



## II. CONSENT AND AGREEMENT

To effect settlement of the matters alleged in the Amended Complaint without a trial on the merits or any further judicial proceedings, Mealing and MW First:

1. Consent to the entry of this Consent Order of Permanent Injunction and Other Equitable Relief (“Consent Order”);

2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no threat or promise, other than as set forth specifically herein, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;

3. Acknowledge service of the Summons, Complaint and Amended Complaint;

4. Admit that this Court has jurisdiction over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002);

5. Admit that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002);

6. Waive:

a. Any and all claims that they may possess individually under the Equal Access to Justice Act (“EAJA”), 5 U.S.C. § 504 and 28 U.S.C. § 2412), and Part 148 of the Regulations, 17 C.F.R. §§ 148.1, et seq. (2007), relating to, or arising from, this action;

b. Any and all claims that that 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 action or the entry in this action of any order imposing a civil monetary penalty or any other relief; and

d. All rights of appeal in this action;

7. Consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Consent Order and for all other purposes related to this action, even if they now or in the future reside outside this jurisdiction; and

8. Agree that neither Mealing, MW First nor any of their agents, servants, employees, contractors or attorneys shall take any action or make any public statement denying, directly or indirectly, any allegation in the Amended Complaint or any Findings of Fact and Conclusions of Law contained in this Consent Order, or creating, or tending to create, the impression that the Amended Complaint and/or this Consent Order are without a factual basis; provided, however, that nothing in this provision shall affect their (a) testimonial obligations; or (b) right to take legal positions in other proceedings to which the Commission is not a party. Mealing and MW First shall take all necessary steps to ensure that all of their agents, servants, employees, contractors and attorneys understand and comply with this agreement;

9. By consenting to the entry of this Consent Order, Mealing and MW First neither admit nor deny the allegations of the Amended Complaint or the Findings of Fact and Conclusions of Law contained in this Consent Order, except as to jurisdiction and venue, which they admit.

10. Mealing and MW First 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 the CFTC, other than a proceeding in bankruptcy relating to Mealing or MW First, a Commission registration proceeding relating to Mealing or MW First, or to enforce the terms of this Consent Order.

11. Solely with respect to any bankruptcy proceeding relating to Mealing or MW First, a Commission registration proceeding related to Mealing or MW First and any proceeding to enforce this Consent Order, Mealing and MW First agree that the allegations of the Amended

Complaint and all 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.

12. Mealing and MW First 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 either of them.

### **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay, **FINDS THAT:**

#### **A. Findings of Fact**

1. 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. §§ 1.1 et seq. (2007). The CFTC is authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), to bring a civil action to enjoin any act or practice constituting a violation of the Act or Commission Regulations, to enforce compliance with the Act and Commission Regulations, and to seek civil penalties.

2. Defendant **Ron Mealing** resides in Nashville, Tennessee. Mealing, a retired accountant, was employed by Foreign Fund a/k/a First Bank (“Foreign Fund”) from late May 2004 through October 2004.

3. Relief Defendant **MW First Trustees Inc.** was a Tennessee corporation located in Nashville, Tennessee. Mealing was the President of MW First.

4. Between at least November 2003 and October 2004, Foreign Fund, through its websites and representatives, solicited more than \$7.7 million in funds from customers who opened over 16,000 accounts.

5. Foreign Fund was an Internet-based entity that promised customers monthly returns of between 46 and 100 percent based upon its purported profitable trading in the foreign currency futures markets.

6. Beginning in at least November 2003, Foreign Fund maintained a website at [www.foreign-fund.com](http://www.foreign-fund.com), and later that year began operating a second website site at [www.ff-bank.com](http://www.ff-bank.com).

7. Operated from a web service provider located in the Ukraine, Foreign Fund's daily operations were managed by its agent identified as "Martin," who communicated with Mealing and other Foreign Fund employees through the Internet.

8. Mealing began his association with Foreign Fund as a customer when he opened a small account. In late May 2004 "Martin" engaged Mealing in the position of "wire desk" to open bank accounts and to receive customer funds on behalf of Foreign Fund.

