

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS**

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**U. S. COMMODITY FUTURES  
TRADING COMMISSION,**

**Plaintiff,**

**vs.**

**JOSEPH A. DAWSON and  
DAWSON TRADING LLC,**

**Defendants.**

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**Civil Action No:**

**Judge**

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**COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF  
AND PENALTIES UNDER THE COMMODITY EXCHANGE ACT**

The U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”), by and through its attorneys, hereby alleges as follows:

**I. SUMMARY**

1. Joseph A. Dawson (“Dawson”) and Dawson Trading LLC (“DT”), by and through its sole manager Dawson (collectively “Defendants”), have engaged, are engaging or are about to engage in acts and practices that have defrauded and deceived, are defrauding and deceiving or will defraud and deceive participants in their commodity pool enterprise. Beginning in at least February 2005, Defendants have misappropriated approximately \$2.1 million from approximately 30 pool participants. When soliciting and accepting participant funds, Dawson misrepresented that DT was consistently profitable. Additionally, Defendants have issued false periodic statements to pool participants that failed to disclose significant trading losses.

2. By virtue of this conduct and the conduct further described herein, Defendants have engaged, are engaging or are about to engage in conduct in violation of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1 *et seq.* (2006), as amended by the Food, Conservation and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008). Defendants have violated Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), with respect to acts occurring before June 18, 2008, Sections 4b(a)(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), with respect to acts occurring on or after June 18, 2008, and Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B) (2006). Defendants also have acted in a capacity requiring registration with the Commission without the benefit of registration in violation of Sections 4k(2) and 4m(1) of the Act, 7 U.S.C. §§ 6k(2) and 6m(1) (2006).

3. Unless restrained and enjoined by this Court, Defendants are likely to engage in the acts and practices alleged in this complaint or in similar acts and practices.

4. Accordingly, the CFTC brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), to enjoin Defendants’ unlawful acts and practices and to compel their compliance with the Act. In addition, the CFTC seeks restitution, civil monetary penalties and such other equitable relief as this Court may deem necessary or appropriate.

## **II. JURISDICTION AND VENUE**

5. This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a) (2006). Section 6c(a) of the Act authorizes the CFTC to seek injunctive relief against any person whenever it shall appear to the CFTC 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 promulgated thereunder.

6. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), because Dawson resides in this District, Defendants transacted 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

7. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1 *et seq.* (2006), the Act as amended by the CRA, and the regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2010).

8. Defendant **Dawson Trading LLC** is a Delaware limited liability company established in October 2004 with a business address in McHenry, Illinois. DT has acted as a commodity pool operator (“CPO”) by pooling participant funds and using them to trade commodity futures in accounts held in the name of DT, among its various investment activities. DT has never been registered with the Commission in any capacity.

9. Defendant **Joseph A. Dawson** is the sole manager of DT and is responsible for all facets of DT’s operations. Dawson resides in Fox Lake, Illinois. Since 1996, Dawson has been registered as an associated person (“AP”) of various registered entities, but he has never been registered as an AP of DT. Most recently, Dawson has been registered as an AP of Strategic Research, LLC, a registered CPO, since February 2009.

#### **IV. STATUTORY BACKGROUND**

10. A “commodity pool” is defined in Commission Regulation 4.10(d)(1), 17 C.F.R. § 4.10(d)(1) (2010), as any investment trust, syndicate or similar form of enterprise operated for the purpose of trading commodity interests.

11. A CPO is defined in Section 1a(5) of the Act, 7 U.S.C. § 1(a)(5) (2006), 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.

12. An AP of a CPO is defined in Commission Regulation 1.3(aa)(3), 17 C.F.R. § 1.3(aa)(3) (2010), in relevant part, as any natural person associated with a CPO “as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves (i) the solicitation of funds, securities, or property for a participation in a commodity pool or (ii) the supervision of any person or persons so engaged.”

