UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 05-60928-CIV-ALTONAGA/TURNOFF

COMMODITY FUTURES TRADING COMMISSION,
Plaintiff,

v.

WORLD MARKET ADVISORS, INC., *et al.*,

Defendants.
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CONSENT ORDER OF PERMANENT INJUNCTION AND EQUITABLE RELIEF AGAINST JASON T. DEAN, STEVEN D. KNOWLES, PAUL F. PLUNKETT, JOSEPH D. VALKO, JEFFREY PAUL JEDLICKI, FRANK ANTHONY DESANTIS, UNIVERSAL OPTIONS, INC., QUALIFIED LEVERAGE PROVIDERS, INC., AND SAFEGUARD FX, LLC

I. BACKGROUND

On June 9, 2005, Plaintiff Commodity Futures Trading Commission ("CFTC" or "Commission") filed a Complaint charging Defendants World Market Advisors, Inc. ("WMA"), U.S. Capital Management, Inc. ("U.S. Capital"), United Equity Group, Inc. ("United Equity"), Liberty One Advisors, LLC ("Liberty One"), Lighthouse Capital Management, Inc. ("Lighthouse") (collectively "WMA Common Enterprise") and Jeffrey Paul Jedlicki a.k.a. Jeffrey Paul ("Jedlicki") with violating Section 4c(b) of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 6c(b) (2002), and Commission Regulation 32.9(a) and (c), 17 C.F.R. § 32.9(a) and (c) (2006), by operating as a common enterprise that fraudulently

solicited customers to trade foreign currency options contracts. The alleged fraudulent solicitations took place from at least October 2002 to June 2005 ("relevant period").

The Complaint also charged individual Defendants Jason T. Dean ("Dean"), Steven D. Knowles ("Knowles"), Paul F. Plunkett ("Plunkett"), and Joseph D. Valko a.k.a. Joe Valko, Sr. ("Valko") with liability as controlling persons pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2002), because each of them allegedly controlled one or more of the five entities that made up the alleged WMA Common Enterprise, and allegedly did not act in good faith or knowingly induced, directly or indirectly, the violative acts. Furthermore, the Complaint also charged Defendants Universal Options, Inc. ("Universal Options"), Qualified Leverage Providers, Inc. ("QLP") and Safeguard FX, LLC, ("Safeguard FX") as principals pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2002), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2006), because WMA, U.S. Capital, United Equity, Liberty One and Lighthouse introduced customers to open their trading accounts with them and acted as their agents in referring or soliciting customers on their behalf.

On July 21, 2005, the CFTC filed its First Amended Complaint adding Frank Anthony DeSantis ("DeSantis") as a defendant and charging him with controlling person liability pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2002), because DeSantis was allegedly involved in controlling the WMA Common Enterprise and allegedly did not act in good faith or knowingly induced, directly or indirectly, the violative acts.

On June 27, 2006, the Court entered an Order of Default Judgment for Permanent Injunction and Other Ancillary Relief against WMA, U.S. Capital, United Equity, Liberty One and Lighthouse (the "default order"). The default order stated, among other things, that the five entities operated as a common enterprise and each was jointly and severally liable for violations

of the antifraud provision of the Act. The Court ordered the five entities to pay restitution to defrauded customers in the amount of $20,514,351, and to pay disgorgement in the amount of $12,632,841[1].

II. CONSENTS AND AGREEMENTS

Solely to effect settlement of the matters alleged in the First Amended Complaint, without a trial on the merits or any further judicial proceedings or presentation of evidence, Defendants Dean, Knowles, Plunkett, Valko, Jedlicki, DeSantis, Universal Options, QLP, and Safeguard FX (collectively "Defendants") individually and collectively:

1. Consent to the entry of this Consent Order of Permanent Injunction and Equitable Relief ("Consent Order"). By consenting to the entry of this Consent Order, Defendants neither admit nor deny the allegations of the First Amended Complaint or Findings of Facts and Conclusions of Law contained in this Consent Order.

2. Affirm that they have agreed to this Consent Order voluntarily, and that no threat or promise other than as contained herein has been made by the CFTC or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order, other than as set forth herein.

3. Acknowledge service of the Summons, Complaint and First Amended Complaint.

4. Admit that this Court has jurisdiction over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002).

5. Admit that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002).

[1] The amount of restitution and disgorgement contained in the default order differ from the amount of restitution agreed upon in this Consent Order of Permanent Injunction and Equitable Relief because the amounts set forth in the default order were based on the facts and information available at the time the default order was entered without the benefit of discovery.

6. Waive:

a. All claims that may be available under the Equal Access to Justice Act, 5 U.S.C. § 504 (2002) and 28 U.S.C. § 2412 (2002) to seek costs, fees and other expenses relating to, or arising from, this action;

b. Any claim of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any Consent Order imposing a civil monetary penalty or any other relief; and

c. All rights of appeal from this Consent Order.

7. Consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Consent Order, and any other purpose related to this case.

8. Agree that neither Defendants nor any of their agents, employees or representatives acting under their authority or control, shall take any action or make any public statement denying, directly or indirectly, any allegations in the First Amended Complaint or findings or conclusions in this Consent Order, or creating or tending to create, the impression that the First Amended Complaint or this Consent Order are without factual or legal basis; provided, however, that nothing in this provision shall affect Defendants' (i) testimonial obligations, or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Defendants will undertake all steps necessary to assure that their agents, employees and representatives understand and comply with this agreement.

