

FILED IN CLERK'S OFFICE
U.S.D.C. Atlanta

SEP 18 2007

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

JAMES N. HATTEN, Clerk
[Signature]
Deputy Clerk

Commodity Futures Trading Commission,
Plaintiff,

vs.

Gregg R. Amerman,
Defendant;
World Alliance Group, Inc.,
Gregg Amerman Companies, Inc.,
Zero Doubt, LLC,
Relief Defendants.

Civil Action No:

1:07-cv-2280

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

I. SUMMARY OF ACTION

1. The Commodity Futures Trading Commission (“the Commission”) seeks injunctive relief to enjoin the operations of Gregg Amerman (“Amerman”), a commodity pool operator (“CPO”).

2. From at least September 2002 to April 2004 (“the relevant time period”), Amerman, in his role as a CPO, solicited at least \$1,169,000 from approximately 22 individuals, and pooled their investments in Dream Venture Group LLC (“DVG”), a commodity pool.

3. Amerman invested those pooled DVG funds in Tech Traders, Inc. (“Tech Traders”), a master pool consisting of funds invested by several smaller commodity pools.
4. During the relevant time period, Tech Traders wired or issued checks totaling \$1,278,475 to DVG’s bank account.
5. Tech Traders agreed to pay Amerman a broker’s fee based on profits generated from Tech Traders’ trading of DVG’s funds. Amerman did not disclose this fee agreement to pool participants. Amerman was entitled to approximately \$135,000 under this undisclosed fee agreement.
6. Of the \$1,278,475 that Tech Traders sent to DVG’s bank account, Amerman, acting on behalf of DVG, distributed \$460,480 to DVG participants, and retained over \$810,000 for other uses.
7. Of the funds Amerman retained for other uses, over \$375,000 was sent directly to or was used for the benefit of three companies controlled by Amerman, namely World Alliance Group, Inc. (“WAG”), Gregg Amerman Companies (“GAC”) and Zero Doubt LLC (“ZD”) (collectively the “Relief Defendants”), none of which provided services or benefits to DVG’s participants.
8. In April 2004, Tech Traders ceased operations when the Commission brought a fraud action against it and others.

9. After Tech Traders ceased operations, DVG received no funds to repay participants.

10. As a result, DVG participants collectively sustained losses of approximately \$800,000. Meanwhile, Amerman retained and used over \$810,000 for himself, although his undisclosed fee agreement only entitled him to about \$135,000.

Therefore, he misappropriated at least \$675,000 that belonged to pool participants

11. Amerman has engaged, is engaging, or is about to engage in acts or practices that violate sections of the Commodity Exchange Act, as amended, (the "Act")

7 U.S.C. §§ 1 et seq. (2002), and/or Commission Regulations thereunder, 17

C.F.R. §§ 1 et seq. (2007). Specifically:

a. Amerman violated Sections 4b(a)(2)(i), (ii), (iii) and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i), (ii), (iii) and 6o(1) (2002), by issuing false statements to investors, failing to disclose the brokers' fees he received, and misappropriating participant funds.

b. Amerman violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2002), by failing to register as a CPO.

c. While acting as a CPO, Amerman commingled pool funds with his personal funds in DVG's account, commingled pool funds with his separate unrelated companies, WAG, GAC and ZD, and failed to provide investors

with information required to be in a commodity pool Disclosure Document.

As a result of these failures, Amerman violated Commission Regulations 4.20(c), 4.21, and 4.24, 17 C.F.R. §§ 4.20(c), 4.21, and 4.24 (2007).

12. Unless permanently enjoined by this Court, Amerman 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.

13. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), Plaintiff Commission brings this action to enjoin the unlawful acts and practices of Amerman and to compel his compliance with the provisions of the Act and Regulations thereunder. In addition, the Commission seeks disgorgement of Amerman's and the Relief Defendants' ill-gotten gains, restitution to the pool participants, civil monetary penalties, and such other equitable relief as the Court may deem necessary or appropriate.