13. A “participant” is defined in Commission Regulation 4.10(c), 17 C.F.R. § 4.10(c) (2010), as any person who has any direct financial interest in a commodity pool.

#### **V. DEFENDANTS’ FRAUDULENT SCHEME**

##### **A. The Nature of Defendants’ Pool Enterprise**

14. In approximately 2000, Dawson established the LEAP Fund as a commodity pool. Shortly thereafter, he began to accept funds from friends and family members. The participant funds were pooled and invested in various financial instruments, including trading in commodity futures.

15. In October 2004, Dawson established DT. Shortly thereafter, he opened bank and trading accounts in the name of DT and transferred all LEAP Fund funds to DT, where the funds were again invested in various financial instruments, including trading in commodity futures. Dawson thereafter began soliciting additional funds for DT from family members and friends, who trusted Dawson based on their long-standing relationships with him and his family.

16. Dawson customarily documented transactions with DT participants solely using a “guaranteed note with incentives” (“note”). The note customarily acknowledged that DT “invests in all forms of investments including stocks, commodities, bonds, and real estate.” The note also customarily provided for a certain rate of return to be compounded quarterly and a “bonus of fifty percent (50%) of the trading gains of the borrowed funds.”

17. The note also customarily stated that DT “hopes to make a profit from the spread between gains in the trading accounts and what must be paid in interest costs and incentives.”

18. The customary note did not provide for a management fee or other form of compensation. Consequently, neither Dawson nor DT was entitled to any form of compensation other than 50% of the trading gains. Additionally, the customary note did not explain how “guaranteed” principal and interest would be paid to participants if there were not sufficient trading profits.

19. From approximately May 2005 through December 2009, Dawson traded securities and commodity futures with pooled participant funds primarily in an account maintained in the name of DT at Interactive Brokers, LLC (“Interactive”), a registered futures commission merchant. Dawson received periodic account statements from Interactive for these accounts.

**B. Defendants Misrepresented the Pool's Profitability to Participants and Prospective Participants**

20. From at least July 2005 through December 2009, Defendants lost approximately \$945,000 trading securities and commodity futures in the Interactive account.

21. On multiple occasions when soliciting and accepting funds, Dawson misrepresented to pool participants and prospective pool participants that DT's trading was profitable, when in fact DT suffered numerous monthly trading losses of as much as tens or hundreds of thousands of dollars.

**C. Defendants Misappropriated Pool Participants' Funds**

22. Between at least February 2005 and December 2009, Defendants misappropriated approximately \$2.1 million of participant funds.

23. Dawson used the misappropriated funds for various personal expenses and purchases, including, but not limited to, a down payment on a personal residence, mortgage payments, an in-ground swimming pool, landscaping, furniture, restaurants, movie tickets and car payments. Moreover, Dawson has admitted his misappropriation of participant funds to multiple pool participants.

**D. Defendants Made False Statements to Pool Participants**

24. From at least September 2005 through September 2009, Dawson, acting on behalf of DT, prepared and mailed, emailed or otherwise delivered a number of periodic statements to pool participants that misrepresented that the trading of their funds had been profitable. Dawson issued these periodic statements knowing they were false.

25. Specifically, on one occasion, Dawson issued a periodic statement to one pool participant for the quarter ending June 31, 2007 [*sic*] that represented the participant's quarterly trading gain as \$97,041.78, when in fact the DT trading account at Interactive suffered a loss of

approximately \$453,808 during the second quarter of 2007. On information and belief, Defendants did not make significant trading gains in any other trading account during this time period.

26. On another occasion, Dawson sent an email to the pool participant on January 6, 2009 stating that "I know we made money last quarter and I know December was positive." In fact, the DT trading account at Interactive suffered a loss of approximately \$355,401 during the fourth quarter of 2008 and a loss of approximately \$279,082 in December 2008 alone. On information and belief, Defendants did not make significant trading gains in any other trading account during this time period.