9. Upon his hiring, Mealing created a Tennessee corporation in the name of MW First and opened two corporate accounts in that same name at a Nashville branch of the Bank of America.

10. From approximately May 2004 through October 2004, Foreign Fund customers who sent checks and bank wires to Foreign Fund had those funds deposited to the Nashville bank accounts in the name of MW First controlled exclusively by Mealing.

11. All monies deposited to the MW First corporate accounts at the Nashville branch of the Bank of America was money from Foreign Fund customers.

12. Mealing was aware that at least \$3 million he received in customer money and deposited in MW First accounts was intended for the purpose of investing in foreign currency futures.

13. However, Mealing did not send the Foreign Fund customer money to any foreign currency trading account as customers expected.

14. Instead, Mealing used the major portion of the Foreign Fund customer money he collected to pay other customers requesting to withdraw funds and to send funds to overseas accounts at the direction of "Martin."

15. Mealing also used customer funds to pay both himself and other Foreign Fund employees salaries and investment profits from their Foreign Fund accounts.

16. Foreign Fund purported to offer participants the opportunity to "take advantage of currency price fluctuations to make profit[s]" through the Foreign Fund. In fact, the contracts Foreign Fund offered were illegal off-exchange foreign currency futures contracts.

17. Foreign Fund marketed these contracts to the general public by soliciting participation in the Foreign Fund. Neither the Foreign Fund nor the underlying investors anticipated taking, or in fact took, delivery of the foreign currencies the Foreign Fund may have purchased. Instead, the Foreign Fund's customers, through the Foreign Fund, entered into these transactions to speculate and profit from anticipated price fluctuations in the markets for these currencies.

18. Foreign Fund did not offer, sell, enter into, confirm the execution of, and/or conduct business of soliciting or accepting any order for or otherwise dealing in off-exchange foreign currency contracts in connection with foreign currency futures transactions on or subject to the rules of a board of trade that has been designated by the Commission as a contract market or derivatives transaction facility, nor were any of these transactions executed or consummated by or through a member of such a contract market or derivatives transaction execution facility.

19. Foreign Fund offered and/or entered into foreign currency futures contracts with the Foreign Fund and through the Foreign Fund with the individual customers. At least some, if

not the vast majority, the underlying individual investors in the Foreign Fund were not eligible contract participants. In addition, the Foreign Fund was not a proper counterparty for retail foreign currency transactions.

**B. Conclusions of Law**

1. This Court has jurisdiction over the subject matter of this action and all parties hereto pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive relief against any person whenever it shall appear 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.

2. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, in that Mealing and MW First are found in, inhabit, or transact 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.

3. This Court has personal jurisdiction over Mealing and MW First, who acknowledge service of the Amended Complaint and Summons and consent to the Court's jurisdiction.

4. Sections 2(c)(2)(B)(i) and (ii) of the Act, 7 U.S.C. §§ 2(c)(2)(B)(i) and (ii), provide that the Commission shall have jurisdiction over an agreement, contract or transaction in foreign currency that is a sale of a commodity for future delivery, so long as the contract is "offered to, or entered into with, a person that is not an eligible contract participant" unless the counterparty, or the person offering to be the counterparty, is a regulated entity as specified in Section 2(c)(2)(B)(ii) of the Act, 7 U.S.C. § 2(c)(2)(B)(ii).

5. The Commission has jurisdiction over the transactions in foreign currency alleged herein. Pursuant to Sections 2(c)(2)(B) and 4(a) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 6(a), an

agreement, contract or transaction in foreign currency that is a contract of sale of a commodity for future delivery, that is offered to, or entered into with a person that is not an eligible contract participant must be conducted on or subject to the rules of a board of trade designated or registered by the Commission as a contract market or derivatives transaction execution facility for such commodity, and executed or consummated by or through a contract market, unless the counterparty to the transaction one of the six regulated entities designated under Section 2(c)(2)(B)(ii) of the Act, 7 U.S.C. § 2. As set forth above, Foreign Fund was not a proper counterparty who could offer and/or enter into foreign currency futures transactions with persons who are not eligible contract participants, i.e., retail customers; and most if not all of Foreign Fund's customers were not eligible contract participants.