14. Amerman received a discharge under Chapter 7 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (2005) on September 18, 2006. The Commission was not listed on his schedule of creditors in his bankruptcy petition. The Commission was unaware of the bankruptcy filing until after Amerman received the discharge.

II. JURISDICTION AND VENUE

15. The Act establishes a comprehensive system for regulating the purchase and sale of commodity futures and options on commodity futures contracts. 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.

16. 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 and Relief Defendants 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.

III. THE PARTIES

17. Plaintiff *Commodity Futures Trading Commission* is an independent federal government regulatory agency that is responsible for administering and enforcing the provisions of the Act, and the Regulations promulgated thereunder.

18. Defendant *Gregg Amerman* resides in Alpharetta, Georgia and is the manager for *Dream Venture Group, LLC*, a Georgia limited liability company formed on March 18, 2002. Amerman is the CPO of DVG, but is not registered

with the Commission in any capacity, has never been registered with the Commission and has never filed an exemption from registration. DVG is located at 3000 Old Alabama Road, #119E, Alpharetta, GA 30022.

19. Relief Defendant *World Alliance Group, Inc.* is a Georgia corporation formed on September 28, 1998, that sold environmental and health consumer products. Amerman's mother, Sandy Amerman, is the Chief Executive Officer, and Amerman is the Secretary. WAG's principal office is located at 3000 Old Alabama Road, #119E, Alpharetta, GA 30022. WAG is not registered with the Commission in any capacity, has never been registered with the Commission and has never filed an exemption from registration. WAG performed no services for DVG for the benefit of pool participants, but received funds from DVG's bank account that belonged to pool participants. Thus, WAG does not have a legitimate claim to these funds.

20. Relief Defendant *Gregg Amerman Companies, Inc.* is a Georgia corporation formed on November 21, 2001. Amerman is the Chief Executive Officer of GAC, and his mother is the Secretary. GAC's principal office is located at 3000 Old Alabama Road, #119E, Alpharetta, GA 30022. GAC is a motivational training company and is not registered with the Commission in any capacity, has never been registered with the Commission and has never filed an exemption from

registration. GAC performed no services for DVG for the benefit of pool participants but received funds from DVG's bank account that belonged to pool participants. Thus, GAC does not have a legitimate claim to these funds.

21. Relief Defendant *Zero Doubt, LLC* is a Georgia limited liability company formed by Amerman in the State of Georgia on January 21, 2003. ZD is a clothing apparel company with its principal office located at 3000 Old Alabama Road, #119E, Alpharetta, GA 30022. ZD is not registered with the Commission in any capacity, has never been registered with the Commission and has never filed an exemption from registration. ZD performed no services for DVG for the benefit of pool participants, but received funds from DVG's bank account that belonged to pool participants. Thus, ZD does not have a legitimate claim to these funds.

IV. FACTS

A. Statutory Background.

22. A "commodity pool" is defined in Commission Regulation 4.10(d)(1), 17 C.F.R. § 4.10(d)(1) (2007), as any investment trust, syndicate or similar form of enterprise operated for the purpose of trading commodity interests.

23. A "commodity pool operator" is defined in Section 1a(5) of the Act, 7 U.S.C. § 1(a)(5) (2002), as any person engaged in a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, and who, in

connection therewith, solicits, accepts or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities or otherwise, for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility.

24. Under Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2007), no CPO may commingle the property of any pool that it operates or that it intends to operate with the property of any other person.

25. Under Commission Regulation 4.21, 17 C.F.R. § 4.21 (2007), each CPO registered or required to be registered under the Act must deliver or cause to be delivered to a prospective participant in a pool that it operates or intends to operate a Disclosure Document for the pool prepared in accordance with Commission Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24 and 4.25 (2007).

26. Commission Regulation 4.24, 17 C.F.R. § 4.24 (2007), requires certain general disclosures in a Disclosure Document, including disclosure of fees and expenses incurred by the pool.

B. Amerman Misappropriated Pool Funds.

27. In early 2002, Amerman met Coyt E. Murray (“Murray”) through a mutual friend and business associate. Murray controlled Tech Traders and was its President and Chief Executive Officer.

