

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>U.S. COMMODITY FUTURES TRADING COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	<b>CIVIL ACTION NO.</b>
	)	
v.	)	
	)	<b>Complaint for Injunctive and Other</b>
<b>J. HANSEN INVESTMENTS, LLC and JONATHAN HANSEN,</b>	)	<b>Equitable Relief and Civil Monetary</b>
	)	<b>Penalties Under the Commodity</b>
<b>Defendants.</b>	)	<b>Exchange Act</b>
	)	
	)	
	)	

Plaintiff, Commodity Futures Trading Commission (“Commission” or “CFTC”), by its attorneys, alleges as follows:

**I. SUMMARY**

1. From at least April 2009 through January 2012 (“relevant period”), Jonathan Hansen (“Hansen”), individually and as the agent and controlling person of J. Hansen Investments (“JHI”) (collectively, “Defendants”), fraudulently solicited and accepted at least \$1,117,160 from at least 10 individuals to participate in a commodity pool to trade E-Mini S&P 500 futures contracts on their behalf (the “Pool”).

2. Instead of using pool participants’ funds to trade futures contracts as promised, Hansen misappropriated most of these funds for his personal use and used only a small portion of the funds for actual trading. Of the \$1,117,160 solicited and accepted from pool participants, Hansen only transferred approximately \$134,965 of these funds into Hansen’s personal or JHI’s commodity futures trading accounts.

3. Hansen used the majority of pool participants’ funds to pay for personal expenses and to pay certain pool participants purported profits.

4. In soliciting pool participants, Hansen, individually and as the agent and controlling person of JHI, knowingly, willfully, or with reckless disregard for the truth thereof, failed to disclose to actual and prospective participants that: (1) only a small portion of pool participants' funds was deposited into futures trading accounts; (2) Hansen misappropriated the majority of pool participants' funds to pay for his personal expenses and to pay certain participants purported profits; and (3) Hansen's personal and JHI's futures trading accounts sustained consistent losses.

5. During the relevant period, Hansen issued false monthly account statements and trading memoranda to pool participants reflecting fictitious monthly and annual profits.

6. By dint of this conduct and the conduct further described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices in violation of provisions of the Commodity Exchange Act (the "Act"), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act ("CRA")), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), and the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), Pub. L. No. 111-203, §§ 701-774, 124 Stat. 1376, 1641 *et seq.* (effective July 16, 2011), 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. V. 2011), and CFTC Regulations ("Regulations"), 17 C.F.R. §§ 1.1 *et seq.* (2012).

7. Accordingly, pursuant to Section 6c of the Act, as amended by the CRA and Dodd-Frank, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), the CFTC brings this action to enjoin the Defendants' unlawful acts and practices and to compel their compliance with the Act, as amended, and Regulations, and to further enjoin them from engaging in any commodity-related activity.

8. In addition, the CFTC seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

9. Unless restrained and enjoined by this Court, Defendants likely will 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

10. The Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), which authorizes the CFTC to seek injunctive and other 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 thereunder.

11. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006 & Supp. V. 2011), because Defendants transact business in this District and certain transactions, acts, practices, and courses of business alleged in this Complaint occurred, are occurring, or are about to occur within this District.

## III. PARTIES

12. Plaintiff **Commodity Futures Trading Commission** is an independent federal regulatory agency charged by Congress with the administration and enforcement of the Act, as amended, 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. V. 2011), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2012).

13. Defendant **J. Hansen Investments, LLC** (“JHI”) is a Texas limited liability company formed on February 5, 2008, with its principal place of business at 1100 NASA Parkway, Suite 314, Houston, Texas 77058. Since April 30, 2010, JHI has been registered as a commodity pool operator (“CPO”).

14. Defendant **Jonathan Hansen** is an individual residing in Pearland, Texas. At all times, and with respect to all conduct described in this Complaint, Hansen has exercised sole ownership and control over JHI as the General Partner and Managing Member. Since April 30, 2010, Hansen has been registered with the CFTC as an associated person (“AP”) of JHI.

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

15. A “commodity pool” is defined in Regulation 4.10(d)(1), 17 C.F.R. § 4.10(d)(1) (2012), as any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading commodity interests.

16. Prior to July 16, 2011, a CPO was defined in Section 1a(5) of the Act, 7 U.S.C. § 1a(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. Upon the effective date of Title VII of the Dodd-Frank Act on July 16, 2011, the definition of a CPO was expanded and re-designated in Section 1a(11) of the Act, as amended, 7 U.S.C. § 1a(11) (2006 & Supp. V. 2011).

17. An AP of a CPO is defined in Commission Regulation 1.3(aa)(3), 17 C.F.R. § 1.3(aa)(3) (2012), as any natural person who is 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 the solicitation of funds, securities, or property for a participation in a commodity pool, or the supervision of any person or persons so engaged.