6. By the conduct described in Part III.A above, Mealing, 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. 7 U.S.C. § 6b(a), cheated or defrauded or attempted to cheat or defraud customers or prospective customers, willfully made or caused to be made false statements to customers or prospective customers, and willfully deceived or attempted to deceive customers or prospective customers by, among other things, misappropriating customer funds, in violation of Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii), and Commission Regulation 1.1(b), 17 C.F.R. § 1.1(b).

7. All funds and assets held by MW First are assets held in constructive trust for the benefit of the Foreign Fund customers.



#### IV. ORDER OF PERMANENT INJUNCTION

##### NOW THEREFORE, IT IS ORDERED THAT:

1. Mealing is permanently restrained, enjoined and prohibited from directly or indirectly violating Section 4b(a) of the Act, 7 U.S.C. § 6b(a), and Commission Regulation 1.1(b), 17 C.F.R. § 1.1(b).
2. Mealing is 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. Soliciting, receiving, or accepting any funds from any person in connection with the purchase or sale of any commodity interest;
  - b. Controlling or directing the trading of any commodity interest account for or on behalf of any person or entity, directly or indirectly, whether by power of attorney or otherwise;
  - c. 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, except as provided for in Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2007) or acting as a principal, agent, officer or employee of any person registered, exempted from registration or required to be registered with the Commission, unless such exemption is pursuant to Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2007);
  - d. Trading on or subject to the rules of any registered entity, as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29) (2002); and
  - e. Engaging in any business activities related to commodity interest trading.
3. Notwithstanding the provisions and terms set forth in paragraph 2 above, Mealing shall be permitted to trade for his own personal account on or subject to the rules of any registered entity, as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29) (2002).

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

**V. RESTITUTION, DISGORGEMENT CIVIL MONETARY PENALTY, AND ANCILLARY RELIEF**

**IT IS FURTHER ORDERED THAT:**

**A. Restitution**

1. Mealing shall pay restitution in the amount of \$13,425.00, plus post-judgment interest, within ten days of entry of this Consent Order.
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.

**B. Disgorgement**

1. MW First shall disgorge any remaining assets in its actual or constructive custody or control, within ten days of entry of this Consent Order.

**C. Appointment of Monitor**

1. To effect payment by Mealing of restitution and disgorgement by MW First, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall collect restitution payments from Mealing and disgorgement from MW First, and make distributions as set forth below. Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, the Monitor shall

not be liable for any action or inaction arising from the Monitor's appointment, other than actions involving fraud.

2. Mealing shall make restitution payments and MW First shall make disgorgement under this Consent Order in the name "Foreign Fund- Restitution Fund" and shall send such restitution payments and/or disgorgement by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier check, or bank money order, to Office of Administration, National Futures Association, 200 W. Madison Street #1600, Chicago, Illinois 60606-3447 under cover letter that identifies the remitter, Mealing or MW First, and the name and docket number of the proceeding. The remitter shall simultaneously transmit copies of the cover letter and the form of payment to (a) the Director, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581, and (b) the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

3. The Monitor shall oversee Mealing's restitution obligation and MW First's disgorgement obligation, and shall have the discretion to determine the manner for distribution of funds in an equitable fashion to defrauded Foreign Fund customers, as appropriate, or may defer distribution until such time as it may deem appropriate. In the event that the amount of restitution payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative costs of the making a restitution distribution is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part V.B., below.

4. To the extent that any funds accrue to the U.S. Treasury as a result of either the restitution or disgorgement obligations in this Consent Order, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in paragraph 5 above.

5. The amount payable for restitution set forth above shall not limit the ability of any Foreign Fund customer from proving that a greater amount is owed to them from Mealing or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any such customer that exist under state or common law.

**B. Civil Monetary Penalty**

1. Mealing shall pay a civil monetary penalty in the amount of \$40,275.00, plus post-judgment interest, within ten days of entry of this Consent Order.