9. Defendants agree, and the parties to this Consent Order intend, that the allegations of the First Amended Complaint and the Findings of Fact set forth below shall be taken as true and correct and given preclusive effect, without further proof, in any proceeding in bankruptcy or any proceeding to enforce the terms of this Consent Order. Defendants shall provide immediate

notice to this Court and the Commission via certified mail, of any bankruptcy filed by, on behalf of, or against them.

10. This Consent Order shall not bind any party who is not a signatory hereto.

III. FINDINGS OF FACTS

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court directs – without a trial on the merits, further judicial proceedings, or the presentation of evidence – the entry of the Findings of Facts and Conclusions of Law and a permanent injunction and equitable relief, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

A. Parties to the Settlement

12. **Jason T. Dean** resides in Pompano Beach, Florida. During the relevant period, Dean was president and director of WMA. Also, Dean was a president and a director of U.S. Capital. Dean has never been registered with the CFTC in any capacity.

13. **Steve D. Knowles** resides in Deerfield Beach, Florida. From 2000 to 2005, Knowles was registered with the CFTC as an associated person ("AP") with various firms. During the relevant period, Knowles was a president, a vice-president and a director of U.S. Capital. Also, Knowles was a manager member of Lighthouse, and thereafter a manager member of Safeguard FX.

14. **Paul F. Plunkett** resides in Deerfield Beach, Florida. From 2002 to 2005, Plunkett was registered with the CFTC as an AP with various firms. During the relevant period, Plunkett was a president and a director of U.S. Capital. Also, Plunkett was a manager of Lighthouse.

15. **Joseph D. Valko** resides in Coconut Creek, Florida. From 1999 to 2006, Valko was registered with the CFTC as an AP with various firms. During the relevant period, Valko was president and director of United Equity. Also, Valko was president and director of Liberty One.

16. **Jeffrey Paul Jedlicki** during the relevant period resided in Boca Raton, Florida. From 1996 to 2005, Jedlicki was registered with the CFTC as an AP with various firms. Those entities operated in a fashion similar to the WMA Common Enterprise. In July 2003, Jedlicki was disciplined by the National Futures Association ("NFA") for making deceptive and misleading sales solicitations and using unacceptably high pressure sales tactics in dealing with customers. During the relevant period, Jedlicki was a senior broker at each of the entities that make up the WMA Common Enterprise. For his role in the WMA Common Enterprise, Jedlicki received, directly or indirectly, at least $1.2 million in salary and/or commissions.

17. **Frank Anthony DeSantis** resides in Stuart, Florida. From 1997 to 2000, DeSantis was registered with the CFTC as an AP with various firms. During the relevant period, DeSantis exercised control over the WMA Common Enterprise.

18. **Universal Options, Inc.** was a Florida corporation located in North Miami Beach, Florida. Universal Options has never been registered with the CFTC. It held itself out, among other things, as an affiliate of a registered Futures Commission Merchant ("FCM").

19. **Qualified Leverage Providers, Inc.** was a Florida Corporation located in Aventura, Florida. QLP has been registered with the CFTC as an FCM since December 2003.

20. **Safeguard FX, LLC**, formerly known as Safeguard FX Holdings LLC, was a Florida Limited Liability Company located in Boca Raton, Florida. Safeguard FX has never

been registered with the CFTC in any capacity. Safeguard FX held itself out as an affiliate of a registered FCM.

B. The WMA Common Enterprise Fraudulently Solicited Customers to Trade Foreign Currency Options Contracts

21. From at least October 2002 to June 2005 the WMA Common Enterprise, through Jedlicki and other brokers, agents and employees, fraudulently solicited customers over the telephone throughout the United States, Canada and the United Kingdom with high pressure sales tactics to open accounts to trade foreign currency options contracts. The entities comprising the WMA Common Enterprise acted as Introducing Brokers ("IBs"), in that they introduced customer accounts to the three defendant entities that carried the customer accounts, namely, Universal Options, QLP and Safeguard FX.

22. The companies comprising the WMA Common Enterprise were commonly controlled, in that they were created and operated by the same group of individuals; they shared offices, addresses, solicitation schemes, and customers; and they commingled corporate funds. Furthermore, there was a substantial overlap of brokers, agents, and employees who worked for the various WMA Common Enterprise entities; and Jedlicki, worked for all five entities. The entities were virtually indistinguishable from a customer perspective as well.

23. During the relevant period, WMA Common Enterprise brokers initiated telephone cold calls in which they claimed to offer an extraordinary opportunity in the foreign currency market. Typically, they claimed that because of the weakening U.S. dollar or other alleged market-moving news, the value of a foreign currency was about to move up dramatically, allowing quick-acting customers to make huge profits in a short period of time through the purchase of foreign currency options contracts.

24. New brokers were provided with customer lead lists and a training manual entitled "Currency Sales Success, The Complete Guide to Selling Currency Investments Around the World" (the "Script"). The Script instructed brokers to substantially inflate and exaggerate option profit expectations while down playing risk of loss. The Script also instructed brokers to stress urgency in investing in the market, and convince potential customers that any delay would greatly decrease their chances of profit regardless of the actual circumstances.

