud, or willfully make or cause to be made any false report or statement, or willfully deceive or attempt to deceive other persons in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery made, or to be made, for or on behalf of any other person if such contract for future delivery is or may have been used for (a) hedging any transaction in interstate commerce in such commodity, or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped or received in interstate commerce for the fulfillment thereof.

30. Defendant Evors violated Sections 4b(a)(2)(i), (ii) and (iii) of the Act, by: (1) soliciting investments through fraudulent misrepresentations that customers' funds would be invested with Tech Traders to trade commodity futures contracts; (2) distributing false account statements to customers; and (3) misappropriating customer funds.

31. Each fraudulent misrepresentation, each false statement, and each act of misappropriation made during the relevant period, including but not limited to those

specifically alleged herein, is alleged as a separate and distinct violation of Sections 4b(a)(2)(i) and (iii) of the Act.

Count II

Disgorgement of Assets by Relief Defendants

32. Paragraphs 1 through 27 are re-alleged and incorporated herein.
33. During the relevant period, Bally Lines and GPS, the Relief Defendants, received customer funds intended for investment with Tech Traders to trade commodity futures contracts.
34. The Relief Defendants had no legitimate interest in the funds.
35. The Relief Defendants will be unjustly enriched if they are not required to disgorge the customer funds they received.
36. The Relief Defendants should be required to disgorge any funds they received that are traceable to customers who invested funds with Evors that were intended to trade commodity interests at Tech Traders.

VI.

Relief Requested

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

- A. Enter an order finding Defendant Evors liable for violating Sections 4b(a)(2)(i), (ii) and (iii) of the Act, 7 U.S.C. § 6 b(a)(2)(i), (ii) and (iii);
- B. Enter a permanent injunction prohibiting Defendant Evors from engaging in conduct in violation of Sections 4b(a)(2)(i), (ii) and (iii) of the Act, 7 U.S.C. § 6

b(a)(2)(i), (ii) and (iii), and prohibiting Defendant Evors from engaging 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), including soliciting customers or trading commodity-related accounts on behalf of any customer;

C. Enter an order requiring Defendant Evors and Relief Defendants' to disgorge to any officer appointed or directed by the Court all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues and trading profits derived, directly or indirectly, from acts or practices that constitute violations of the Act as described herein, including pre-judgment interest;

D. Enter an order requiring Defendant Evors to make restitution by making whole each and every customer whose funds were received or utilized by him in violation of the provisions of the Act as described herein, including pre-judgment interest;

E. Enter an order requiring Defendant Evors to pay civil penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of (1) triple the monetary gain to Defendant for each violation of the Act and Regulations or 2) \$120,000 for each violation of the Act and Regulations occurring before October 23, 2004 and \$130,000 for each violation of the Act and Regulations occurring on or after October 23, 2004;

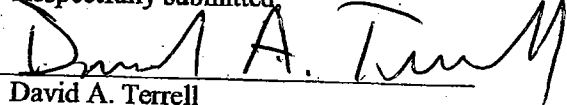
F. Enter an order requiring Defendant Evors to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (1994); and

G. Enter an order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

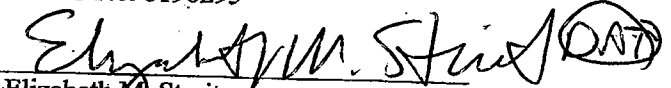
Date: 9/18/2007

COMMODITY FUTURES TRADING
COMMISSION
525 West Monroe Street, Suite 1100
Chicago, IL 60661
(312) 596-0539 (Terrell)
(312) 596-0537 (Streit)
(312) 596-0560 (Williamson)
(312) 596-0520 (Hollinger)
(312) 596-0714 (facsimile)

Respectfully submitted,



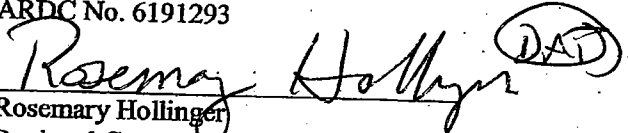
David A. Terrell
Senior Trial Attorney
ARDC No. 6196293



Elizabeth M. Streit
Senior Trial Attorney
ARDC No. 6188119



Scott R. Williamson
Deputy Regional Counsel
ARDC No. 6191293



Rosemary Hollinger
Regional Counsel
ARDC No. 3123647