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BROOKLYN OFFICE

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

U. S. COMMODITY FUTURES :
TRADING COMMISSION, :
Plaintiff :

CIVIL ACTION NO.

v. :

CV 10 - 5567

VINCENT PATRICK MCCRUDDEN, :
MANAGED ACCOUNTS ASSET :
MANAGEMENT, LLC, and :
ALNBRI MANAGEMENT, LLC :

Complaint for Permanent Injunction,
Civil Monetary Penalties, and Other
Statutory and Equitable Relief

Defendants. :

HURLEY, J.

I. SUMMARY

TOMLINSON, M.J.

1. During the period from May 8, 2008 to September 30, 2008 (the "relevant period"), the commodity pool Hybrid Fund II, LP ("Hybrid Fund II") was operated by commodity pool operators ("CPOs") that were neither registered as CPOs with the Commission, as required under the Act, nor validly exempt from the requirement to register as CPOs. Although Defendant Managed Accounts Asset Management, LLC ("MAAM") filed a notice of exemption from registration with the Commission, the Hybrid Fund II was not operated in accord with the exemption during the relevant period, rendering MAAM's exemption invalid and requiring it to be registered as a CPO. Defendant Alnbri Management, LLC ("Alnbri") never filed a notice of exemption with the Commission and was, therefore, never authorized to operate the Hybrid Fund II under any exemption from registration. Neither MAAM nor Alnbri were registered as CPOs during the relevant period. Throughout the relevant period, MAAM and/or Alnbri, as unregistered CPOs of Hybrid Fund II, directed the buying and selling of exchange traded commodity futures contracts on behalf of Hybrid Fund II.

2. During the relevant period, Defendant Vincent Patrick McCrudden (“McCrudden”) acted as an associated person (“AP”) of MAAM and Alnbri without being registered as such, while soliciting funds for participation in the pool from prospective and actual participants and/or supervising others so engaged.

3. By dint of this conduct and the further conduct described herein, McCrudden, MAAM and Alnbri have engaged, are engaging, or are about to engage in acts and practices in violation of Sections 4k(2) and 4m(1) of the Act, as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§ 701-774 (enacted July 21, 2010), to be codified at 7 U.S.C. §§6k(2) and 6m(1), and McCrudden and MAAM have engaged, are engaging, or are about to engage in acts and practices in violation of Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010).

4. Furthermore, McCrudden committed the acts and omissions described herein within the course and scope of his employment, management of, and/or agency with, MAAM and Alnbri; therefore, MAAM and Alnbri are liable under Section 2(a)(1)(B) of the Act, as amended, to be codified at 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010), for violations of the Act and Commission Regulations committed by McCrudden as specified herein.

5. Accordingly, pursuant to Sections 6c and 2(c)(2) of the Act, as amended, to be codified at 7 U.S.C. §§ 13a-1 and 2(c)(2), the U.S. Commodity Futures Trading Commission

("Commission" or "CFTC") brings this action to enjoin McCrudden's, MAAM's and Albri's (collectively the "Defendants") unlawful acts and practices and to compel their compliance with the Act, as amended, and to further enjoin Defendants from engaging in any commodity-related activity. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, a trading and registration ban, and such other relief as the Court may deem necessary and appropriate.

6. Unless enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II. JURISDICTION AND VENUE

7. Section 6c(a) of the Act, as amended, to be codified at 7 U.S.C. § 13a-1, authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of the Act or any rule, regulation, or order thereunder.

8. The Commission has jurisdiction over this matter as alleged herein pursuant to Sections 6c and 2(c)(2) of the Act, as amended, to be codified at 7 U.S.C. §§ 13a-1, and 2(c)(2).

9. Venue properly lies with the Court pursuant to Section 6c(e) of the Act, as amended, to be codified at 7 U.S.C. § 13a-1(e), because the Defendants transacted business in this District and certain of the transactions, acts, practices, and courses of business alleged occurred, are occurring, and/or are about to occur within this District.

III. PARTIES

10. The **United States Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement

of the Act, 7 U.S.C. §§ 1 *et seq.*, and the regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* The CFTC maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

11. Defendant **Vincent Patrick McCrudden** (NFA No. 0204180) is an individual residing in Dix Hills, New York. McCrudden was the owner, organizer, authorized manager, managing member, and sole officer of both MAAM and Alnbri. McCrudden is not currently registered with the Commission in any capacity.

