

**UNITED STATES OF AMERICA**  
**Before the**  
**COMMODITY FUTURES TRADING COMMISSION**

**In the Matter of:**

**John C. Glase,  
Sutherland Group, Inc., and  
Skibo Asset Management, LLC,**

**Registrants.**

**Honorable Bruce C. Levine  
Administrative Law Judge**

**CFTC Docket No. SD 08 - 03**

**OPINION AND ORDER ACCEPTING  
OFFER OF SETTLEMENT OF REGISTRANTS**

**I.**

On July 30, 2008, the Commodity Futures Trading Commission ("CFTC or Commission") filed a Notice of Intent to Suspend, Revoke or Restrict Registrations ("Notice") against John C. Glase ("Glase"), Sutherland Group, Inc. ("Sutherland") and Skibo Asset Management, LLC ("Skibo") (collectively "Registrants"). To resolve this matter, Registrants have submitted an Offer of Settlement ("Offer") that the Commission has determined to accept.

**II.**

Registrants acknowledge services of the Notice, and this Opinion and Order Accepting Offer of Settlement of Registrants ("Order"). Without admitting or denying any of the findings contained in this Order, and prior to any adjudication on the merits, Registrants consent to the entry of this Order and to the use of the findings in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party.

**III.**

**FINDINGS**

The Commission finds the following:

That Glase is registered with the Commission as an associated person ("AP"), Sutherland is registered with the Commission as an introducing broker and commodity trading advisor ("CTA"), and Skibo is registered with the Commission as a CTA. Further, that the facts set forth in the Notice constitute good cause for a statutory disqualification of Registrants from registration under the Commodity Exchange Act, as amended (the "Act"), as follows:

- A. that Registrant Glase is subject to statutory disqualification under Sections 8a(2)(E), 8a(3)(C) and (M), and 8a(4) of the Act, 7 U.S.C. §§ 12a(2)(E), 12a(3)(C) and (M), and 12a(4) (2006);
- B. that Registrant Sutherland is subject to statutory disqualification under Sections 8a(3) (M) and (N), and 8a(4) of the Act, 7 U.S.C. §§ 12a(3)(M) and (N), and 12a(4); and
- C. that Registrant Skibo is subject to statutory disqualification under Sections 8a(3)(N) and 8a(4) of the Act, 7 U.S.C. §§ 12a(3)(N) and 12a(4) (2006).

#### IV.

#### OFFER

Respondents have submitted an Offer in which, without admitting or denying the allegations of the Notice or the findings herein, they acknowledge service of the Notice and this Order and admit the jurisdiction of the Commission with respect to the matters set forth in the Notice and this Order.

Further, in the Offer, Registrants waive: a hearing, all post-hearing procedures; judicial review by any court; any and all objections to the participation by any member of the Commission's in consideration of the Offer; any claim of Double Jeopardy based upon the institution of this proceeding or the entry of any order imposing a civil penalty or any other relief; any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. §504 and 28 U.S.C. §2412 (2000), and/or Part 148 of the Commission's Regulations ("Regulations"), 17 C.F.R. §§148.1 *et seq.*, relating to or arising from this proceeding; and any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act, 1996 HR 3136, Pub. L. 104-121, §§ 231-232, 110 Stat. 862-63 (Mar. 29, 1996), as amended by Pub. L. No. 110-28, 121 Stat. 112 (2007), relating to or arising from this proceeding.

Finally, Registrants stipulate that the record basis on which this Order is entered consists of the Notice and the findings consented in the Offer, which are incorporated in this Order. Pursuant to the Offer, Registrants consent to the Commission's issuance of this Order determining that they are statutorily disqualified from registration with the Commission and ordering that Registrants comply with certain restrictions and undertakings as set forth in the Offer and in Section V of this Order.

Upon consideration, the Commission has determined to accept Registrants' Offer.

V.