25. Whenever a prospective customer showed interest, he or she was turned over to a senior broker, or "Closer", who pressured the customer to open a trading account at the FCM to which the respective WMA Common Enterprise entity referred customers. Typical "Closer" tactics included repeated calls urging potential customers to invest immediately or miss out on substantial profits, sending account opening documents by FedEx or facsimile, and seeking an immediate return of the documentation.

26. The WMA Common Enterprise customers were charged a commission of between $235 and $250 per round turn (purchase and sale) on foreign currency option trades. The options the WMA Common Enterprise brokers trade for their customers were out-of-the-money options.

27. Shortly after the initial purchase, customers were introduced to another broker or "Reloader", typically Jedlicki, who solicited additional funds for additional purchases of foreign currency options contracts from customers based on similar claims with promises of greater profits.

28. During the relevant period, WMA Common Enterprise brokers, including Jedlicki, solicited customers to open their trading accounts with Universal Options, QLP, and

Safeguard FX. Universal Options, QLP, and Safeguard FX traded opposite their customers and set the prices of the foreign currency options contracts bought and sold by their customers.

29. To induce customers to trade, WMA Common Enterprise brokers, including Jedlicki, misrepresented and failed to disclose material facts concerning: (i) the likelihood that customers would profit from trading foreign currency options contracts; (ii) the risk of loss involved in trading foreign currency options contracts; (iii) the WMA Common Enterprise's losing trading record for customers; and (iv) the NFA's disciplinary action against Jedlicki for making deceptive and misleading sales solicitations and using high-pressure sales tactics while employed at another brokerage firm.

30. During the relevant period, WMA Common Enterprise brokers, including Jedlicki, solicited at least 1,202 customers who collectively invested at least $29.7 million to trade foreign currency options contracts. WMA Common Enterprise brokers generated at least $12.6 million in commissions, while customers lost approximately $26.8 million in their trading accounts. More than 97% of the customers lost money and most of them lost all of their investments.

C. The WMA Common Enterprise Misrepresented and Omitted Material Facts to Customers by Exaggerating the Likelihood of Profit

31. WMA Common Enterprise brokers, including Jedlicki, told customers to expect large returns in a short period of time on their investments trading foreign currency options contracts. The brokers made misrepresentations to customers and potential customers, including, but not limited to:

(a) That a one-cent increase in the Euro represented a $1,500 profit for the option customer and that a three-cent move on ten (10) Euro option contracts represented a $45,000 profit;

(b) Jedlicki told a customer, "that $40,000 could quadruple to $160,000 in a short period of time"; and

(c) Jedlicki told a customer, "I have made my customers hundreds of thousands of dollars."

The brokers, including Jedlicki, knew these claims were false and misleading or were reckless in making such claims.

32. WMA Common Enterprise brokers, including Jedlicki, presented a rosy picture of profit potential to customers and potential customers; however, they failed to disclose material facts, including, but not limited to:

(a) That when trading options, the value of the underlying currency has to both exceed the strike price of the option and exceed it by an amount greater than the cost of commissions and fees before profits can be earned;
(b) The likelihood that the price of foreign currency would experience a price increase sufficient enough to achieve the represented profits; and
(c) The foreign currency options that were bought for customers were out-of-the-money options.

The brokers, including Jedlicki, knew these claims were false and misleading without the omitted information or were reckless in making such claims without the omitted information.

D. The WMA Common Enterprise Misrepresented the Risk of Loss in Trading Currency Options Contracts

33. WMA Common Enterprise brokers, including Jedlicki, routinely led customers to believe that risk of loss was or could be limited. The disclosures of risk, to the extent made, were vitiated by the unbalanced, high-pressure sales presentations that falsely conveyed to customers that trading options is highly profitable and virtually risk free. The brokers made misrepresentations to customers, including, but not limited to:

(a) That customers do not need to worry about risk because they are going to make lots of money;
(b) That brokers used a trading strategy to protect customers, and split customer investments by placing approximately 2/3 of the investment in a position to take advantage of a price movement in one direction, and approximately 1/3 of the investment to benefit from a price movement in the opposite direction, so the customer could not lose all of their investment;
(c) Jedlicki told a customer, "that if the market moved against me (customer), the worst that I (customer) could do was break even";

(d) Jedlicki told a customer, "I will not let you down," "You will not lose," and "I will get the account up to six figures in thirty to forty days"; and

(e) That puts would protect investment from loss.

The brokers, including Jedlicki, knew these claims were false and misleading or were reckless in making such claims.

E. The WMA Common Enterprise Failed to Disclose its Losing Trading Record to Customers

34. During the relevant period, WMA Common Enterprise brokers, including Jedlicki, solicited at least 1,202 customers, who collectively invested at least $29.7 million to trade foreign currency options contracts. WMA Common Enterprise brokers, including Jedlicki, generated at least $12.6 million in commissions, while customers lost approximately $26.8 million in their trading accounts. More than 97% of the customers lost money and most of them lost all of their investment.