12. Defendant **Managed Accounts Asset Management, LLC** (NFA No. 0265500) was a limited liability company organized and managed under the laws of New York by McCrudden on July 3, 1995 and had a business address in Dix Hills, New York. MAAM acted as the General Partner of Hybrid Fund II. MAAM was dissolved on April 15, 2009. MAAM is not currently registered with the Commission in any capacity.

13. Defendant **Alnbri Management, LLC** is a limited liability company organized under the laws of New York on January 29, 2008, and has a business address in Melville, New York. Alnbri is the sole general partner of Hybrid Fund II. McCrudden is the CEO, principal member, manager and controlling person of Alnbri. Alnbri has never been registered with the Commission in any capacity.

IV. OTHER RELEVANT ENTITIES AND PERSONS

14. **Hybrid Fund II, LP** (Pool ID: P018396) is a limited partnership organized under the laws of Delaware on September 2, 2004 and has a registered agent's address of Blumberg Excelsior Corporate Services, Inc., 1220 N. Market Street, Suite 806, Wilmington, DE, 19801. From its inception until April 17, 2008, the sole general partner of Hybrid Fund II was MAAM and its initial limited partner was McCrudden. From April 17, 2008 until August 17, 2009,

Hybrid Fund II's sole general partner was Alnbri and its initial limited partner was McCrudden. Woodward Alpha Management, LLC replaced Alnbri as General Partner of Hybrid Fund II on August 17, 2009. Hybrid Fund II has never been registered with the Commission in any capacity.

15. **Interactive Brokers LLC** ("Interactive Brokers") (NFA No. 0258600) is a registered futures commission merchant ("FCM"), with its principal place of business located at One Pickwick Plaza, Suite 200, Greenwich, Connecticut, 06830.

V. FACTS

A. INTRODUCTION

16. In August 1995, MAAM registered with the Commission as a CPO. MAAM withdrew its National Futures Association ("NFA") membership in December 1997 and its registration with the Commission in December 1999. In August 2004, MAAM reapplied for registration, and was denied registration pursuant to Section 8a(3)(N) of the Act, as amended, to be codified at 7 U.S.C. § 12a(3)(N), under a final NFA order dated June 10, 2005, on the grounds that its sole AP, McCrudden, was disqualified from registration for "good cause" pursuant to Section 8a(3)(M), of the Act, as amended, to be codified at 7 U.S.C. § 12a(3)(M).

17. On August 2, 1995, McCrudden registered with the Commission as an AP of MAAM; at the time, McCrudden was also the principal of MAAM. He withdrew his AP registration on December 1, 1999. On August 12, 2004, McCrudden reapplied for his AP registration.

18. On February 2, 2005, the NFA issued McCrudden a Notice of Intent to deny his registration as an AP of MAAM based on allegations that McCrudden had distributed false accounts statements to pool participants that he knew overstated MAAM's net asset value. On

June 10, 2005, following a full hearing, the NFA issued a Final Order denying McCrudden's registration application for "good cause" pursuant to Section 8a(3)(M) of the Act.

19. On July 12, 2005, McCrudden filed an appeal of the NFA's Final Order with the Commission. On December 28, 2006, the Commission issued an Opinion and Order affirming the NFA's Final Order. On January 16, 2007, McCrudden filed an appeal of the CFTC's decision with the U.S. Court of Appeals for the Second Circuit. On February 6, 2008, the U.S. Court of Appeals for the Second Circuit issued a Summary Order affirming the CFTC's Opinion and Order which affirmed the NFA's Final Order.

B. MAAM'S NOTICE OF EXEMPTION FROM REGISTRATION AS A CPO UNDER REGULATION 4.13(A)(3)

20. On or about December 12, 2005, approximately six (6) months after the NFA disqualified MAAM from registration as a CPO, McCrudden filed on behalf of MAAM, a notice of exemption from registration as a CPO with the NFA pursuant to Regulation 4.13(a)(3), 17 C.F.R. § 4.13(a)(3) (2010), for MAAM's operation of the Hybrid Fund II pool. MAAM was the only entity identified in the notice as "the person claiming an exemption from commodity pool operator registration." The notice represented that Hybrid Fund II would "be operated in accordance with the criteria of" CFTC Regulation 4.13(a)(3). The letter was signed by McCrudden as "manager" of MAAM.¹ The letter was also submitted to Interactive Brokers as part of the process MAAM engaged in, through McCrudden, while opening a commodity trading account in the name of Hybrid Fund II.

