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UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK

U.S. Commodity Futures Trading Commission,

Plaintiff,

v.

Matthew Doyle,

Defendant.

06 CV 6094 (JES)

**ORDER FOR JUDGMENT BY
 DEFAULT WITH INJUNCTIVE
 RELIEF, A CIVIL MONETARY
 PENALTY AND ANCILLARY
 EQUITABLE RELIEF**

ECF Case

On August 10, 2006, the U.S. Commodity Futures Trading Commission ("Commission" or "Plaintiff") filed its complaint charging Matthew Doyle ("Doyle" or "Defendant") with fraud in violation of Section 4b(a)(2)(i) and (iii) of the Commodity Exchange Act, as amended ("the Act"), 7 U.S.C. § 6b(a)(2)(i) and (iii) (2002). On January 6, 2007, Doyle was properly served pursuant to Rule 4(e)(2) of the Federal Rules of Civil Procedure ("Fed. R. Civ. P.") with the Complaint. Doyle failed to answer the Complaint within the time permitted by Rule 12(a)(1) of the Fed. R. Civ. P. On April 24, 2007, this Court issued an Order granting Plaintiff's Application to file a Motion for Default Judgment against Doyle. Accordingly, on May 3, 2007, the Clerk of this Court entered a certificate of default against Doyle.

The Commission has now submitted its Application for Entry of Default Judgment, Injunctive Relief, Damages and Ancillary Equitable Relief ("Application") against Doyle pursuant to Fed. R. Civ. P. 55(b)(2) and Local Rule 55.2(b). The Court has carefully considered the Complaint, the allegations of which are well-pleaded and hereby taken as true, the

Application, and other written submissions of the Commission filed with the Court, and being fully advised, hereby:

GRANTS the Commission's Application against Doyle and enters findings of fact and conclusions of law relevant to the allegations in the Complaint. The Court further grants the Commission's request for default judgment, injunctive relief, damages and restitution. Accordingly, the Court now issues the following Order ("Order") against Doyle.

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Jurisdiction and Venue

This Court has jurisdiction over the subject matter of this action and Doyle 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.

Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1, in that Doyle was found in, inhabited, or transacted business in this district, and the acts and practices in violation of the Act occurred within this district, among other places.

B. Findings of Fact

During the week of April 18, 2005, Doyle engaged in a scheme in which he fraudulently attempted to assign losing trades of Natural Gas futures contracts to the accounts of certain customers and when that failed he caused these losing trades to be assigned to the account of John Proctor ("Proctor"). Doyle perpetrated this scheme by writing or causing to be written customer account identification on order tickets for hundreds of natural gas futures contracts. None of the customers whose account identification appeared on these order tickets placed any

of these orders or gave Doyle or anyone else permission or authority to enter their customer identification on any of these tickets. Proctor executed each of these losing trades on the New York Mercantile Exchange (the "NYMEX"). Doyle unsuccessfully attempted to assign these losing trades to the customers whose account identification appeared on these tickets. Since the rules of the NYMEX hold the executing broker responsible for all trades that cannot properly be attributed to particular accounts, all of these losing trades ultimately were in fact assigned to Proctor's account. Proctor suffered losses totaling \$3,020,200 as a result of this scheme.

C. Conclusions of Law

1. Violation of Section 4b(a)(2) of the Commodity Exchange Act

During the week of April 18, 2005, Doyle attempted to cheat, defraud and willfully deceive certain customers and also cheated, defrauded and deceived Proctor in violation of Section 4b(a)(2)(C)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(C)(i) and (iii).

2. Appropriate Relief

Permanent injunctive relief is warranted in light of the egregious nature of Doyle's conduct in attempting to cheat, defraud and willfully deceive certain customers and in cheating, defrauding and willfully deceiving Proctor. Further, Doyle's high level of scienter in conducting a well-planned scheme to systematically defraud these victims demonstrates a reasonable likelihood of future violations.

Imposition of a civil monetary penalty is appropriate in this case because Doyle's violation of the Act was intentional. Likewise, the remedy of restitution is appropriate to compensate Proctor.

