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**IN THE UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEVADA**

**COMMODITY FUTURES TRADING
COMMISSION,**

Plaintiff,

v.

**RICHARD McCALL, Individually and
d/b/a MASTERY GROUP
INTERNATIONAL,**

Defendant.

**CIVIL ACTION NO.
2:06-CV-00132-KJD-LRL**

**CONSENT ORDER OF PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF AGAINST DEFENDANT RICHARD McCALL**

I. INTRODUCTION

On February 3, 2006, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed the complaint in this action against Defendant Richard McCall (“McCall”) seeking injunctive and other equitable relief for violations of the

Commodity Exchange Act, as amended (“Act”), 7 U.S.C. §§ 1 et seq. (2002), and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. §§ 1 et seq. (2006). The Court entered a Consent Order of Preliminary Injunction and Other Ancillary Relief against Defendant on February 22, 2006.

II. CONSENTS AND AGREEMENTS

To effect settlement of the matters alleged in the Complaint against McCall without a trial on the merits or any further judicial proceedings, McCall:

1. Consents to the entry of this Consent Order of Permanent Injunction and Other Equitable Relief (“Consent Order”);
2. Affirms that Defendant has agreed to this Consent Order voluntarily, and that no threat, or promise other than as specifically contained herein, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;
3. Acknowledges service of the summons and Complaint;
4. Admits the jurisdiction of this Court over him and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
5. Admits that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
6. Waives:
 - a. all claims which he may possess under the Equal Access to Justice Act (EAJA), 5 U.S.C. § 504 (2000) and 28 U.S.C. § 2412 (2000), relating to, or arising from, this action and any right under EAJA 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 order imposing a civil monetary penalty or any other relief; and

c. all rights of appeal from this Consent Order;

7. Consents to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this Consent Order and for any other purposes relevant to this case, even if Defendant now or in the future resides outside the jurisdiction;

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

9. In consenting to the entry of this Consent Order, Defendant neither admits nor denies the allegations of the Complaint or the Findings of Fact and Conclusions of Law contained in this Consent Order, except as to jurisdiction and venue, which he admits. Defendant does not consent to the use of this Consent Order, or the Findings of Fact or Conclusions of Law as contained in Parts III and IV of this Consent Order, as the sole basis for any other proceeding brought by the CFTC, other than a proceeding in

bankruptcy relating to Defendant, a Commission registration proceeding relating to Defendant, or to enforce the terms of this Consent Order. Solely with respect to any bankruptcy proceeding relating to Defendant, a Commission registration proceeding related to Defendant and any proceeding to enforce this Consent Order, Defendant agrees that the allegations of the Complaint and all of the Findings of Fact and Conclusions of Law as contained in Parts III and IV of this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof. Furthermore, Defendant agrees to provide immediate notice to this Court and the CFTC by certified mail, in the manner required by Part VI of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against him. No provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendant or any other person in any other proceeding.

III. FINDING OF FACTS

A. Jurisdiction and Venue

10. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the CFTC to seek injunctive relief against any person who has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order promulgated thereunder.

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

B. Parties to this Consent Order

12. Plaintiff, CFTC, is an independent federal regulatory agency that is charged with responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1 et seq. (2002), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1 et seq. (2006). The CFTC is authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), to bring a civil action to enjoin any act or practice constituting a violation of the Act, to enforce compliance with the Act, and to seek civil penalties.

13. Defendant, McCall currently resides in Las Vegas, Nevada. From at least the beginning of 2003 to the present, McCall has operated an Internet website at www.masterynexus.com (“the website”) and done business as the Mastery Group International. Between February 2003 to at least June 2004, McCall has held workshops and/or offered them to the public on the website, where, for compensation, he engaged in the business of providing to the public commodity futures trading advice. McCall has never been registered with the Commission in any capacity.

C. McCall’s Misrepresentations About His Education and Professional Experience

14. Between at least March 2004 and June 2004 (“relevant time”), McCall’s website falsely identified McCall as a former clinical psychologist and claimed that he worked with the international commodity or futures trading community. McCall is not a licensed clinical psychologist and has no educational qualifications as a clinical psychologist. McCall knowingly misrepresented his professional background and knowingly or recklessly failed to disclose material facts about his educational and professional qualifications.