35. WMA Common Enterprise brokers, including Jedlicki, never disclosed the actual, overall losing trading record sustained by their customers trading foreign currency options contracts. To the contrary, the brokers stressed the likelihood of enormous profits. The brokers, including Jedlicki, knew claims of enormous profit potential were misleading without disclosing the WMA Common Enterprise firms' actual trading record, or were reckless in making such claims without disclosing the WMA Common Enterprise firms' actual trading record.

F. The WMA Common Enterprise, Including Jedlicki, Failed to Disclose to Customers Jedlicki's Prior NFA Disciplinary Action

36. Jedlicki, a senior broker for the WMA Common Enterprise, was typically introduced to customers by other brokers as one of the "top traders" who handled big accounts and made a substantial amount of money for customers. In reality, Jedlicki lost most of his customers' money. Furthermore, neither Jedlicki nor the brokers disclosed to customers that

Jedlicki was disciplined by the NFA for making deceptive and misleading sales solicitations and using unacceptably high-pressure sales tactics in dealing with customers.

G. Dean, Knowles, Plunkett, Valko and DeSantis were Controlling Persons of the Introducing Brokers that Made up the WMA Common Enterprise, and Failed to Act in Good Faith and Knowingly Induced the Fraud Committed by WMA Common Enterprise Brokers

37. During the relevant period, Dean, Knowles, Plunkett, Valko and DeSantis each controlled one or more of the IBs that made up the WMA Common Enterprise – namely, WMA, U.S. Capital, United Equity, Liberty One and Lighthouse.

38. Dean, Knowles, Plunkett and Valko each served as president and director or manager of their respective IBs. Dean, Knowles, Plunkett and Valko each also had signatory authority of the respective IB bank accounts and signed checks for their respective IBs. Further, Dean and Plunkett executed the Articles of Dissolution filed by their respective IBs. Dean and Valko, in their capacities as president and director of their IBs, each signed the respective introducing agreements with the respective FCMs, as discussed below.

39. DeSantis, exercised controlled over the entire WMA Common Enterprise. He placed job advertisements for broker positions at Liberty One, hired brokers for WMA, conducted training sessions for brokers and handed out "scripts" at Lighthouse. He executed and/or guaranteed leases for the office space occupied by each of the five IBs. He received the monthly telephone and internet bills for the WMA Common Enterprise and received and paid attorney fee bills for WMA and U.S. Capital. DeSantis' credit cards were used to pay for setting up the websites for U.S. Capital, United Equity, Liberty One, and Safeguard FX.

40. Dean, Knowles, Plunkett, Valko, and DeSantis failed to maintain or enforce an adequate system of internal supervision and control designed to detect the fraudulent sales practices used by WMA Common Enterprise brokers, including Jedlicki.

41. Based on their active involvement in the operations of the IBs that made up the WMA Common Enterprise, Dean, Knowles, Plunkett, Valko and DeSantis had actual or constructive knowledge of the fraudulent sales tactics used by WMA Common Enterprise brokers, including Jedlicki.

42. In acting as controlling persons of their respective IBs, Dean, Knowles, Plunkett, Valko and DeSantis failed to act in good faith and knowingly induced, directly or indirectly, the acts constituting the violations found herein.

H. Agent–Principal Relationships Between the IBs of the WMA Common Enterprise and their Respective FCM's or FCM Affiliates

43. Each of the IBs that comprised the WMA Common Enterprise entered into exclusive Introducing Agreements ("Introducing Agreement") with their respective FCMs. Each of these Introducing Agreements included exactly the same provisions. Each IB agreed to:

(a) Refer prospective customers exclusively to the FCM or its affiliate;
(b) Assess the qualifications of the prospective customers to trade with the FCM or its affiliate according to standards established by the FCM or its affiliate;
(c) Ensure, to the best of their ability, that customers had read and fully understood the FCM or its affiliate's contract and risk disclaimers;
(d) Notify the FCM or its affiliate, in writing, of any customer complaints, or pending or threatened action or proceeding, in respect of any matters, relating to the customer's account;
(e) Notify the FCM or its affiliate in writing, of the assertion of any material claim against the entity or of the institution against the entity, of any action, investigation, or proceeding by a regulatory agency, exchange, or board of trade;
(f) Cooperate with the FCM or its affiliate by furnishing all documents necessary to conduct an investigation and defend a claim involving them; and
(g) Aggressively promote the services of the FCM in order to receive commissions and spread fees.

44. The WMA Common Enterprise IB's directed customers to send funds directly to their respective FCM/FCM affiliates and the FCM/FCM affiliates generated the customer account statements. The WMA Common Enterprise used only account opening forms and risk disclosures provided by the FCM/FCM affiliates, and each FCM/FCM affiliate knew, or should

have known, about Jedlicki's disciplinary history based on long-standing relationships with Jedlicki and because such information was readily available from the NFA. WMA and Universal Options jointly entered into settlement agreements to resolve several customer disputes. WMA, U.S. Capital, QLP and Universal Options jointly entered into at least one settlement agreement to resolve a customer dispute. U.S. Capital and QLP jointly entered into settlement agreements to resolve at least four customer disputes. Accordingly, each of the IBs operated as an agent of the FCM/FCM affiliate to which they referred their clients.