II. ORDER FOR RELIEF

A. Permanent Injunction

IT IS THEREFORE ORDERED THAT:

1. Doyle is permanently restrained, enjoined and prohibited from directly or indirectly cheating or defrauding or attempting to cheat or defraud another person, or willfully deceiving or attempting to deceive another person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed with respect to any order or contract for another person, 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 such other person if such contract for future delivery is or may be used for:

- A. hedging any transaction in interstate commerce in a commodity or the products or byproducts thereof;
- B. determining the price basis of any transaction in interstate commerce in such commodity; or
- C. delivering any commodity sold, shipped, or received in interstate commerce for the fulfillment thereof

in violation of Section 4b(a)(2) of the Act, 7 U.S.C. § 6b(a)(2) (2002).

2. Doyle is further permanently restrained, enjoined and prohibited from directly or indirectly 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) ("commodity interest"), including but not limited to, the following:

- A. Trading on or subject to the rules of any registered entity, at 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) (2004), 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) (2004);
- E. Entering into any commodity interest transactions for his own personal account, for any account in which he has a direct or indirect interest and/or having any commodity interests traded on his behalf; and/or
- F. Engaging in any business activities related to commodity interest trading.

B. Restitution

IT IS FURTHER ORDERED that as of the date of this Order, Doyle shall pay and be liable for restitution to Proctor in the amount of \$3,020,220 plus pre-judgment interest in the amount of \$487,118.63 for a total of \$3,507,118.63. Pre-judgment interest has accrued from April 21, 2005, to the date of this Order and was determined by using the underpayment rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2).

Doyle shall also be liable to pay post-judgment interest. Post-judgment interest shall accrue beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

To effect payment by Doyle and distribution of restitution, 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 Doyle, 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.

Doyle shall make restitution payments under this Order in the name "Doyle – Restitution 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 himself and the name and docket number of the proceeding. Doyle 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 21st Street, NW, Washington, D.C. 20581, (b) the Chief, Office of Cooperative Enforcement, at the same address, and (c) the Regional Counsel, U.S. Commodity Futures Trading Commission, Eastern Regional Office, 140 Broadway, 19th floor, New York, NY 10005.

The NFA shall oversee Doyle's restitution obligation, shall make periodic distribution of funds to Proctor, as appropriate, or may defer distribution until such time as it deems appropriate. Restitution payments shall be made in an equitable fashion as determined by the NFA to John Proctor. All payments by Doyle pursuant to this Order shall first be applied to satisfaction of his restitution obligation. After satisfaction of his restitution obligation, payments by Doyle pursuant to this Order shall be applied to satisfy the civil monetary penalty described below.

Pursuant to Rule 71 of the Federal Rules of Civil Procedure, John Proctor 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 Doyle, to

ensure continued compliance with any provision of this Order and to hold Doyle in contempt for any violations of any provision of this Order.

C. Civil Monetary Penalty

IT IS FURTHER ORDERED that as of the date of entry of this Order, Doyle shall pay a civil monetary penalty in the amount of \$130,000 plus post judgment interest. Post-judgment interest shall accrue beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Doyle shall pay this 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 by other than 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, Doyle shall contact Marie Bateman or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Doyle shall accompany the payment of the penalty with a cover letter that identifies himself and the name and docket number of this proceeding. Doyle 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, at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, (b) the Chief, Office of Cooperative

Enforcement, at the same address, and (c) the Regional Counsel, U.S. Commodity Futures Trading Commission, Eastern Regional Office, at 140 Broadway, 19th floor, New York, NY 10005.

D. Notices

IT IS FURTHER ORDERED that all notices required to be given by any provision in this Order shall be sent by certified mail, return receipt requested, as follows:

Notice to Commission: Regional Counsel
 U.S. Commodity Futures Trading Commission
 Division of Enforcement - Eastern Regional Office
 140 Broadway, 19th floor
 New York, New York 10005.

E. Jurisdiction

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this case to assure compliance with this Order and for all other purposes related to this action.

SO ORDERED, at 2 18th fl New York on this 22 day of June, 2007.


Honorable John E. Sprizzo
UNITED STATES DISTRICT JUDGE