D. McCall's Misrepresentations About His Successful Futures Trading

15. During the relevant time, McCall's website represented that he was a successful futures trader and in the top 5% of futures traders worldwide. McCall was not in the top 5% of futures traders worldwide and consistently lost money trading futures.

E. McCall's Misrepresentations About Profitability and the Sabaki Trading Method

16. During the relevant time, McCall misrepresented on his website that the Sabaki Futures Trading method would allow clients to make easy profits during just a few minutes of trading each morning. McCall made these claims knowing that they were not true or with reckless disregard about whether or not they were truthful. No one made the profits McCall claimed, and McCall consistently lost money trading futures. McCall's website failed to disclose McCall's unprofitable trading results and the fact that no one made money trading futures following the Sabaki Futures Trading method. McCall's "Sabaki Futures Trading method" did not perform with the 90% accuracy rate that he claimed, nor produce "a better than 90% chance of being profitable."

17. During the relevant time, McCall's website misrepresented that the Sabaki Futures Trading method was highly specialized and would generate profits by identifying market reversals which according to the website occurred every 3 to 6 minutes. McCall made these claims about the Sabaki Trading method generating profits from market movement knowing they were not true, or with reckless disregard about whether or not they were truthful.

F. McCall Misrepresented and Failed to Adequately Disclose The Risks of Trading Futures

18. During the relevant time, McCall's website misrepresented the risk of

trading futures contracts by claiming that “trading the financial markets is no more complicated or dangerous than operating a lemonade stand,” that previous trading experience was not required, and that “often inexperienced students will do much better, much quicker.” McCall misrepresented that inexperienced students would trade better than traders with experience or that persons trading the Sabaki Futures Trading method made a profit. McCall made these claims knowing that they were not true, or with a reckless disregard about whether or not they were truthful.

19. During the relevant time, McCall’s website minimized the risk of futures trading by claiming that McCall would refund twice the tuition paid by a student if the trade entry signals were not at least 90% accurate, because it implicitly guaranteed that clients would attain trading success, while implicitly minimizing the trading risk of using the Sabaki Futures Trading method.

20. During the relevant time, McCall’s website also failed to affirmatively disclose on his website that futures trading involves risk, and that traders could incur losses trading futures. McCall made an unbalanced presentation on the website that minimized the risks inherent in futures trading by claiming, essentially, that trading profits were easily attainable. By stressing the profits to be made by using the Sabaki Futures Trading method without disclosing that losses can be incurred, McCall failed to adequately disclose the risks involved in futures trading.

IV. CONCLUSIONS OF LAW AS TO COUNT I OF THE COMPLAINT

21. Between March 2004 and June 2004, McCall, while acting as a Commodity Trading Advisor (“CTA”), by using the Internet and other instrumentalities of interstate commerce, (i) employed devices, schemes or artifices to defraud clients or

prospective clients, and (ii) engaged in transactions, practices or courses of business which operated as a fraud or deceit upon clients or prospective clients, in violation of Sections 4o(1)(A) and 4o(1)(B) of the Act. Among other things, McCall failed to fully disclose his educational qualifications and professional experience, misrepresented that he was a successful futures trader and that he ranked among the top 5% of traders worldwide, misrepresented that by following the trading advice he offered, people would have a better than 90% chance of being profitable trading futures, failed to disclose the risks of trading futures and that he had actually traded futures for only one year and that trading in his personal trading account generated losses and not profits.

22. Between March 2004 and June 2004, McCall, while acting as a CTA, made fraudulent representations and omissions of material fact on his website in violation of Commission Regulation 4.41(a). Among other things, the website failed to fully disclose McCall's educational qualifications and professional experience, misrepresented that McCall was a successful futures trader and that he ranked among the top 5% of traders worldwide, misrepresented that people would have a better than 90% chance of being profitable trading futures by following the trading advice McCall offered, failed to disclose the risks of trading futures, and failed to disclose that McCall had actually traded futures for only one year and that trading in his personal trading account generated losses and not profits.

**V. NEED FOR A PERMANENT INJUNCTION
AND OTHER ANCILLARY RELIEF**

23. McCall engaged in acts and practices which violate Sections 4o(1)(A) and 4o(1)(B) of the Act, 7 U.S.C. §§ 6o(1)(A) and 6o(1)(B) and Regulation 4.1(a), 17 C.F.R.

§4.1(a). Unless restrained and enjoined by this Court, there is a reasonable likelihood that McCall will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act. Other ancillary equitable relief is imposed to carry out the goals of the Act.

