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CENTRAL DISTRICT OF CALIFORNIA  
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JAN 29 2004  
CENTRAL DISTRICT OF CALIFORNIA  
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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

COMMODITY FUTURES TRADING  
COMMISSION,  
Plaintiff,  
v.  
FINTREX, INC. et al.,  
Defendants.

No. CV 01-06907 PA (CWx)  
FINAL ORDER OF DEFAULT  
JUDGMENT AGAINST FINTREX, INC.  
AND ARMAN OVSEPYAN

THIS CONSTITUTES NOTICE OF ENTRY  
AS REQUIRED BY FRCP, RULE 77(d).

IT IS HEREBY ORDERED that judgment shall be and is hereby entered in favor of  
Plaintiff Commodity Futures Trading Commission ("CFTC") against defendants Fintrex,  
Inc. and Arman Ovsepyan as follows:

ORDER FOR PERMANENT INJUNCTION

1. Defendants Fintrex, Inc. and Arman Ovsepyan shall be and hereby are restrained and  
enjoined from directly or indirectly:

A. Violating, or aiding and abetting any other person in violating, Section  
4(a) of the Commodity Exchange Act, 7 U.S.C. § 6(a)(2001), by offering to  
enter into, entering into, executing, confirming the execution of, or conducting

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business for the purpose of soliciting, accepting any order for, or otherwise dealing in any transaction in, or in connection with, a contract for the purchase or sale of a commodity for future delivery, when:

- (i) such transactions have not been conducted on or subject to the rules of a board of trade which has been designated or registered by the Commission as a contract market or derivatives transaction execution facility for such commodity; and
- (ii) such contracts have not been executed or consummated by or through a contract market.

PROVIDED, HOWEVER, that this prohibition shall not apply to foreign currency contracts offered to a person who is an eligible contract participant within the meaning of Section 1a(12) of the Commodity Exchange Act, 7 U.S.C. § 1a(12)(A)(xi) (2001), or where the counterparty to such contracts, or the person offering to be the counterparty, is one of the regulated entities enumerated in Section 2(c)(2)(B)(i)-(ii) of the Commodity Exchange Act, 7 U.S.C. § 2(c)(2)(B)(i)-(ii) (2001).

B. Violating, or aiding and abetting any other person in violating, Sections 4b(a)(i) or (iii) of the Commodity Exchange Act, 7 U.S.C. § 6b(a)(i) or (iii) (2001), by, in or 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 be used for (i) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (ii) determining the price basis of any transaction in interstate commerce in such commodity, or (iii) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof,

- (i) cheating or defrauding or attempting to cheat or defraud such other person; or

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(ii) willfully deceiving or attempting to deceive such other person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person.

C. Trading on or subject to the rules of any registered entity, as that term is defined in Section 1a(29) of the Commodity Exchange Act, 7 U.S.C. § 1a(29) (2001);

D. Engaging in, controlling, or directing the trading of any commodity futures, security futures or options account for or on behalf of any other person or entity, whether by power of attorney or otherwise; PROVIDED, HOWEVER, that this prohibition shall not apply to foreign currency contracts offered to a person who is an eligible contract participant within the meaning of Section 1a(12) of the Commodity Exchange Act, 7 U.S.C. § 1a(12)(A)(xi) (2001), or where the counterparty to such contracts, or the person offering to be the counterparty, is one of the regulated entities enumerated in Section 2(c)(2)(B)(i)-(ij) of the Commodity Exchange Act, 7 U.S.C. § 2(c)(2)(B)(i)-(ii) (2001); and .

E. Applying for registration or claiming exemption from registration with the CFTC in any capacity, or engaging in any activity requiring such registration or exemption from registration, except as provided for in CFTC Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9)(2001); or acting as a principal, agent, officer or employee of any person registered, required to be registered, or exempted from registration with the CFTC, unless such exemption is pursuant to CFTC Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9)(2001).

F. Dissipating, withdrawing, transferring, removing, concealing or disposing of funds, securities, assets or other property either now or hereafter

1 owned, controlled, or held (whether legally, equitably or otherwise) by or in  
2 the name of Defendant Fintrex, Inc. wherever such funds, assets or other  
3 property may be situated, including outside the United States.

4 2. The injunctive provisions of this Order shall be binding upon defendants Fintrex, Inc.  
5 and Arman Ovsepyan, along with any of their officers, agents, servants, employees, and  
6 attorneys, and upon those persons in active concert or participation with them who receive  
7 actual notice of this Order by personal service or otherwise.

8  
9 ORDER FOR RESTITUTION

10 3. Plaintiff CFTC is awarded judgment against defendant Fintrex, Inc. for restitution in  
11 the amount of \$1,320,283.00. Plaintiff CFTC is further awarded judgment against  
12 defendants Fintrex, Inc. and Arman Ovsepyan, jointly and severally, for restitution in the  
13 amount of \$683,670.00.