¹ The Defendants' only other contact with the NFA regarding the operation of Hybrid Fund II was when McCrudden e-mailed the NFA on August 18, 2009 to withdraw MAAM's exemption under Regulation 4.13(a)(3) in relation to its operation of Hybrid Fund II. The withdrawal notice stated that MAAM had resigned as the CPO of Hybrid Fund II and that Hybrid Fund II "no longer invests in futures contracts, options on futures, commodity pools or any other instruments that would result in it being deemed a commodity pool."

21. Regulation 4.13(a)(3) provides, in pertinent part, that a CPO is exempt from the requirement to register if:

(ii) At all times, the pool meets one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for *bona fide* hedging purposes or otherwise:

(A) The aggregate initial margin and premiums required to establish such positions, determined at the time the most recent position was established, will not exceed 5 percent of the liquidation value of the pool's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into...

(B) The aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of the pool's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into...

17 C.F.R. § 4.13(a)(3).

22. As described more fully *infra*, the pool failed each of the Regulation 4.13(a)(3) "tests" required for MAAM to maintain its claimed CPO registration exemption during the relevant period. Despite failing each of the "tests" set forth in Regulation 4.13(a)(3), at no time after losing its eligibility for exempt status did MAAM advise the NFA, as required by Commission Regulation 4.13(b)(4), that its prior exemption claim was no longer accurate.

23. The net liquidation value of Hybrid Fund II at any point in time is the monetary value obtainable in liquidating, on the open market, Hybrid Fund II. The net equity values of Hybrid Fund II represent the values of the equity interests held by Hybrid Fund II. Because those interests are not necessarily liquid, and because there may not be a ready market for those interests, equity represents an upper bound approximation of the net liquidation value of Hybrid Fund II.

1. Equity in Hybrid Fund II from May 2008 through September 2008 at the FCM Interactive Brokers

24. Based on capital account statements prepared for Hybrid Fund II by the FCM Interactive Brokers, the equity in Hybrid Fund II ranged between \$727,761 and \$3,365,280 during the period of May 2008 through September 2008. Capital account statements for Hybrid Fund II were prepared by Interactive Brokers for months ending June 30, 2008, July 31, 2008, August 31, 2008 and September 30, 2008.

25. According to Hybrid Fund II's capital account statement for June 30, 2008, Hybrid Fund II's ending equity for the calendar month ending May 31, 2008 was \$727,761, because that was the pool's beginning equity on June 1, 2008. From the same capital account statement, Hybrid Fund II's ending equity for the calendar month ending June 30, 2008 was \$1,513,302, which is the sum of \$727,761 in beginning equity, \$650,000 in capital additions and \$135,541 in net profits. Hybrid Fund II's ending equity for the calendar month ending July 31, 2008 was \$1,960,215, which is the sum of \$1,513,303 in beginning equity, \$165,000 in capital additions and \$281,911 in net profits. Hybrid Fund II's ending equity for the calendar month ending August 31, 2008 was \$3,052,544, which is the sum of \$1,960,216 in beginning equity, \$700,612 in capital additions and \$391,717 in net profits. Hybrid Fund II's ending equity for the calendar month ending September 30, 2008 was \$3,365,280, which is the sum of \$3,052,545 in beginning equity, \$260,000 in capital additions, \$68,607 in capital withdrawals and \$121,342 in net profits.

2. Notional Value of Hybrid Fund II's Commodity Interest Positions from May 2006 through September 2006 Exceeded Liquidation Value of Hybrid Fund II

26. For the relevant period, Interactive Brokers compiled 496 archived log entries corresponding to open commodity interest positions in Hybrid Fund II's Interactive Brokers

account. The average net notional value (in absolute value terms) for those open positions was \$9,721,452.65 for the relevant period. By contrast, for the same period, the equity in Hybrid Fund II never exceeded \$3,365,280.

27. The net notional value (in absolute value terms) exceeded the ending equity in Hybrid Fund II in 443 of the 496 entries. Of the 496 log entries corresponding to open commodity interest positions in Hybrid Fund II's Interactive Brokers account, 122 entries were for May 2008, 58 entries were for June 2008, 76 entries were for July 2008, 84 entries were for August 2008, and 156 entries were for September 2008. For all 122 entries in May 2008, the absolute value of the notional value of those open positions exceeded \$727,761, which was Hybrid Fund II's ending equity for the month. For 40 of the 58 entries for June 2008, the absolute value of the notional value of the open positions exceeded \$1,513,302, which was Hybrid Fund II's ending equity for the month. For 64 of the 76 entries for July 2008, the absolute value of the notional value of the open positions exceeded \$1,960,215, which was Hybrid Fund II's ending equity for the month. For 78 of the 84 entries for August 2008, the absolute value of the notional value of the open positions exceeded \$3,052,544, which was Hybrid Fund II's ending equity for the month. For 139 of the 156 entries for September 2008, the absolute value of the notional value of the open positions exceeded \$3,365,280, which was Hybrid Fund II's ending equity for the month.