## **VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT**

### **COUNT ONE**

#### **Violations of Sections 4b(a)(2)(i) and (iii) of the Act and Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA: Fraud by Misappropriation and Misrepresentations**

27. Paragraphs 1 through 26 are realleged and incorporated herein by reference.

28. Prior to being amended by the CRA, Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006), made it unlawful for any person: (i) to cheat or defraud or attempt to cheat or defraud; or (iii) willfully to deceive or attempt to deceive by any means whatsoever other persons, 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 persons if such contract for future delivery is or may 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

29. Similarly, Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C), make it unlawful for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person: (A) to cheat or defraud or attempt to cheat or defraud such other person; or (C) willfully to deceive or attempt to deceive such other 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 such other person, in connection with acts occurring on or after June 18, 2008.

30. Defendants violated Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006), with respect to acts occurring before June 18, 2008, and Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(A) and (C), with respect to acts occurring on or after June 18, 2008, in that they cheated or defrauded, or attempted to cheat or defraud, and willfully deceived, or attempted to deceive, pool participants by misrepresenting the pool's profitability and misappropriating pool participant funds for personal benefit.

31. Dawson controlled DT, a CPO, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting DT's violations alleged in this count. Dawson is therefore liable for DT's violations of Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006), with respect to acts occurring before June 18, 2008, and



for DT's violations of Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C), with respect to acts occurring on or after June 18, 2008, as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

32. Dawson was acting as an agent of DT, a CPO, when he violated the Act.

Therefore, DT, as Dawson's principal, is liable for the acts constituting Dawson's violations of Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006), with respect to acts occurring before June 18, 2008, and for the acts constituting Dawson's violations of Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C), with respect to acts occurring on or after June 18, 2008, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010).

33. Each act of misrepresenting the pool's profitability and misappropriating pool participant funds for personal benefit, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) and (iii) (2006), with respect to acts occurring before June 18, 2008, and of Sections 4b(a)(1)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A) and (C), with respect to acts occurring on or after June 18, 2008.

## COUNT TWO

### **Violations of Section 4b(a)(2)(ii) of the Act and Section 4b(a)(1)(B) of the Act as amended by the CRA: Fraud by False Statements**

34. Paragraphs 1 through 26 are realleged and incorporated herein by reference.

35. Prior to being amended by the CRA, Section 4b(a)(2)(ii) of the Act, 7 U.S.C. § 6b(a)(2)(ii) (2006), made it unlawful for any person: (ii) willfully to make or cause to be made to other persons any false report or statement, or willfully to enter or cause to be entered for

other persons any false record, 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 persons if such contract for future delivery is or may 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, in connection with acts occurring before June 18, 2008.

36. Similarly, Section 4b(a)(1)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(B), makes it unlawful for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person: (B) willfully to make or cause to be made to such other person any false report or statement or willfully to enter or cause to be entered for such other person any false record, in connection with acts occurring on or after June 18, 2008.

37. Defendants violated Section 4b(a)(2)(ii) of the Act, 7 U.S.C. § 6b(a)(2)(ii) (2006), with respect to acts occurring before June 18, 2008, and Section 4b(a)(1)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(B), with respect to acts occurring on or after June 18, 2008, in that they willfully made, or caused to be made, false statements to pool participants that misrepresented the pool's profitability and/or the value of participants' respective interests in the pool.

38. Dawson controlled DT, a CPO, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting DT's violations alleged in this count. Dawson is therefore liable for DT's violations of Section 4b(a)(2)(ii) of the Act, 7 U.S.C.

§ 6b(a)(2)(ii) (2006), with respect to acts occurring before June 18, 2008, and for DT's violations of Section 4b(a)(1)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(B), with respect to acts occurring on or after June 18, 2008, as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

39. Dawson was acting as an agent of DT, a CPO, when he violated the Act. Therefore, DT, as Dawson's principal, is liable for the acts constituting Dawson's violations of Section 4b(a)(2)(ii) of the Act, 7 U.S.C. § 6b(a)(2)(ii) (2006), with respect to acts occurring before June 18, 2008, and for the acts constituting Dawson's violations of Section 4b(a)(1)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(B), with respect to acts occurring on or after June 18, 2008, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010).