14 4. Restitution shall be paid as follows:

15 A. For purposes of restitution the National Futures Association ("NFA") is  
16 hereby designated as the Monitor. Notice to the Monitor shall be made to  
17 Daniel A. Driscoli, Executive Vice President, Chief Operating Officer, or his  
18 successor, at the following address: National Futures Association, 200 West  
19 Madison St., Chicago, IL 60606.

20 B. Restitutionary payments pursuant to this Order shall be tendered to the  
21 Monitor.

22 C. Upon being served with copies of this Order after entry by the Court,  
23 financial institutions and other entities holding frozen funds or other property  
24 controlled by defendants Fintrex, Inc. and Arman Ovsepyan shall tender same  
25 to the Monitor.

26 D. Restitutionary payments made to the Monitor shall be distributed to  
27 customers of defendants Fintrex, Inc. and Arman Ovsepyan in accordance with  
28

1 a plan of distribution to be submitted by the CFTC and approved by this Court.

2  
3 ORDER FOR PAYMENT OF A CIVIL MONETARY PENALTY

4 5. Upon full satisfaction of its restitution obligation, defendant Fintrex, Inc. shall pay to  
5 the CFTC a civil monetary penalty in the amount of \$4,007,906.00. Upon full satisfaction of  
6 his restitution obligation, defendant Arman Ovsepyan shall pay to the CFTC a civil  
7 monetary penalty in the amount of \$1,367,340.00. Such payment to the CFTC shall be  
8 directed to the attention of Ms. Dennese Posey, Commodity Futures Trading Commission,  
9 Division of Enforcement, 1152 21st Street, N.W., Washington, DC. 20581.

10  
11 CIVIL CONTEMPT ORDER

12 6. Defendant Ovsepyan is ordered as follows to purge himself of civil contempt as  
13 found in this Court's December 16, 2002 Order Holding Defendant Arman Ovsepyan in  
14 Civil Contempt:

15 A. Within thirty days from the date of entry of this Order, Ovsepyan shall  
16 return the sum of \$170,012 to Fintrex, Inc.'s bank account No. 03924-0 1848  
17 at Bank of America.

18 B. Within thirty days from the date of entry of this Order, Ovsepyan shall  
19 file with this Court and serve upon plaintiff's counsel a detailed accounting  
20 setting forth the disposition of any funds in his possession, or under his  
21 control, from and including August 10, 2001 to the present, including, without  
22 limitation, any funds on deposit in any of the following bank accounts:

23 (a) Fintrex' account No. 03924-0 1848 with Bank of  
24 America;

25 (b) Ovsepyan's dba MG Corp. account No. 10226617 with  
26 Fidelity Federal Bank;

27 (c) Ovsepyan's dba MG Corp. account No. 730-428696-1  
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with Cal Fed Bank;

(d) Ovsepyan's dba United International Brokerage account No 264-42593 72 with Cal Fed Bank;

(e) Ovsepyan's dba United International Brokerage account No. 10227566 with Fidelity Federal Bank.

C. Within thirty days of the date of entry of this Order, Ovsepyan shall make available to plaintiff for examination and copying all of his own and Fintrex Inc.'s books and records, including, without limitation, all check registers, bank statements, copies of cancelled checks, deposit slips, wire transfer confirmations and other documents pertaining to the following bank accounts:

(a) Fintrex' account No. 03924-0 1848 with Bank of America;

(b) Ovsepyan's dba MG Corp. account No. 10226617 with Fidelity Federal Bank;

(c) Ovsepyan's dba MG Corp. account No. 730-428696-1 with Cal Fed Bank;

(d) Ovsepyan's dba United International Brokerage account No 264-4259372 with Cal Fed Bank; and

(e) Ovsepyan's dba United International Brokerage account No. 10227566 with Fidelity Federal Bank.

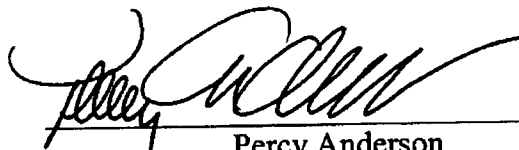
D. Within thirty days of the date of entry of this Order, defendant Ovsepyan shall repatriate and transfer to the territory of the United States all funds or assets (up to an amount necessary to fully satisfy his obligation to pay restitution and a civil monetary penalty pursuant to this Order) which are owned, controlled, or held (whether legally, equitably or otherwise) by or in his name, and shall deposit such funds or assets into the Registry of this Court

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and provide the Plaintiff and the Court with a written description of the funds  
and assets so repatriated and transferred.

IT IS SO ORDERED.

DATED: January 26, 2004



Percy Anderson  
UNITED STATES DISTRICT JUDGE

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