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. Mealing shall pay this civil monetary penalty by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. 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

If the payment is to be made by electronic funds transfer, Mealing shall contact Marie Bateman or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Mealing shall accompany the payment of this penalty with a cover letter that identifies Mealing and the name and docket number of this proceeding. Mealing shall simultaneously transmit copies of the cover letter and the form of payment to (a) the Director, Division of Enforcement, Commodity Futures Trading Commission, 1155 21<sup>st</sup> Street, NW,

Washington, D.C. 20581, and (b) the Chief, Office of Cooperative Enforcement, Division of Enforcement, at the same address.

**C. Priority of Monetary Sanctions and Partial Payments**

1. All payments by Mealing pursuant to this Consent Order shall first be applied to satisfaction of his restitution obligation, consistent with the authority granted the Monitor in Part V.C., above. After satisfaction of his restitution obligation, payments by Mealing pursuant to this Consent Order shall be applied to satisfy Mealing's civil monetary penalty obligation.

2. Any acceptance by the Commission and/or Monitor of partial payment of Mealing's restitution obligation and/or civil monetary penalty shall not be deemed a waiver of the respective requirement to make further payments pursuant to this Consent Order, or a waiver of the Commission's and/or Monitor's right to seek to compel payment of any remaining balance.

**D. Cooperation**

1. Mealing shall cooperate fully with the Commission, the Monitor, and any government agency seeking to enforce the restitution and civil monetary provisions of this Consent Order by providing any requested information relating to his financial status including, but not limited to, income and earnings, assets, financial statements, asset transfers, and tax returns.

**E. Equitable Relief Provisions**

1. The equitable relief provisions of this Consent Order shall be binding upon Mealing and any person who is acting in the capacity of officer, agent, employee, servant or attorney of Mealing, and any person acting in active concert or participation with Mealing who receives actual notice of this Consent Order by personal service or otherwise.

**VI. MISCELLANEOUS PROVISIONS**

1. Entire Agreement, Amendments and Severability. This Consent Order incorporates all of the terms and conditions of the settlement among the parties. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (1) reduced to writing, (2) signed by both parties, and (3) approved by order of the Court. If any provision of this Consent Order or the application of any provision or circumstance is held invalid, the remainder of this Consent Order shall not be affected by the holding.

2. Counterparts. This Consent Order may be executed by the parties in counterparts and by facsimile.

3. Invalidation. If any provision of this Consent Order, or the application of any provision or circumstances is held invalid, the remainder of the Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

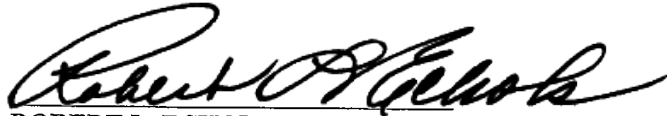
4. Waiver. The failure of any party hereto to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in 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.

5. Authority: Mealing warrants that he is a corporate representative of MW First, that this Consent Order has been duly authorized by MW First, and that he has been duly empowered to sign and submit it on behalf of MW First.


6. Jurisdiction. This Court shall retain jurisdiction of this cause in order to implement and carry out the terms of all orders and decrees that may be entered herein, to assure compliance with this Consent Order and for all other purposes related to this action.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order of Permanent Injunction and Other Equitable Relief.

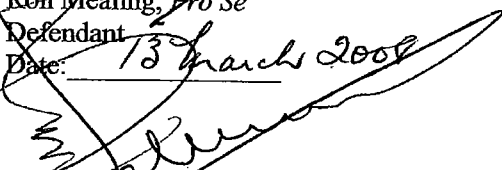
IT IS SO ORDERED on this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

  
ROBERT L. ECHOLS  
UNITED STATES DISTRICT JUDGE

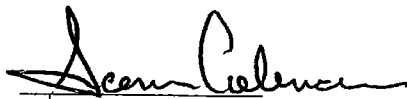
Consented to and approved for entry by:

  
Ron Mealing, *Pro Se*  
Defendant

Date: 13 March 2008

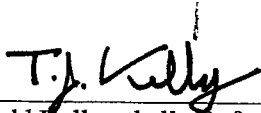
  
Ron Mealing, on behalf of MW First Trustees Inc.  
Relief Defendant

Date: 13 March 2008



Sam Coleman, Esq.  
P.O. Box 367  
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Attorney for MW First Trustees Inc.

Date: March 13, 2008



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