40. Each act of making or causing to be made a false report or statement, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(2)(ii) of the Act, 7 U.S.C. § 6b(a)(2)(ii) (2006), with respect to acts occurring before June 18, 2008, and of Section 4b(a)(1)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(B), with respect to acts occurring on or after June 18, 2008.

### **COUNT THREE**

#### **Violations of Sections 4o(1)(A) and (B) of the Act: Fraud by a CPO and AP of a CPO**

41. Paragraphs 1 through 26 are realleged and incorporated herein by reference.

42. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006), in relevant part, makes it unlawful for a CPO or an AP of a CPO, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly: (A) to employ any device, scheme or artifice to

defraud any participant; or (B) to engage in any transaction, practice or course of business that operates as a fraud or deceit upon any participant.

43. DT acted as a CPO in that it engaged in a business that is of 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 commodities for future delivery on or subject to the rules of any contract market.

44. Dawson acted as an AP of a CPO in that, as an agent of DT, he solicited and accepted funds, securities or property for DT.

45. Defendants violated Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B) (2006), in that, as a CPO and AP of a CPO, they directly or indirectly employed a device, scheme or artifice to defraud pool participants and engaged in transactions, practices or a course of business which operated as a fraud or deceit upon pool participants by misrepresenting the pool's profitability, misappropriating pool participant funds for personal benefit and making or causing to be made false periodic statements to pool participants misrepresenting the profitability of the pool and/or the value of participants' respective interests in the pool.

46. Defendants engaged in such acts by use of the mails and other means or instrumentalities of interstate commerce.

47. Dawson controlled DT, a CPO, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting DT's violations alleged in this count. Dawson is therefore liable for DT's violations of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B) (2006), as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

48. Dawson was acting as an agent of DT, a CPO, when he violated the Act.

Therefore, DT, as Dawson's principal, is liable for the acts constituting Dawson's violations of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B) (2006), pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010).

49. Each act of misrepresenting the pool's profitability and/or the value of participants' respective interests in the pool, misappropriating pool participant funds for personal benefit and making or causing to be made false statements to pool participants, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B) (2006).

#### **COUNT FOUR**

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

50. Paragraphs 1 through 26 and 43 are realleged and incorporated herein by reference.

51. With certain exemptions and exclusions not applicable here, it is unlawful for any CPO to make use of the mails or other means or instrumentalities of interstate commerce in connection with its CPO business unless registered with the Commission pursuant to Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006).

52. DT violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006), in that DT acted as a CPO without the benefit of registration as a CPO, and in connection therewith, made use of the mails or other means or instrumentalities of interstate commerce.

53. Dawson controlled DT and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting DT's violations alleged in this count. Dawson is

therefore liable for DT's violations of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006), as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

54. Each use of the mails or other means or instrumentalities of interstate commerce in connection with DT's operation as a CPO without proper registration, 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) (2006).

#### **COUNT FIVE**

##### **Violations of Section 4k(2) of the Act: Failure to Register as an AP of a CPO**

55. Paragraphs 1 through 26, 43 and 44 are realleged and incorporated herein by reference.

56. With certain exemptions and exclusions not applicable here, it is unlawful for a person to be associated with a CPO as a partner, officer, employee, consultant or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the solicitation of funds, securities or property for participation in a commodity pool unless registered with the Commission as an AP of the CPO pursuant to Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006).

57. Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006), also makes it unlawful for a CPO to permit such a person to become or remain associated with the CPO in any such capacity if the CPO knew or should have known that the person was not registered as an AP.

58. Dawson violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006), in that he acted as an AP of a CPO without the benefit of registration as an AP of a CPO.

59. DT violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006), in that, acting as a CPO, DT allowed Dawson to act as its AP when it knew or should have known that Dawson was not registered as an AP.