IV. CONCLUSIONS OF LAW

45. Section 2(c)(2)(B)(i) and (ii) of the Act provides that the Commission shall have jurisdiction over an agreement, contract or transaction in foreign currency that is a sale of a commodity for future delivery (or option thereon) or an option, so long as the contract is "offered to, or entered into with, a person that is not an eligible contract participant," and "the counterparty, or the person offering to be the counterparty," is not one of the regulated entities enumerated in Section 2(c)(2)(B)(ii)(I-VI).

46. All of the foreign currency transactions alleged herein were offered to or entered into with ordinary retail customers who did not qualify as eligible contract participants, as defined in Section 1a(12)(A)(xi) of the Act (an eligible contract participant includes an individual who has total assets in excess of: a) $10 million; or b) $5 million and who enters the transaction to manage risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred).

47. Section 2(c)(2)(B)(ii)(I-VI) of the Act, 7 U.S.C. § 2(c)(2)(B)(ii)(I-VI), identifies entities that are proper counterparties to foreign currency transactions with retail customers, which include registered FCMs and certain statutorily defined affiliates of registered FCMs,

which, encompasses only those "affiliated" persons as to whom the FCMs are required under the Act and Commission Regulations to make and keep records. Notwithstanding subclauses (II) and (III) of subparagraph (B)(ii), Section 2(c)(2)(C) of the Act reserves the Commission's anti-fraud jurisdiction over agreements, contracts, or transactions in retail foreign currency described in subparagraph (B) where the counterparty is a registered FCM or an affiliate of a registered FCM that is not also an entity described elsewhere in subparagraph (B)(ii), 7 U.S.C. § 2(c)(2)(C).

48. During the relevant period, the counterparty to the retail foreign currency options transactions entered into by WMA and U.S. Capital customers was Universal Options, a related company of Universal Financial Holding Corp. ("Universal Financial"), a registered FCM. Universal Options, however, was not an affiliate of Universal Financial for the purposes of Section 2(c)(2)(B)(ii)(III) of the Act, in that Universal Financial was not required under the Act or Commission Regulations to make and keep records concerning the business or activities of Universal Options. Universal Options, therefore, was not an appropriate counterparty to the retail customer transactions.

49. During the relevant period, another counterparty to the retail foreign currency options transactions entered into by U.S. Capital customers was QLP, a registered FCM, which constituted a proper counterparty under 2(c)(2)(B). However, the Commission retained anti-fraud jurisdiction over the retail foreign currency options transactions with QLP pursuant to Section 2(c)(2)(C) of the Act.

50. During the relevant period, the counterparty to the retail foreign currency options transactions entered into by United Equity, Liberty One, and Lighthouse customers was Safeguard FX, a principal of Safeguard Financial Holdings, LLC ("Safeguard Financial"), a registered FCM. Safeguard FX, however, was not an affiliate of Safeguard Financial for the

purposes of Section 2(c)(2)(B)(ii)(III) of the Act, in that Safeguard Financial was not required under the Act or Commission Regulations to make and keep records concerning the business or activities of Safeguard FX. Safeguard FX, therefore, was not an appropriate counterparty to the retail customer transactions.

51. This Court also has jurisdiction over the subject matter of this action and all parties hereto 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.

52. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, in that Defendants are found in, inhabit, or transact business in this district, or the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this district, among other places.

53. This Court has personal jurisdiction over the Defendants, who acknowledge service of the Summons, Complaint and First Amended Complaint, and consent to the Court's jurisdiction over them.

54. The Commission and Defendants have agreed to this Court's continuing jurisdiction over them for the purpose of enforcing the terms of this Consent Order.

55. By the conduct described in Section III above, WMA, U.S. Capital, United Equity, Liberty One, and Lighthouse, operating as the WMA Common Enterprise, and Jedlicki, in connection with an offer to enter into, the entry into, the confirmation of, the execution of, or the maintenance of commodity options transactions, defrauded, deceived, or attempted to defraud, or deceive, other persons by making false, deceptive or misleading representations of

material facts and by failing to disclose material facts necessary to make other facts disclosed not misleading to customers, all in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 32.9(a) and (c), 17 C.F.R. §§ 32.9(a) and (c) (2006).

56. By the conduct described in Section III above, Dean, Knowles, Plunkett, Valko and DeSantis directly or indirectly controlled one or more of the five entities that comprise the WMA Common Enterprise and failed to act in good faith or knowingly induced, directly or indirectly, the violations of the WMA Common Enterprise. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2002), Dean, Knowles, Plunkett, Valko and DeSantis are liable for the violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 32.9(a) and (c), 17 C.F.R. §§ 32.9(a) and (c) (2006), by WMA, U.S. Capital, United Equity, Liberty One and Lighthouse.

57. By the conduct described in Section III above, Universal Options, QLP and Safeguard FX are principals for the violations by WMA, U.S. Capital, United Equity, Liberty One and Lighthouse, who acted as their agents in referring or soliciting customers and orders on their behalf. Therefore, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2002) and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2006), Universal Options, QLP and Safeguard FX are liable for the violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002), and Commission Regulation 32.9(a) and (c), 17 C.F.R. §§ 32.9(a) and (c) (2006), by WMA, U.S. Capital, United Equity, Liberty One and Lighthouse.