18. A “participant” is defined in Commission Regulation 4.10(c), 17 C.F.R. § 4.10(c) (2012), as any person who has any direct financial interest in a commodity pool.

19. Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012), provides that no CPO “may commingle the property of any pool that it operates or that it intends to operate with the property of any other person.”

20. The National Futures Association (“NFA”) is a not-for-profit membership corporation and a self-regulatory organization that is registered with the CFTC as a futures association under Section 17 of the Act. NFA’s membership is comprised of futures commission merchants (“FCMs”), commodity trading advisors, commodity pool operators and other futures professionals registered with the CFTC. NFA conducts audits and investigations of NFA member firms, including registered CTAs and CPOs, to monitor them for compliance with NFA rules, some of which incorporate by reference Commission Regulations.

## V. FACTS

### Hansen’s Formation and Operation of the Pool

21. From at least April 2009 through January 2012, Defendant Hansen, individually and while acting as the agent and controlling person of JHI, solicited members of the public to invest in a commodity pool he purportedly operated by, among other things, conducting individual meetings with potential participants and word-of-mouth. Defendant Hansen was JHI’s only principal and its only employee.

22. Defendant Hansen created and operated JHI to facilitate his futures trading activities. JHI is a limited liability company registered under the laws of the state of Texas and registered with the CFTC as a CPO. On its website, JHI describes its activities, in relevant part, as follows: “What JHI does is a day trading style of investing on highly leveraged financial instruments called futures. The leverage of the instruments traded is mitigated by wholly over-marginalizing the capital pool, giving us the opportunity to turn trading of these instruments into a long term growth strategy.”

23. As a result of Hansen’s solicitations, Hansen received and accepted approximately \$1,117,160 from at least ten individuals for investment in the Pool. Most participants were friends and acquaintances of Hansen and Hansen’s parents. Hansen represented to actual and prospective participants that he was developing trading software and possessed proprietary formulas.

24. Pool participants signed a JHI participation agreement stating that “JHI will invest funds into S&P E-mini futures contracts, via proprietary indicators, systems, and strategies.” Pool participants also signed a limited partnership agreement whereby Hansen was the general partner of JHI and the pool participants were limited partners.

**Hansen’s Misappropriation of Pool Funds**

25. During the relevant period, pool participants provided Hansen with checks ranging from \$1,000 and \$10,000 to open accounts with JHI. Following the initial deposits, pool participants provided Hansen with additional checks ranging from \$1,000 to \$140,000.

26. Pool participants made their checks payable to JHI or directly to Hansen.

27. Hansen deposited most of the pool participants' funds into JHI's Compass Bank account. He also deposited some of the participants' funds into his personal Compass Bank account.

28. Of the approximately \$1,117,160 received from pool participants during the relevant period, Hansen transferred only approximately \$134,965 to Hansen's personal or JHI's futures trading accounts at Dorman Trading, a registered FCM. Hansen controlled these accounts.

29. The majority of the pool participants' funds remained in JHI's Compass Bank account.

30. Hansen commingled pool participants' funds with his own funds by, among other things, transferring participants' funds from JHI's Compass Bank account to Hansen's Compass Bank account or to Hansen's personal futures trading account containing his own funds.

31. Hansen used the misappropriated funds for his personal use, including for car payments, office rent, restaurants and utilities. He never disclosed to pool participants that their funds would be, or had been, used for these purposes.

32. Hansen has returned approximately \$227,343 to certain pool participants who requested withdrawals from their accounts as purported trading profits.

**Hansen's Omissions, False Statements to Pool Participants, and Misrepresentations**

33. During the relevant period, Hansen failed to disclose to actual and prospective pool participants that: (1) only a small portion of pool participants' funds was deposited into futures trading accounts; (2) Hansen misappropriated the majority of participants' funds to pay for personal expenses and to pay purported returns to certain participants; and (3) Hansen's personal and JHI's futures trading accounts sustained consistent losses. Actual and prospective

pool participants would have found such information important to them in determining whether to trust their funds to Hansen.

34. During the relevant period, Hansen further concealed and perpetuated the fraud by preparing and distributing to pool participants false account statements via e-mail. These monthly account statements falsely reported profits purportedly earned in the pool participant's account as a result of Hansen's trading and inflated the value of the participant's account. Actual pool participants would have found such information important to them in determining whether to allow their funds to remain with Hansen and JHI.

35. Despite the gains reported to participants in the monthly account statements, there was no trading activity in Hansen's personal or JHI's futures trading accounts for certain months during the relevant period. Hansen traded only approximately 20 out of 34 months during the relevant period.