28. Tech Traders was a trading company that pooled third party funds and used some of them to trade exchange-traded commodity futures contracts and foreign currency contracts.

29. Because Amerman needed funding for WAG, GAC and ZD, he proposed to Murray that he solicit funds to invest with Tech Traders in exchange for receiving money back from Tech Traders to fund these companies.

30. Murray accepted Amerman’s proposal on behalf of Tech Traders and agreed to fund Amerman’s companies. Tech Traders began to do so immediately after Amerman sent the first DVG participant funds to Tech Traders.

31. Under Amerman’s agreement with Tech Traders, he was entitled to, at most, approximately \$135,000 in fees generated from Tech Traders’ profitable trading.

32. Amerman did not disclose this fee agreement with Tech Traders to DVG’s participants.

33. Between September 2002 and February 2004, Amerman solicited \$1,169,000 from 22 participants, pooled the funds in DVG’s bank account, and

invested \$1,083,000 of those funds with Tech Traders to trade commodity futures contracts and foreign exchange contracts. The remainder of the funds were used, among other ways, to pay expenses, transferred to Amerman and the Relief Defendants, repaid to certain investors, and invested in another non-Tech Traders program.

34. Tech Traders sent \$1,278,475 back to DVG's bank account. Based upon Amerman's secret agreement with Tech Traders, he was entitled to receive approximately \$135,000. However, Amerman took over \$810,000 for himself or the Relief Defendants. Therefore, he misappropriated approximately \$675,000 of DVG's participants' funds.

C. Amerman Failed to Register With the Commission in Any Capacity.

35. DVG was a business in the nature of an investment trust, syndicate, or similar form of enterprise and, through Amerman, solicited, accepted or received from others, funds for the purpose of trading in commodity futures contracts.

Amerman utilized means of interstate commerce, such as the U.S. mails and interstate telephone lines, to operate the DVG commodity pool. Since DVG had more than fifteen participants at any one time and Amerman accepted total gross contributions in excess of \$400,000 in pool deposits, he should have been registered as a CPO.

D. Amerman Distributed False Account Statements that also Failed to Disclose the Amount of Fees He Was Earning From the Pool.

36. Amerman distributed account statements to DVG's participants that reported the profits Tech Traders reported to him.

37. For at least five months during the relevant time period, Amerman knowingly or recklessly reported profits that were higher than the profits Tech Traders reported to him.

38. The statements also failed to disclose the amount of fees that Amerman was receiving.

39. Moreover, Amerman knowingly or recklessly issued false account statements to DVG's participants for March 2004 showing a rate of return of 9.09% for the month, although Tech Traders issued no statements for March 2004 to its participants.

40. Amerman sent DVG's participants false statements to induce them to continue their investment in DVG. DVG's participants justifiably relied on those statements in making and continuing their investment with DVG.

E. Amerman Failed to Disclose his Fee Agreement with Tech Traders to DVG Pool Participants.

41. Amerman disseminated an investor agreement to DVG's participants.

Contrary to the requirements of Commission Regulation 4.24(i),

17 C.F.R. § 4.24(i), the agreement did not disclose the fee agreement Amerman had with Tech Traders under which he was entitled to \$135,000.

F. Amerman Commingled Pool Funds with Personal Funds and the Funds of the Relief Defendants.

42. Amerman commingled pool funds with his personal funds and the funds of the Relief Defendants in DVG's bank account by receiving funds in DVG's account that were unrelated to the DVG pool and using the funds in the account in ways unrelated to the DVG pool.

43. In addition to direct withdrawals to Amerman and the Relief Defendants, Amerman used funds in the account in various ways, including to give gifts to others, make loans to others, pay for a mortgage and house repairs, and pay for Relief Defendants' expenses.

G. The Relief Defendants Received Investor Funds.

44. The Relief Defendants are not entitled to DVG participants' funds. They are companies unrelated to DVG, but controlled by Amerman. They received funds from DVG's participants without providing a service to the DVG pool.