V. ORDER FOR PERMANENT INJUNCTION

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

58. Each of the Defendants (Dean, Knowles, Plunkett, Valko, Jedlicki, DeSantis, Universal Options, QLP and Safeguard FX) is permanently restrained, enjoined and prohibited from directly or indirectly:

a. cheating or defrauding or attempting to cheat or defraud any other person, or deceiving or attempting to deceive any other person by any means whatsoever in connection with an offer to enter into, the entry of or confirmation of the execution of, any commodity option contract, in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2002) and Regulation 32.9 (a) and (c), 17 C.F.R.§ 32.9 (a) and (c) (2006); and

b. making sales solicitations to customers that:

i. misrepresent the likelihood of profit from trading foreign currency options contracts;
ii. misrepresent the risk of loss in trading foreign currency options contracts;
iii. omit the actual track record of the broker or firm; and
iv. omit any prior NFA disciplinary action for making deceptive and misleading sales solicitations and using unacceptably high-pressure sales tactics by the salesperson's soliciting the customer; and
v. omit any material fact necessary to make other facts disclosed not misleading.

59. The Defendants are further permanently restrained, enjoined and 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. Introducing customers to any other person engaged in the business of trading any commodity interests;

d. Soliciting or accepting funds from any person, or placing orders, giving advice or price quotations or other information, in connection with the purchase or sale of any commodity interest;

e. Entering into any commodity interest transaction for their own personal accounts, for any account in which they have a direct or indirect interest and/or having any commodity interests traded on their behalf; and

f. 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2006) or acting directly or indirectly, 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2006); and

g. engaging in any business activities related to commodity interest trading.

60. The injunctive provisions of this Consent Order shall be binding upon the Defendants and any person who is acting in the capacity of officer, agent, employee, servant, or attorney of one or more of the Defendants, any person acting in active concert or participation with one or more of the Defendants, and any person who receives actual notice of this Consent Order by personal service or otherwise.

VI. ORDER FOR RESITITUTION, CIVIL MONETARY PENALTY, AND OTHER ANCILLARY RELIEF

IT IS HEREBY ORDERED that Defendants shall comply fully with the following terms, conditions and obligations relating to the payment of restitution and civil monetary penalty.

A. RESTITUTION

61. Subject to the paragraphs below, Defendants are liable for and Ordered to make restitution to customers identified in Appendix A to this Consent Order (filed separately under seal) as follows:

a.	Jason T. Dean	$2,143,000
b.	Steven D. Knowles	$3,515,000
c.	Paul F. Plunkett	$3,363,600
d.	Joseph D. Valko	$3,127,085
e.	Frank Anthony DeSantis	$12,237,610
f.	Jeffrey Paul Jedlicki	$2,000,000
f.	Universal Options, Inc.	$6,195,742
g.	Qualified Leverage Providers, Inc.	$4,461,292
h.	Safeguard FX, LLC	$4,351,418

All restitution amounts are immediately due and owing upon the date this Consent Order is entered.

62. Defendants shall pay pre-judgment interest on the above amounts from June 9, 2005 to the date this Consent Order is entered. The pre-judgment interest amount shall be determined by using the underpayment rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2).

63. Defendants also shall pay post-judgment interest on the above amounts. Post-judgment interest shall accrue beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order is entered, pursuant to 28 U.S.C. § 1961(a). Each Defendant shall pay post-judgment interest from the date this Consent Order is entered until the date full payment of their respective restitution obligation is made. The amount of restitution represents a portion of the amount of funds that persons solicited by Defendants lost trading through WMA, U.S Capital, United Equity Group, Liberty One and Lighthouse as result of the conduct alleged in the First Amended

Complaint. Exhibit A represents the persons to whom restitution shall be paid. Omission of any investor from Exhibit A shall in no way limit the ability of such customer from seeking recovery from Defendants or any other person or entity. Further, the amounts payable to each customer identified in Exhibit A shall not limit the ability of any customer from proving that a greater amount is owed from Defendants 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.

64. Appointment of Monitor: To effect payment by Defendants and distribution of restitution to allegedly defrauded customers, the Court appoints Daniel Driscoll, Executive Vice-President of the NFA or his successor, as Monitor ("Monitor"). The Monitor shall collect restitution payments from Defendants; compute pro rata allocations to injured customers identified in Attachment A to this Consent Order, 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.

65. Restitution payments under the Consent Order shall be made in the name "WMA Settlement Fund" and sent 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(s) and the name and docket number of the proceeding. Defendants shall simultaneously transmit a copy of the cover letter and the form of payment to Gregory Mocek, Director, Division of Enforcement, Commodity Futures Trading Commission, at the following address: Three Lafayette Centre, 1152 21st Street, N.W., Washington, D.C.

20581. The NFA shall oversee Defendants' restitution obligation, shall make periodic distribution of funds to customers 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 the persons identified on Exhibit A.

66. Subject to any applicable privileges, Defendants shall execute any documents necessary to release funds existing on June 9, 2005, or when the Court entered the Statutory Restraining Order, that they have in any repository, bank, investment or other financial institution wherever located, in order to make partial or total payment toward their respective restitution obligation.