36. In addition to the monthly account statements, Hansen prepared and distributed to pool participants false monthly trading memoranda via e-mail from approximately October 2009 through January 2012. These trading memoranda falsely reported monthly trading returns ranging from 0.58% to 2.20% and annual returns ranging from 10% to 30%.

37. Some of the monthly trading memoranda also reported false returns for months when there was no trading in either Hansen's personal or JHI's futures trading accounts. For example, Hansen falsely reported in the May 2010 trading memorandum: "First of all, trading in April went very well, and I am happy to report our best month to date. Period returns were 2.01%, breaking the 2% mark for the first time and continuing to make up ground towards the 20% APR target for this fiscal year." In fact, there was no trading in either Hansen's personal or JHI's futures trading accounts during April 2010. Actual and prospective pool participants



would have found such information important to them in determining whether to trust their funds to Hansen and allow their funds to remain with Hansen and JHI.

38. Hansen knew that the monthly account statements and trading memoranda were false because he had misappropriated most of the pool participants' funds, deposited only a small portion of participants' funds into Hansen's personal and JHI's futures trading accounts, and Hansen's and JHI's futures trading accounts sustained consistent losses.

**NFA's Investigation and Emergency Enforcement Action**

39. The NFA commenced an unannounced examination of JHI on February 21, 2012.

40. Hansen and JHI failed to cooperate with NFA's examination of JHI.

41. On February 27, 2012, NFA issued an emergency enforcement action against Hansen and JHI prohibiting them from, among other things: (i) placing any trades in any accounts in the name of JHI, Hansen or any other trading account or pools over which either JHI or Hansen exercise control; and (ii) disbursing or transferring any funds over which either JHI, Hansen or any person acting on behalf of JHI exercises control, without prior approval from NFA.

**VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT  
AND COMMISSION REGULATIONS**

**COUNT ONE**

**VIOLATIONS OF SECTIONS 4b(a)(1)(A)-(C) OF THE ACT, AS AMENDED, 7 U.S.C.  
§ 6b(a)(1)(A)-(C): FRAUD BY OMISSIONS, MISREPRESENTATIONS,  
MISAPPROPRIATION AND FALSE STATEMENTS IN CONNECTION WITH  
COMMODITY FUTURES**

42. Paragraphs 1 through 41 are re-alleged and incorporated herein by reference.

43. Section 4b(a)(1)(A)-(C) of the Act, as amended by the CRA and Dodd-Frank, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011), 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 – (A) to cheat or defraud or attempt to cheat or defraud the other person; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; or (C) willfully to deceive or attempt to deceive the 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.

44. During the relevant period, Hansen violated Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011), in that he cheated or defrauded, or attempted to cheat or defraud, and willfully deceived, or attempted to deceive, pool participants by, among other things: (i) misappropriating pool participants' funds; (ii) making fraudulent misrepresentations and omissions to actual and prospective pool participants about using their funds to trade futures contracts; and (iii) making, causing to be made, and distributing statements and memoranda to pool participants that contained false information.

45. Hansen engaged in the acts and practices described above willfully, knowingly or with reckless disregard for the truth.

46. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

47. Hansen controlled JHI, directly or indirectly, and knowingly induced, directly or indirectly, JHI's violations of Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011). Hansen is therefore liable for JHI's violations as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006 & Supp. V. 2011).

48. Each misappropriation, misrepresentation or omission of material fact, and issuance of a false statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011).

## **COUNT TWO**

### **VIOLATION OF SECTION 4o(1)(A) and (B) OF THE ACT: FRAUD BY A CPO AND AP OF A CPO**

49. Paragraphs 1 through 41 are re-alleged and incorporated herein by reference.

50. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006 & Supp. V. 2011), 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 which operates as a fraud or deceit upon any participant.

51. During the relevant period, JHI acted as a CPO by soliciting, accepting and receiving funds for the purpose of trading in commodities for future delivery on or subject to the rules of any contract market.

52. During the relevant period, Hansen acted as an AP of a CPO by soliciting and accepting funds for JHI.

53. During the relevant period, Defendants violated Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011), in that while acting as a CPO and an AP of a CPO, they directly or indirectly employed a device, scheme, or artifice to defraud pool participants and prospective participants, and engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon participants or prospective participants. The fraudulent acts include, among other things: (i) misappropriating pool participants' funds; (ii) making fraudulent misrepresentations and omissions to actual and prospective pool participants about using their funds to trade futures contracts; and (iii) making, causing to be made, and distributing statements and memoranda to pool participants that contained false information.

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

55. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

56. Defendant Hansen controlled JHI, directly or indirectly, and knowingly induced, directly or indirectly, JHI's violations of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011). Hansen is therefore liable for these violations as a controlling person pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006 & Supp. V. 2011).