V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT & COMMISSION REGULATIONS

Count I

Violations of Section 4b(a)(2) of the Act Fraud by Misappropriation, Misrepresentation and False Statement

45. Paragraphs 1 through 44 are re-alleged and incorporated herein.

46. Section 4b(a)(2) of the Act, 7 U.S.C. §§ 6b(a)(2) (2002), makes it unlawful for any person to cheat, defraud or deceive or attempt to cheat, defraud or deceive such other person 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 where such contract for future delivery was 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.

47. During the relevant time period, Amerman violated Section 4b(a)(2) of the Act, 7 U.S.C. § 6b(a)(2) (2002), in that he cheated or defrauded or attempted to cheat or defraud investors, willfully made or caused to be made false reports or statements to investors and willfully deceived or attempted to deceive investors by, among other things: knowingly misappropriating funds received from DVG's

participants and using them for his personal use and for the use of the Relief Defendants; knowingly misrepresenting profits to DVG's participants and reporting profits when Tech Traders had not reported profits to him, and failing to disclose his secret fee agreement with Tech Traders.

48. Each material misrepresentation or omission, and each willful deception made during the relevant time period, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2) (2002).

Count II
Violations of Section 4o(1) of the Act
Commodity Pool Fraud

49. Paragraphs 1 through 44 are re-alleged and incorporated herein.

50. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2002), makes it unlawful for any CPO, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any participant or prospective participant; or to engage in any transaction, practice or a course of a business that operates as a fraud or deceit upon any participant or prospective participant.

51. During the relevant time period, Amerman acted as an CPO in that he engaged in a business that is the nature of an investment trust, syndicate, or similar

form of enterprise and in connection therewith, solicited, accepted or received funds, securities or property from others for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility.

52. Amerman violated Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2002), in that he directly or indirectly employed or is employing a device, scheme, or artifice to defraud commodity pool participants by knowingly misappropriating funds received from DVG's participants and using them for his personal use and for the use of the Relief Defendants; knowingly misrepresenting profits to DVG's participants and reporting profits when Tech Traders had not reported profits to him; and failing to disclose his secret fee agreement with Tech Traders, or has engaged or is engaging in transactions, practices or a course of business that operated as a fraud or deceit upon commodity pool participants by means of the acts and practices described in paragraphs 1 through 44.

53. Each material misrepresentation or omission made during the relevant time period, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Section 4o(1) of the Act.

Count III

Violation of Section 4m(1) of the Act:
Failure to Register as a CPO

54. Paragraphs 1 through 44 are re-alleged and incorporated herein.

55. Amerman acted as a CPO and used the mails and other means or instrumentalities of interstate commerce, directly or indirectly, to engage in business as a CPO without the benefit of registration, in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2002).

56. Each use of the mails or any means or instrumentality of interstate commerce in connection with Amerman's business as a CPO without proper registration or exemption from registration during the relevant time period, including, but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2002).

Count IV

Violations of CPO Regulations
17 C.F.R. §§ 4.20(c), 4.21, and , 4.24

57. Paragraphs 1 through 44 are re-alleged and incorporated herein.

58. Pursuant to Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2007), no CPO may commingle the property of any pool that it operates or that it intends to operate with the property of any other person or entity.

59. Amerman commingled property belonging to DVG's participants with Amerman's personal funds and the business accounts for WAG, GAC and ZD, in violation of Regulation 4.20(c).

60. Each act by Amerman that commingled property of DVG's participants with Amerman's personal business accounts for WAG, GAC and ZD is alleged as a separate violation of Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2007).

61. Commission Regulation 4.21, 17 C.F.R. § 4.21 (2007), provides that, subject to certain exceptions not applicable here, each CPO registered or required to be registered under the Act must deliver or cause to be delivered to a prospective participant in a pool that it operates or intends to operate a Disclosure Document for the pool prepared in accordance with Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24 and 4.25 (2007).

62. During the relevant time period, Amerman failed to deliver to prospective participants in DVG a Disclosure Document prepared in accordance with Commission Regulations 4.24, 17 C.F.R. §§ 4.24 (2007). Therefore, Amerman violated Commission Regulations 4.21 and 4.24, 17 C.F.R. §§ 4.21, and 4.24 (2007).