67. Any acceptance by the Commission or the Monitor of partial payment of any Defendant's restitution and/or civil monetary obligation shall not be deemed a waiver of Defendants' obligation to make further payments pursuant to the Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balances.

68. Defendants shall immediately notify the Commission and Monitor if they make any agreement with any customer obligating them to make payments outside of this Consent Order. Defendants shall provide immediate evidence to the Court, the Commission and Monitor of any payments made pursuant to such agreement. Upon being notified of any payments made by Defendants to customers outside of this Consent Order, and receiving evidence of such payments, the Monitor will have the right to reduce and offset Defendants' obligation to specified investors and to make any changes in the restitution distribution schedule that he deems appropriate.

B. CIVIL MONETARY PENALTY:

69. The following Civil Monetary Penalties ("CMP") are assessed by the Court:

a. Jason T. Dean $657,000

b.	Steven D. Knowles	$785,000
c.	Paul F. Plunkett	$436,400
d.	Joseph D. Valko	$2,672,915
e.	Jeffrey Paul Jedlicki	$500,000
f.	Frank Anthony DeSantis	$2,562,390
g.	Universal Options, Inc.	$5,604,258
h.	Qualified Leverage Providers, Inc.	$3,838,708
i.	Safeguard FX, LLC	$2,948,582

The CMPs are immediately due and owing upon the entry of this Order, provided that all payments made by any Defendant pursuant to this Consent Order shall be applied first to satisfy the Defendant's restitution obligation under this Consent Order, and upon satisfaction of such obligation, shall thereafter be applied to satisfy the Defendant's CMP obligation under this Consent Order.

70. Defendants also shall pay post-judgment interest on the above amounts. Post-judgment interest shall accrue beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961. Each Defendant shall pay post-judgment interest from the date this Consent Order is entered until the date full payment of their respective civil monetary penalty obligation is made. Defendants shall pay such civil monetary penalties by electronic fund transfer, or U.S. postal money Consent Order, certified check, bank cashier's check, or bank

money Consent Order, and sent to the address below:

Commodity Futures Trading Commission
Division of Enforcement
ATTN: Marie Batemen - AMZ-300
DOT/FAA/MMAC
6500 S. Macarthur Blvd.
Oklahoma City, OK 73169

If payment by electronic transfer is chosen, contact Marie Bateman at 405-954-6569 for instructions. Defendants shall accompany payment of the penalty with a cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Defendants 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
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

71. The equitable relief provisions of this Consent Order shall be binding upon Defendants, and any person who is acting in the capacity of officer, agent, employee, servant, or attorney of Defendants, and any person acting in active concert or participation with Defendants who receives actual notice of this Consent Order by personal service or otherwise.

VII. MISCELLANEOUS PROVISIONS

72. **NOTIFICATION OF FINANCIAL INSTITUTIONS:** The parties stipulate that upon the issuance of this Consent Order, the Commission shall promptly provide each of the financial institutions identified in this paragraph with a copy of this Consent Order. Within thirty (30) days of receiving a copy of this Consent Order, each of the financial institutions listed below shall liquidate and release any and all funds held by Defendants, and convey the funds by wire transfer to an account designated by the Monitor, less any administrative or bank wire

transfer fees. The transfer of such funds held by Defendants represents an offset to the restitution amount owed by Defendants pursuant to this Consent Order. At no time during the release, liquidation or wire of the funds shall Defendants be given access to, or be provided with, any funds from these accounts. Defendants and the financial institutions listed below shall cooperate fully and expeditiously with the Commission and Monitor in the liquidation and transfer of funds. The accounts to be liquidated, released and transferred are:

Jason Dean	Bank of America Account # ending in 3313
Jason Dean	Bank of America Account # ending in 8341
Jason's Roofing & Waterproofing	Bank of America Account # ending in 7696
Steven Knowles	Eastern Financial Federal CU # ending in 1022
Paul Plunkett	Bank of America Account # ending in 5620
Joseph Valko	Wachovia Account # ending in 5554
Jeffery Jedlicki	Wachovia Bank Account # ending in 3946
Jeffrey Jedlicki, Inc.	Wachovia Bank Account # ending in 3085
Frank DeSantis	Bank of America Account # ending in 4588
Jackson Consulting	Bank of America Account # ending in 4940
Frank DeSantis	Fidelity Investments Account # ending in 2234
Frank DeSantis	Fidelity Investments Account # ending in 0352
Frank DeSantis	Ameritrade Account # ending in 7819

73. **ASSET FREEZE:** Upon entry of this Consent Order and liquidation and release of funds described in Paragraph 72 above, the restriction against transfer, dissipation, and disposal of assets detailed in the Statutory Restraining Order and Consent Preliminary Injunction ("the Orders") shall no longer be in effect, and said Orders shall be vacated.