VI. PERMANENT INJUNCTION

A. PROHIBITIONS AGAINST VIOLATIONS OF THE ACT

IT IS ORDERED THAT:

24. McCall, and all persons who act in the capacity of agents, employees, successors, assigns or attorneys of McCall, and all persons who actively participate in concert with McCall who receive actual notice of this order by personal service or otherwise, including facsimile transmission, are prohibited and restrained from directly or indirectly:

a. 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 any other person, where such contract for future delivery is or could be 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 while acting as a CTA, by using the Internet or other instrumentalities of interstate commerce:

(1) employing devices, schemes or artifices to defraud clients or prospective clients, and engaging in transactions, practices or courses of business which operated as a fraud or deceit upon clients or prospective clients, in violation of Sections 4o(1)(A) and 4o(1)(B) of the Act, 7 U.S.C. §§ 6o(1)(A) and 6o(1)(B).

(2) Advertising in a manner which (a) employs any device, scheme or artifice to defraud any participant or client or prospective participant or client or (b) involves any transaction, practice or course of business which operates as a fraud or deceit upon any participant or client or prospective participant or client, in violation of Regulation 4.41(a), 17 C.F.R. § 4.41(a).

25. McCall and all persons who act in the capacity of agents, employees, successors, assigns or attorneys of McCall, and all persons who actively participate in concert with McCall who receive actual notice of this order by personal service or otherwise, including facsimile transmission, are prohibited and restrained from directly or indirectly engaging in, controlling, or directing the trading of any commodity futures or options accounts for or on behalf of McCall or any other person or entity, whether by power of attorney or otherwise; and

B. CIVIL MONETARY PENALTY

IT IS FURTHER ORDERED that:

26. Upon entry of this Consent Order, McCall is liable for a civil monetary penalty in the amount of \$15,000, plus post-judgment interest that shall accrue beginning on the date of the entry of this Consent Order and shall be determined at the then prevailing Treasury Bill rate pursuant to 28 U.S.C. § 1961.

27. McCall shall pay this civil monetary penalty by making electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Commodity Futures Trading Commission and sent to the address below:

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

28. If McCall elects to make payment by electronic transfer, he is to call and speak to Marie Bateman at (405) 954-6569 for instructions on how to transmit funds.

29. McCall shall accompany payment of the civil monetary penalty with a cover letter that identifies McCall and the name and docket number of this proceeding. McCall shall simultaneously transmit a copy of the cover letter and the form of payment to:

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

C. OTHER PROVISIONS

IT IS FURTHER ORDERED that:

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

Notice to Plaintiff Commission:
Commodity Futures Trading Commission
Division of Enforcement
Commodity Futures Trading Commission
1155 21st Street NW, Washington, DC 20581

Notice to Defendant McCall:
Richard D. McCall
6973 Emerald Springs Lane
Las Vegas, NV 89113

31. Entire Agreement and Amendments: This Consent Order incorporates all

of the terms and conditions of the settlement among the parties hereto. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless:

(1) reduced to writing; (2) signed by all parties hereto; and (3) approved by order of this Court.

32. **Invalidation:** If any provision of this Consent Order, or if the application of any provisions or circumstances is held invalid, the remainder of the Consent Order and the application of the provisions to any other person or circumstance shall not be affected by the holding.

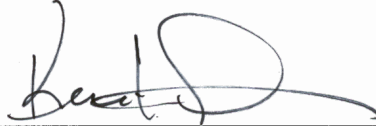
33. **Waiver:** The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any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

34. **Continuing Jurisdiction of this Court:** This Court shall retain jurisdiction of this action in order to implement and carry out the terms of this Consent Order and any suitable application or motion for additional relief within the jurisdiction of the Court.

35. **Counterparts and Facsimile Execution.** This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other

signature to this Agreement that is delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Agreement.

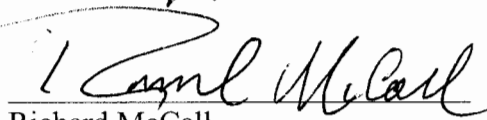
IT IS SO ORDERED on this 11 day of May, 2007.



UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Dated: 5/1/07



Richard McCall
Defendant

Dated: May 10, 2007



Louis V. Traeger
Attorney for Plaintiff
Commodity Futures
Trading Commission