63. Each failure to deliver a Disclosure Document complying with the provisions of Commission Regulation 4.24, 17 C.F.R. § 4.24 (2007), is alleged as a

separate violation of Commission Regulations 4.21, and 4.24, 17 C.F.R. §§ 4.21, and 4.24 (2007).

Count V

Disgorgement of Assets from the Relief Defendants

64. Paragraphs 1 through 44 are re-alleged and incorporated herein.

65. During the relevant time period, the Relief Defendants, received funds that are directly traceable to Amerman's operation of DVG.

66. The Relief Defendants had no legitimate claim to the funds or the value of the benefits they received from DVG.

67. The Relief Defendants will be unjustly enriched if they are not required to disgorge the funds or the value of the benefits they received from DVG.

68. The Relief Defendants should be required to disgorge the funds or the value of the benefits they received that are traceable to DVG' bank account.

Relief Requested

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), and pursuant to its own equitable powers:

A. Find Defendant Amerman liable for violating Sections 4b(a)(2)(i), (ii), and (iii), 4o(1) and 4m(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i), (ii), (iii), 6o(1) and

6m(1) (2002), and Commission Regulations 4.20(c), 4.21, and 4.24, 17 C.F.R.

§§ 4.20(c), 4.21, and 4.24 (2007);

B. Enter an order of permanent injunction enjoining Defendant Amerman and all persons insofar as they are acting in the capacity of his agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendant Amerman who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. Engaging in conduct in violation of Sections 4b(a)(2)(i), (ii), and (iii), 4o(1) and 4m(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i), (ii), (iii), 6o(1) and 4m(1) (2002), and Commission Regulations 4.20(c), 4.21, and 4.24, 17 C.F.R. §§ 4.20(c), 4.21 and 4.24 (2007); and
2. 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, but not limited to, soliciting customers and/or controlling, or directing the trading of any commodity-related accounts, on his own behalf or for or on behalf of any other person or entity, whether by power of attorney or otherwise;

C. Enter an order requiring Defendant Amerman and all Relief Defendants to disgorge to any officer appointed or directed by the Court or directly to the pool participants 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 Amerman to make restitution by making whole each and every pool participant whose funds were received or utilized by him in violation of the provisions of the Act as described herein;

E. Enter an order requiring Defendant Amerman 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/or Regulations, or (2) \$120,000 for each violation of the Act and/or Regulations;

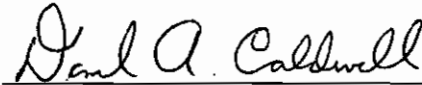
F. Enter an order requiring Defendant Amerman to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (1994); and

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

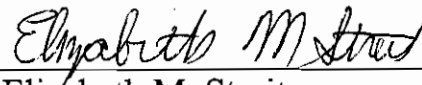
Date:

Respectfully submitted,

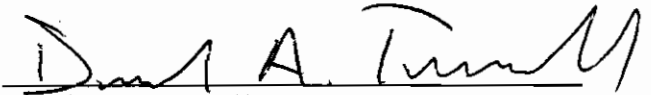
David E. Nahmias
United States Attorney



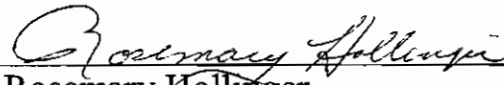
Daniel A. Caldwell
Assistant United States Attorney
Georgia Bar No. 102510
600 Richard B. Russell Building
75 Spring Street, S.W.
Atlanta, Georgia 30303
(404) 581-6224 (telephone)
(404) 581-6181 (facsimile)



Elizabeth M. Streit
Lead Trial Attorney
A.R.D.C. No. 06188119



David A. Terrell
Senior Trial Attorney
A.R.D.C. No. 619293



Rosemary Hollinger
Associate Director and Regional Counsel
A.R.D.C. No. 3123647

Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0537 (Streit)
(312) 596-0520 (Hollinger)
(312) 596-0700 (office number)
(312) 596-0714 (facsimile)