74. **NOTICES:** All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

1. **Notice to Plaintiff Commission:**
Regional Counsel, Division of Enforcement
Commodity Futures Trading Commission
525 W. Monroe Street, Suite 1100
Chicago, Illinois 60661

2. **Notice to the Monitor:**
Vice President, Compliance
National Futures Association
200 West Madison Street
Chicago, Illinois 60606

3. **Notice to Defendants Dean, Knowles, Plunkett, Valko, DeSantis, Universal Options, QLP and Safeguard FX**
c/o Homer & Bonner, P.A.
1441 Brickell Avenue, 12th Floor
Miami, Florida 33131

4. **Notice to Defendant Jedlicki**
c/o Akerman Senterfitt
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, Florida 33301

75. **ENTIRE AGREEMENT, AMENDMENTS AND SEVERABILITY:** This Consent Order incorporates all of the terms and conditions of the settlement among the parties. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties; and (3) approved by Order of Court. If any provision of this Consent Order or the application on any provisions or circumstances is held invalid, the remainder of this Consent Order shall not be affected by the holding.

76 **WAIVER:** The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be

construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

77. **COUNTERPARTS:** This Consent Order may be executed by the parties in counterparts and by facsimile.

78. **JURISDICTION:** This Court shall retain jurisdiction of this cause to assure compliance with this Consent Order and for other purposes related to this action.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order.

DONE AND CONSENT ORDERED in Miami, Florida, this 11th day of July, 2007.

Cecilia M. Altonaga

CECILIA M. ALTONAGA
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Dated: _____

_____
Andrew Stern (President) on behalf of
Universal Options, Inc.

Dated: _____

_____
Steven Houtenbrink (President) on behalf of
Qualified Leverage Providers, Inc.

78. **JURISDICTION:** This Court shall retain jurisdiction of this cause to assure compliance with this Consent Order and for other purposes related to this action.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order.

DONE AND CONSENT ORDERED in Miami, Florida, this 11 day of July, 2007.

CECILIA M. ALTONAGA
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Dated: 3-19-07

Andrew Stern (President) on behalf of
Universal Options, Inc.

Dated: _____

Steven Houtenbrink (President) on behalf of
Qualified Leverage Providers, Inc.

Dated: _____

Steven D. Knowles (Manager/Member) on
behalf of Safeguard FX, LLC

Dated: _____

Jason T. Dean

78. **JURISDICTION:** This Court shall retain jurisdiction of this cause to assure compliance with this Consent Order and for other purposes related to this action.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order.

DONE AND CONSENT ORDERED in Miami, Florida, this 11th day of July, 2007.

Cecilia M. Altonaga

CECILIA M. ALTONAGA
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Dated: _____

Andrew Stern (President) on behalf of
Universal Options, Inc.

Dated: 3/26/7

Steven Houtenbrink (President) on behalf of
Qualified Leverage Providers, Inc.

Dated: _____

Steven D. Knowles (Manager/Member) on
behalf of Safeguard FX, LLC

Dated: _____

Jason T. Dean

78. **JURISDICTION:** This Court shall retain jurisdiction of this cause to assure compliance with this Consent Order and for other purposes related to this action.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order.

DONE AND CONSENT ORDERED in Miami, Florida, this 11 day of July, 2007.

Cecilia M. Altonaga
CECILIA M. ALTONAGA
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Dated: _____

Andrew Stern (President) on behalf of
Universal Options, Inc.

Dated: _____

Steven Houtenbrink (President) on behalf of
Qualified Leverage Providers, Inc.

Dated: 3/16/07

Steven D. Knowles (Manager/Member) on
behalf of Safeguard FX, LLC

Dated: 3/21/07

Jason T. Dean

Dated: _____

Steven D. Knowles (Manager/Member) on behalf of Safeguard FX, LLC

Dated: _____

Jason T. Dean

Dated: _____

Steven D. Knowles

Dated: _____

Paul F. Plunkett

Dated: _____

Joseph D. Valko

Dated: _____

Frank Anthony DeSantis

Dated: _____

Approved as to Form
Francisco O. Sanchez
Attorneys for Defendants
Homer & Bonner
The Four Seasons Tower
1441 Brickell Avenue, Suite 1200
Miami, Florida 33131
305-350-5100 (Telephone)
305-982-0060 (Facsimile)

Dated: 3/16/07

Steven D. Knowles

Dated: 3/16/07

Paul F. Plunkett

Dated: 3/16/07

Joseph D. Valko

Dated: 3/16/07

Frank Anthony DeSantis

Dated: _____

Francisco O. Sanchez
Attorneys for Defendants
Homer & Bonner
The Four Seasons Tower
1441 Brickell Avenue, Suite 1200
Miami, Florida 33131
305-350-5100 (Telephone)
305-982-0060 (Facsimile)

Dated: _____

Jeffrey Paul Jedlicki

Dated: _____

William Nortman
Attorney for Defendant Jeffrey Paul Jedlicki
Akerman Senterfitt
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, Florida 33301

Dated: 3/21/07

Jeffrey Paul Jedlicki

Dated: 3/23/07

Approved as to form
William Nortman
Attorney for Defendant Jeffrey Paul Jedlicki
Akerman Senterfitt
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, Florida 33301
Florida Bar # 989428
954-463-2700 (Telephone)
954-463-2224 (Facsimile)

Dated: July 11th, 2007

~~Edwin J. Yoshimura~~ Ava M. Gould.
Attorney for Plaintiff
Commodity Futures Trading Commission
525 W. Monroe Street, Suite 1100
Chicago, Illinois 60661
Florida Special Bar # A5500868
312-596-0562 (Telephone)
312-596-0714 (Facsimile)