3. Initial Margin Requirements for Hybrid Fund II's Commodity Interest Positions from May 2006 through September 2006 Exceeded Five Percent of Hybrid Fund II's Equity in 446 of 496 Entries

28. For the 496 archived log entries from Interactive Brokers that contain open positions for the Hybrid Fund II between May 1, 2008 and September 30, 2008, the average initial margin required to open those positions was \$507,308.71. The average net liquidated value for the Hybrid Fund II's entire portfolio would have to have been at least \$10,140,774.29

for the average required initial margin to be less than or equal to five percent of the fund's net liquidated value. However, as stated above, the equity in Hybrid Fund II never exceeded \$3,365,280 during the relevant period.

29. The initial margin required to open the commodity interest positions in Hybrid Fund II's Interactive Brokers' account exceeded the ending equity in Hybrid Fund II in 446 of the 496 entries, all in violation of MAAM's claimed exemption to register as a CPO. For 119 of 122 entries in May 2008, the initial margin required to open those positions exceeded five percent of \$727,761, which was Hybrid Fund II's ending equity for the month. For 34 of the 58 entries for June 2008, the initial margin required to open those positions exceeded five percent of \$1,513,302, which was Hybrid Fund II's ending equity for the month. For 68 of the 76 entries for July 2008, the initial margin required to open those positions exceeded five percent of \$1,960,215, which was Hybrid Fund II's ending equity for the month. For 75 of the 84 entries for August 2008, the initial margin required to open those positions exceeded five percent of \$3,052,544, which was Hybrid Fund II's ending equity for the month. For 150 of the 156 entries for September 2008, the initial margin required to open those positions exceeded five percent of \$3,365,280, which was Hybrid Fund II's ending equity for the month.

C. ALNBRI'S FAILURE TO REGISTER AS A CPO OR FILE A NOTICE OF EXEMPTION

30. In March 2008, a Confidential Private Placement Memorandum for Hybrid Fund II, drafted at the direction of McCrudden, identified Alnbri as the general partner and "exempt CPO" of Hybrid Fund II. On April 17, 2008, McCrudden filed an amendment with the Secretary of State of Delaware replacing MAAM with Alnbri as general partner of Hybrid Fund II. During his testimony under oath, McCrudden admitted that Alnbri acted as a CPO of Hybrid Fund II during 2008. Despite the fact that Alnbri became the CPO for the Hybrid Fund II during the relevant period, it never filed a notice with the NFA seeking an exemption from registration

as a CPO pursuant to Regulation 4.13 or otherwise, nor did it ever register with the Commission as a CPO.

D. MCCRUDDEN'S CONTROL OVER MAAM AND ALNBRI

31. Throughout the relevant period, McCrudden explicitly identified himself as the "controlling person" of both MAAM and Alnbri. According to Hybrid Fund II's "Confidential Private Placement Memorandum" of March 1, 2006, McCrudden was "the principal member, manager and controlling person of" MAAM. According to Hybrid Fund II's "Confidential Private Placement Memorand[a]" of March 2008 and December 1, 2008, McCrudden was the "principal member, manager and controlling person of" Alnbri. According to both "Confidential Private Placement Memorand[a]," McCrudden controlled all of Hybrid Fund II's "operations and activities and [was] primarily responsible for the investment selection and positioning of" Hybrid Fund II.

32. McCrudden also hired and supervised the only two employees of Hybrid Fund II. He was the signatory on the pool's bank and trading accounts, in addition to Alnbri's bank and trading accounts. McCrudden opened the pool's account at the FCM Interactive Brokers. McCrudden was also responsible for leasing the offices occupied by Hybrid Fund II.

E. MCCRUDDEN ACTED AS AN UNREGISTERED AP OF MAAM AND ALNBRI

33. At no time during the relevant period was McCrudden registered as an AP of either MAAM or Alnbri, despite the fact that his conduct during the relevant period brought him within the statutory definition of an AP. Throughout the relevant period, both MAAM and Alnbri acted as CPOs of Hybrid Fund II.