57. Each misappropriation, misrepresentation or omission of material fact, and issuance of a false statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011).

**COUNT THREE**

**VIOLATION OF COMMISSION REGULATION 4.20(c),  
17 C.F.R. § 4.20(c):  
COMMINGLING OF POOL PARTICIPANT FUNDS**

58. Paragraphs 1 through 41 are re-alleged and incorporated herein by reference.

59. During the relevant period, Hansen violated Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012), by commingling funds received from pool participants with his own funds by, among other things, transferring pool participants' funds from JHI's Compass Bank account to Hansen's Compass Bank account or to Hansen's personal futures trading account containing his own funds.

60. The foregoing acts, omissions, and failures of Hansen occurred within the scope of his employment, office, or agency with JHI. Therefore, JHI is liable for these acts, omissions, and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006 & Supp. V. 2011), and Regulation 1.2, 17 C.F.R. § 1.2 (2012).

61. Defendant Hansen controlled JHI, directly or indirectly, and knowingly induced, directly or indirectly, JHI's violations of Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012). Hansen therefore is liable as a controlling person for these violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006 & Supp. V. 2011).

62. Each instance of improper receipt and commingling of pool participants' funds, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012).

**VII. RELIEF REQUESTED**

WHEREFORE, the CFTC respectfully requests that this Court, as authorized by Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2006 & Supp. V. 2011), and pursuant to its own equitable powers, enter:

- A. An order finding that Defendants violated Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011);
- B. An order finding that Defendants violated Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011); and
- C. An order finding that Defendants violated Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012).
- D. An order of permanent injunction prohibiting Defendants and any other person or entity associated with them, from engaging in conduct in violation of Section 4b(a)(1)(A)-(C) of the Act, as amended, 7 U.S.C. § 6b(a)(1)(A)-(C) (2006 & Supp. V. 2011);
- E. An order of permanent injunction prohibiting Defendants and any other person or entity associated with them, from engaging in conduct in violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006 & Supp. V. 2011);
- F. An order of permanent injunction prohibiting Defendants and any other person or entity associated with them, from engaging in conduct in violation of Commission Regulation 4.20(c), 17 C.F.R. § 4.20(c) (2012);
- G. An order of permanent injunction prohibiting Defendants, and any other person or entity associated with them, from directly or indirectly:

1. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, as amended by the CRA and Dodd-Frank, 7 U.S.C. § 1a (2006 & Supp. V. 2011));
2. Entering into any transactions involving commodity futures, swaps, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh) (2012)) (“commodity options”), security futures products, 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 and Dodd-Frank, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i) (2006 & Supp. V. 2011)) (“forex contracts”), for their own personal accounts or for any account in which they have a direct or indirect interest;
3. Having any commodity futures, swaps, options on commodity futures, commodity options, security futures products, and/or forex contracts traded on their behalf;
4. 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, swaps, options on commodity futures, commodity options, security futures products, and/or forex contracts;
5. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, swaps, options on commodity futures, commodity options, security futures products, forex contracts, and/or retail commodity transactions;

6. Applying for registration or claiming exemption from registration with the CFTC in any capacity, and engaging in any activity requiring such registration or exemption from registration with the CFTC except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2012); and
  7. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2012)), agent, or any other officer or employee of any person registered, exempted from registration, or required to be registered with the CFTC, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2012).
- H. An order directing Defendants, as well as any successors thereof, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices which constitute violations of the Act and the Regulations, as described herein, and pre- and post-judgment interest thereon from the date of such violations;
- I. An order directing Defendants, as well as any successors thereof, to make full restitution, pursuant to such procedure as the Court may order, to every pool participant whose funds they received or caused another person or entity to receive as a result of acts and practices which constitute violations of the Act and the Regulations, as described herein, and pre- and post-judgment interest from the date of such violations;
- J. An order directing Defendants, as well as 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 them and any of the pool

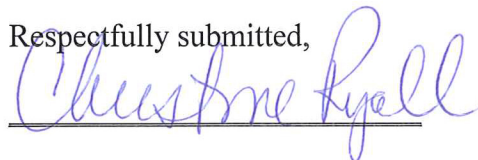


participants whose funds were received by them as a result of the acts and practices which constituted violations of the Act and the Regulations as described herein;

- K. An order directing Defendants and any successors thereof to pay civil monetary penalties 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 and/or Regulations; or (2) \$140,000 for each violation of the Act and/or Regulations committed on or after October 23, 2008, plus post-judgment interest;
- L. An order directing Defendants and any successors thereof to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2006); and
- M. Such other and further relief as the Court deems proper.

Date: August 23, 2012

Respectfully submitted,



ATTORNEYS FOR PLAINTIFF  
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COMMISSION

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