**Accordingly, IT IS HEREBY ORDERED THAT:**

Registrants' registrations be conditioned and restricted for a period of five (5) years from the date of entry of this Order as follows:

- A. Registrants Sutherland and Skibo shall make complete audio recordings of all telephone conversations that occur between their APs and/or principals on one hand, and existing and/or prospective customers on the other hand, including existing and prospective retail forex customers of National Futures Association ("NFA") Members subject to NFA Compliance Rule 2-36. Registrants Sutherland and Skibo must retain such recordings for a period of five years from the date each recording is created and the recordings shall be readily accessible during the first two years of the five-year period. In retaining the recorded conversations, Registrants Sutherland and Skibo must catalog the recordings by AP or principal and date. Additionally, Registrants Sutherland and Skibo must require all their APs and principals to maintain a daily log for sales solicitations that reflects at a minimum the identity of each customer or prospective customer the AP or principal spoke with on each day. Registrants Sutherland and Skibo must be able to promptly produce, upon request from NFA or the CFTC, all conversations relating to a specific AP or principal, and only that AP or principal, for a given date. Registrants Sutherland and Skibo are further required to promptly provide NFA or the CFTC with appropriate resources for listening to their recordings upon request;
- B. Registrants acknowledge that failure to comply with the Commission's Order shall constitute a violation of the Commission's Order and may subject them to administrative or injunctive proceedings pursuant to the Act;
- C. each Registrant shall immediately notify the Commission and NFA in writing if the Commission, the NFA, or any other self-regulatory organization ("SRO") or a law enforcement agency or regulatory agency institutes a proceeding charging that Registrant with violation of the Act, the Regulations, the rules or requirements of the NFA or any other SRO, the terms of the Commission's Order or a disciplinary offense as defined in Regulation 1.63(a)(6), 17 C.F.R. §1.63(a)(6) (2008); and
- D. a Registrant's registration shall be automatically suspended if he or it is charged in a proceeding with violating the terms of a Commission order, violating the terms of a Federal Court order enjoining violations of the Act or Regulations, or a disciplinary offense as defined in Regulation 1.63(a)(6), 17 C.F.R. §1.63(a)(6) (2008), except that as to offenses defined in Regulation 1.63(a)(6)(i)(c), suspension shall occur if fines aggregating \$5,000 or more are imposed during the period of these restrictions rather than during a calendar year; and

- E. if any Registrant's registration is automatically suspended pursuant to Paragraph C of this section, the period of suspension shall continue until a final order is entered resolving all issues arising under the proceeding;
- F. Registrant Glase is prohibited from supervising any branch office of any Commission registrant, including Sutherland and Skibo, or serving on any disciplinary committee, arbitration panel, or governing board of any SRO registered or subject to regulation by the Commission;
- G. Because of their lack of financial resources, Registrants are not required to make any payments at this time on the judgment order previously entered in *CFTC v. Carnegie Trading Group, et al.*, No. 1:04C V 1403 (N.D. Ohio) as a condition of continued registration. However, nothing in this Order is intended or should be interpreted to modify or waive in any respect the general financial obligations imposed on the defendants in that case by the judgment order; and

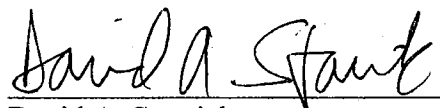
Registrants are further ordered to comply with the following undertakings:

- A. Registrants shall not petition the Commission to lift the conditions and restrictions on their registrations until a three year period has expired from the date of entry of this Order; and
- B. Neither the Registrants nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Notice or finding or conclusion in this Order, or creating, or tending to create, the impression that the Notice or this Order is without a factual basis; provided, however, that nothing in this provision shall affect Registrants' (i) testimonial obligations, or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Registrants shall undertake all steps necessary to ensure that all of their agents and employees under their authority or control understand and comply with this undertaking.

Unless otherwise specified, the provisions of this Order shall be effective on this date

The Office of Proceedings shall serve a copy of this Order upon Registrants, upon the NFA, and upon all contract markets.

By the Commission.



David A. Stawick  
Secretary of the Commission  
Commodity Futures Trading Commission

Dated: March 30, 2009