34. Throughout the relevant period, while unregistered, McCrudden solicited participants to place their funds with Hybrid Fund II, representing that the purportedly exempt CPOs MAAM and Alnbri would operate the pool, in return for certain fees. McCrudden

personally solicited prospective and actual participants for a participation in Hybrid Fund II. McCrudden admitted in his testimony that Hybrid Fund II had two employees during the relevant period, and that he was their only supervisor.

VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT ONE

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

35. The allegations set forth in paragraphs 1 through 34 are realleged and incorporated herein by reference.

36. As set forth above, during the relevant period, McCrudden was associated with the CPOs MAAM and Alnbri as a partner, officer, employee, consultant, or agent in a capacity that involved (i) the solicitation of funds, securities, or property for participation in a commodity pool or (ii) supervised persons so engaged.

37. At no time during the relevant period was McCrudden registered as an AP of the CPOs MAAM and/or Alnbri.

38. The foregoing acts, misrepresentations, omissions, and failures of McCrudden occurred within the scope of his employment, office or agency with MAAM and Alnbri; therefore, MAAM and Alnbri are liable for those acts, misrepresentations, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, as amended, to be codified at 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2010).

39. Each misrepresentation and/or omission of material fact and each false account statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4k(2) of the Act, as amended, to be codified at 7 U.S.C. § 6k(2).

COUNT TWO

Violations of Section 4m(1) of the Act: Acting as CPOs without Registration

40. The allegations of paragraphs 1 through 39 are realleged and incorporated herein by reference.

41. As set forth above, during the relevant period, in or in connection with their business as CPOs, MAAM and Alnbri made use of the mails or a means or instrumentality of interstate commerce but were not registered as CPOs under the Act or entitled to a valid exemption from registration, in violation of Section 4m(1) of the Act, as amended, to be codified at 7 U.S.C. § 6m(1).

42. McCrudden collectively controlled MAAM and Alnbri, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, MAAM's and Alnbri's conduct alleged in this Complaint; therefore, pursuant to Section 13(b) of the Act, as amended, to be codified at 7 U.S.C. § 13c(b), McCrudden is liable for MAAM's and Alnbri's violations of Section 4m(1) of the Act, as amended, to be codified at 7 U.S.C. § 6m(1).

43. Each use of the mails or a means or instrumentality of interstate commerce, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4m(1) of the Act, as amended, to be codified at 7 U.S.C. § 6m(1).

COUNT THREE

Violations of Regulation 4.13(b)(4): Failure to Give Notice of Inaccurate Exemption Notice

44. The allegations of paragraphs 1 through 43 are realleged and incorporated herein by reference.

45. MAAM, by and through McCrudden, failed to give notice to the NFA that its claimed exemption from registration as the CPO of the Hybrid Fund II pool was no longer accurate, in violation of Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010).

46. McCrudden controlled MAAM, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, MAAM's conduct alleged in this Complaint; therefore, pursuant to Section 13(b) of the Act, as amended, to be codified at 7 U.S.C. § 13c(b), McCrudden is liable for MAAM's violations of Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010).

47. Each failure to give notice of the inaccuracy of the claimed exemption from registration as a CPO of the Hybrid Fund II pool is alleged as a separate and distinct violation of Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010).

VII. RELIEF REQUESTED

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

a) An order finding that Defendants violated Sections 4k(2) and 4m(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 6k(2) and 6m(1), and that McCrudden and MAAM violated Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010).

b) Orders of preliminary and permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with the Defendants, including any successor thereof, from engaging, directly or indirectly:

(i) in conduct in violation of Sections 4k(2) and 4m(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 6k(2) and 6m(1), and Commission Regulation 4.13(b)(4), 17 C.F.R. § 4.13(b)(4) (2010);

(ii) trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(29) of the Act, as amended, to be codified at 7 U.S.C. § 1a(29);

(iii) 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, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) for his own personal account or for any account in which they have a direct or indirect interest;

(iv) having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;

(v) 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;

(vi) 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;

(vii) 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

(viii) 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).

c) An order directing Defendants to pay a civil monetary penalty under the Act, to be assessed by the Court, in amounts of not more than the higher of (1) triple the monetary gain to Defendants for each violation of the Act or (2) \$130,000 for each violation of the Act occurring from October 23, 2004 through October 22, 2008;

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

e) Such other and further relief as the Court deems just and appropriate.

Dated: November 30, 2010

Respectfully submitted,

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/S/

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