## VII. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and pursuant to its own equitable powers:

A. Find Defendants liable for violating: Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), with respect to acts occurring before June 18, 2008; Sections 4b(a)(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), with respect to acts occurring on or after June 18, 2008; and Sections 4o(1)(A) and (B), 4m(1) and 4k(2) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B), 6m(1) and 6k(2) (2006).

B. Enter a statutory restraining order with notice and/or order of preliminary injunction pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a) (2006), restraining Defendants and all persons insofar as they are acting in the capacity of Defendants' agents, servants, successors, employees, assigns and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. destroying, mutilating, concealing, altering or disposing of any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of Defendants, wherever located, including all such records concerning Defendants' business operations;

2. refusing to permit authorized representatives of the Commission to inspect, when and as requested, any books and records, documents, correspondence,

brochures, manuals, electronically stored data, tape records or other property of Defendants, wherever located, including all such records concerning Defendants' business operations; and

3. withdrawing, transferring, removing, dissipating, concealing or disposing of, in any manner, any funds, assets or other property, wherever situated, including, but not limited to, all funds, personal property, money or securities held in safes or safety deposit boxes and all funds on deposit in any financial institution, bank or savings and loan account held by, under the actual or constructive control of or in the name of Dawson and/or DT;

C. Enter an order directing that Defendants make an accounting to the Court of all of Defendants' assets and liabilities, together with all funds Defendants received from and paid to pool participants and other persons in connection with commodity futures and options transactions or purported commodity futures and options transactions, including the names, mailing addresses, email addresses and telephone numbers of any such persons from whom they received such funds from January 1, 2005 to the date of such accounting, and all disbursements for any purpose whatsoever of funds received from pool participants, including salaries, commissions, fees, loans and other disbursements of money and property of any kind, from January 1, 2005 to and including the date of such accounting;

D. Enter an order requiring Defendants immediately to identify and provide an accounting for all assets and property that they currently maintain outside the United States, including, but not limited to, all funds on deposit in any financial institution, futures commission merchant, bank or savings and loan account held by, under the actual or constructive control of or in the name of Dawson and/or DT, whether jointly or otherwise, and requiring them to



repatriate all funds held in such accounts by paying them to the Registry of the Court, or as otherwise ordered by the Court, for further disposition in this case.

E. Enter orders of preliminary and permanent injunction enjoining Defendants and all persons insofar as they are acting in the capacity of their agents, servants, employees, successors, assigns and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants 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)(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), and Sections 4o(1)(A) and (B), 4m(1) and 4k(2) of the Act, 7 U.S.C. §§ 6o(1)(A) and (B), 6m(1) and 6k(2) (2006);
2. 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) (2006));
3. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Commission Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2010)) (“commodity options”) and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) for any personal or proprietary account or for any account in which they have a direct or indirect interest;
4. having any commodity futures, options on commodity futures, commodity options and/or forex contracts traded on their behalf;

5. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options and/or forex contracts;

6. soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options and/or forex contracts;

7. 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) (2010); and

8. acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2010)), 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) (2010);

F. Enter an order requiring 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 which constitute violations of the Act as described herein, including pre-judgment and post-judgment interest;

G. Enter an order directing Defendants and any successors thereof to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between Defendants and any of the pool participants whose

funds were received by Defendants as a result of the acts and practices which constituted violations of the Act as described herein, including, but not limited to, the customary notes used by Defendants;

H. Enter an order requiring Defendants to restore to each participant the full amount of his or her original investment;

I. Enter an order directing each Defendant to pay a civil monetary penalty in the amount of not more than the greater of (1) triple the monetary gain to Defendants for each violation of the Act, or (2) \$120,000 for each violation of the Act occurring on or before October 22, 2004, \$130,000 for each violation of the Act occurring from October 23, 2004 through October 22, 2008 and/or \$140,000 for each violation of the Act occurring on or after October 23, 2008;

J. Enter an order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2006); and

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

Respectfully submitted,

Date: July 20, 2010

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