

**In The United States District Court  
For The Northern District of Georgia  
Atlanta Division**

**Commodity Futures Trading  
Commission,**

**Plaintiff,**

**vs.**

**Renaissance Asset Management, LLC,  
and  
Anthony Michael Ramunno, Jr.  
Defendants.**

**Civil Action No:**

**1:07 – CV – 0200 JTC  
Judge Jack T. Camp**

**DEFAULT ORDER OF PERMANENT INJUNCTION  
AND OTHER EQUITABLE RELIEF AGAINST DEFENDANT  
RENAISSANCE ASSET MANAGEMENT, LLC.**

**I. INTRODUCTION**

On January 24, 2007, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed the Complaint in this action against Defendants Renaissance Asset Management, LLC (“RAM”) and Anthony Michael Ramunno, Jr (“Ramunno”) seeking injunctive and other equitable relief for violations of the Commodity Exchange Act, as amended (“Act”), 7 U.S.C. §§ 1 et seq. (2002), and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. §§ 1 et seq. (2006).

On March 14, 2008, the Court entered a Consent Order of Permanent Injunction and Other Ancillary Relief against Defendant Anthony Ramunno. That order reserved the issues of monetary sanctions against Defendant Ramunno. Those issues are not yet resolved. On June 16, 2008, the Court entered a Default Judgment against RAM that granted Plaintiff's Motion for Default, but did not include any specific findings or relief against RAM. Accordingly, the Court now issues this Default Order of Permanent Injunction and Other Equitable Relief against Defendant Renaissance Asset Management, LLC ("Order").

## **II. FINDINGS OF FACT**

### **A. Jurisdiction and Venue**

10. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the CFTC to seek injunctive relief against any person who 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.

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

**B. Parties to this Order**

12. 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). 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 and/or Regulations, to enforce compliance with the Act and/or Regulations, and to seek civil penalties.

13. Defendant RAM is a Georgia limited liability company formed in June 2005 with its headquarters in Roswell, Georgia. It has been registered as CPO and CTA with the Commission since September 2005.

**C. Other Defendant**

14. Defendant Anthony Michael Ramunno, Jr. was the chief executive officer and trading funds manager at RAM. He previously applied for registration with the Commission as a commodity pool operator (“CPO”) in November 2003 and as a commodity trading advisor (“CTA”) and as an associated person (“AP”) in November 2004. He withdrew all these applications prior to approval.

**D. Fraudulent Activities By Defendants**

15. RAM has been operating a commodity pool, alternatively entitled “RAM I LLP” or “RAM I LLC” since at least June 2005.

16. An internal RAM report for the period ending December 31, 2006 reflected approximately 94 participants and total pool assets of at least \$32 million. However, that amount included purported accumulated profits, which were totally fabricated by Ramunno. In fact, RAM's commodity futures trading accounts had significant losses that eventually exceeded \$11.5 million. The total amount of participant losses was determined to be \$21,226,719.93 by the Court in the related criminal case, *U.S. v. Ramunno*, 1-07-CR-61-TWT (N.D. Ga. 2007).

17. Since at least July 2006, while controlling and acting on behalf of RAM, Ramunno knowingly caused to be distributed to pool participants prospective and prospective pool participants false written statements about RAM. The misrepresentations included, but were not limited to:

- a) false claims of profits within RAM's Pool Annual Reports for 2004 and 2005 and false representations that the reports have been audited by the accounting firm of Grant Thornton LLP, which, in fact, has never performed any services for RAM;
- b) false representations within RAM's Pool Annual Reports for 2004 and 2005 that indicate that RAM has operated since November 2003 despite records from the Georgia Secretary of State that document that RAM was not formed until June 2005;
- c) false representations within a RAM Confidential Private Placement Memorandum and Disclosure Document that RAM has audited profitable results since November 2003, when in fact these purported results have not been audited and were in fact false;
- d) false claims within other fabricated documents that the auditors Grant Thornton LLP had audited RAM's Pool Annual Reports for 2004 and 2005; and

- e) false claims of profits within periodic account statements sent to RAM participants, when, in fact, RAM trading accounts had significant losses that eventually exceeded \$11.5 million.

18. While controlling and acting on behalf of RAM, Ramunno misappropriated over \$5.8 million of RAM participant funds to pay for purely personal expenses, including a luxury home and multiple high-end automobiles and motorcycles.

19. On January 18, 2007, Ramunno contacted the Atlanta office of the Federal Bureau of Investigation and admitted to committing fraud. Since that time, he has pled guilty to one count of mail fraud in violation of 18 U.S.C. §§ 1342-43 and one count of wire fraud in violation of 18 U.S.C. § 1341 in *U.S. v. Ramunno*. Most of RAM's and Ramunno's assets have been subject to forfeiture in connection to that criminal proceeding.

#### IV. CONCLUSIONS OF LAW

20. Ramunno engaged in the conduct described herein as an agent of RAM, and consequently, RAM is liable for Ramunno's violations of the Act pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B).

21. By making material misrepresentations and providing false statements to pool participants and by misappropriating participant funds, Defendant RAM violated Sections 4b(a)(2)(i), (ii), and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i), (ii), and (iii), which make it unlawful for any person to cheat or defraud or attempt to

cheat or defraud; or willfully make or cause to be made to other persons false reports or statements, or willfully enter or cause to be entered for other persons false records; or willfully deceive or attempt to deceive by any means whatsoever other persons in or in connection with orders to make, or the making of, contracts of sale of any commodity for future delivery, made, or to be made, for or on behalf of such other persons where such contracts for future delivery were or may have been used for (a) hedging any transaction in interstate commerce in such commodity, or the produce 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.

22. By making material misrepresentations and providing false statements to pool participants and by misappropriating participant funds through the use of the Internet and other instrumentalities of interstate commerce, RAM, as a CPO also violated Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B), by: (i) employing devices, schemes, or artifices to defraud participants or prospective participants, and (ii) engaging in transactions, practices, or courses of business that operated as a fraud or deceit upon participants or prospective participants.

**V. NEED FOR A PERMANENT INJUNCTION**

23. Defendant RAM engaged in acts and practices that violate Sections 4b(a)(2)(i), (ii), and (iii), and 4o(1)(A) and 4o(1)(B) of the Act, 7 U.S.C. §§ 6b(a)(2)(i), (ii), and (iii), and 6o(1)(A) and 6o(1)(B). Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendant RAM will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act.

**VI. PERMANENT INJUNCTION**

**IT IS HEREBY ORDERED THAT:**

**A. Permanent Injunction**

23. Defendant RAM is permanently restrained, enjoined and prohibited from directly or indirectly:

- a) cheating or defrauding, or attempting to cheat or defraud other persons in or in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of, any commodity futures transaction, in violation of Section 4b(a)(2)(i) of the Act, 7 U.S.C. § 6b(a)(2)(i);
- b) making or causing to be made to any other person any false report or statement thereof or causing to be entered for any person any false record thereof, in violation of Section 4b(a)(2)(ii) of the Act, 7 U.S.C. § 6b(a)(2)(ii);
- c) willfully deceiving or attempting to deceive other persons by any means whatsoever in regard to any order or contract, or in regard to any act of agency performed with respect to any order or contract, in violation of Section 4b(a)(2)(iii) of the Act, 7 U.S.C. § 6b(a)(2)(iii); and

- d) employing any device, scheme or artifice to defraud any client or participant or prospective client or participant, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any participant or prospective participant by use of the mails or any means or instrumentality of interstate commerce, in violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B).

24. Defendant RAM also is permanently 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, as 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;
- 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);
- e) entering into any commodity interest transactions for its own personal accounts, for any account in which it has a direct or indirect interest and/or having any commodity interests traded on its behalf; and



- f) engaging in any business activities related to commodity interest trading.

25. Defendant RAM is further permanently restrained, enjoined and prohibited from filing a petition in bankruptcy without providing the Commission with prompt notice by Certified Mail of such filing, as required by Part VI, paragraph 39 of this Order.

26. The injunctive provision of this Order shall be binding upon Defendant RAM, upon any person who acts in the capacity of officer, agent, employee, attorney, successor and/or assign of Defendant RAM and upon any person who receives actual notice of this Order, by personal service or otherwise, insofar as he or she is acting in active concert or participation with Defendant.

**B. Restitution**

27. Upon entry of this Order, Defendant RAM shall make payment of restitution of \$21,226,719.93 (the "Restitution Obligation"), which is the same amount of restitution as provided for in the Judgment in the Criminal Case, entered in *United States v. Ramunno* on December 18, 2007. RAM is jointly liable with Ramunno for that amount.

28. The amounts payable to each customer shall not limit the ability of any customer from proving that a greater amount is owed from Defendant RAM or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any customer that exist under state or common law.

29. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each customer of Defendant RAM who suffered a loss is explicitly made an intended third-party beneficiary of this Order and may seek to enforce obedience of this Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendant RAM, to ensure continued compliance with any provision of this Order and to hold Defendant RAM in contempt for any violations of any provision of this Order.

**C. Civil Monetary Penalty**

30. Upon entry of the Order, Defendant RAM shall pay a civil monetary penalty in the amount of \$5,802,058.13, plus post-judgment interest (the "CMP Obligation").

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

**D. Payment Procedures, Priority of Monetary Sanctions and Partial Payments**

32. Defendant RAM shall pay the CMP Obligation 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/FZZ/MMAC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone: (405) 954-6569

If payment by electronic transfer is chosen, Defendant RAM shall contact Marie Bateman or her successor at the address above to receive payment instructions and shall fully comply with those instructions. RAM shall accompany payment of the civil monetary penalty with a cover letter that identifies it as the paying Defendant and the name and docket number of this proceeding. RAM shall simultaneously transmit a copy of the cover letter and the form of payment to:

Office of Cooperative Enforcement  
Division of Enforcement  
Commodity Futures Trading Commission  
1155 21st Street, N.W.  
Washington, D.C. 20581.

33. Appointment of Monitor: To effect payment by Defendants and distribution of restitution to defrauded customers, the Court appoints Daniel Driscoll, Executive Vice-President of the National Futures Association (“NFA”) or his successor, as Monitor (“Monitor”). The Monitor shall collect restitution payments from Defendants; compute *pro rata* allocations to injured customers 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, he shall not be liable for any action or inaction arising from his appointment as Monitor, other than actions involving fraud.

34. Defendant RAM shall make restitution payments under the Order in the name "Renaissance Settlement Fund" and shall send such restitution payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's, or bank money order, to Daniel Driscoll, Monitor, National Futures Association, 200 W. Madison Street #1600, Chicago, Illinois 60606-3447 under cover letter that identifies the paying Defendant and the name and docket number of the proceeding. The paying Defendant shall simultaneously transmit copies of the cover letter and the form of payment to Gregory Mocek, Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1152 21st Street, N.W., Washington, D.C. 20581, and to the Chief, Office of Cooperative Enforcement, at the same address. The NFA shall oversee Defendants' Restitution Obligation, shall make periodic distribution of funds to customers as proposed in *U.S. v. Ramunno*, 1-07-CR-61-TWT (N.D. Ga. 2007), or may defer distribution until such time as it deems appropriate.

34. To the extent that any funds accrue to the U.S. Treasury as a result of the Restitution Obligation in this Order, such funds shall be transferred to the

Monitor for disbursement in accordance with the procedures set forth in paragraph 33 above.

35. All payments by Defendant RAM pursuant to this Order shall first be applied to satisfaction of the Restitution Obligation. After satisfaction of the Restitution Obligation, payments by Defendant RAM pursuant to this Order shall be applied to satisfy the CMP Obligation.

36. Any acceptance by the Commission of partial payment of Defendant RAM's Restitution Obligation and/or CMP Obligation shall not be deemed a waiver of the respective requirement to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

**E. Cooperation**

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

**F. Equitable Relief Provisions**

38. The equitable relief provisions of this Order shall be binding upon Defendant RAM and any person who is acting in the capacity of officer, agent,

employee, servant or attorney of Defendant RAM, and any person acting in active concert or participation with Defendant RAM who receives actual notice of this Order by personal service or otherwise.

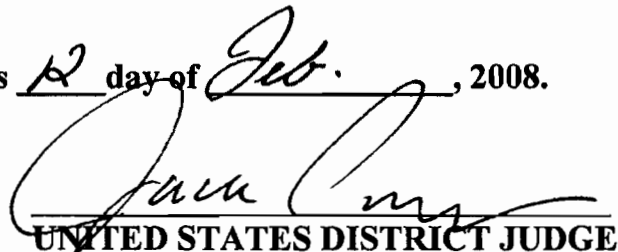
**G. Other Provisions**

39. Notices: All notices required to be given by any provision in this Order to the Commission shall be sent certified mail, return receipt requested, as follows:

Notice to Plaintiff Commission:  
Director of the Division of Enforcement  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW, Washington, DC 20581

40. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to assure compliance with this Order and to consider any suitable application or motion for additional relief within the jurisdiction of the Court.

IT IS SO ORDERED on this 12 day of Feb., 2008.

  
UNITED STATES DISTRICT JUDGE