

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION

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U.S. COMMODITY FUTURES TRADING	)	
COMMISSION,	)	
	)	
Plaintiff,	)	CASE NO. 2:10-CV-2893-RMG
	)	
v.	)	
	)	
RONALD E. SATTERFIELD; GRAHAM	)	
STREET FOREX GROUP, LLC;	)	
SHORE-2-SUMMIT FINANCIAL, LLC;	)	
and NICHOLAS BOS, individually and d/b/a	)	
Bos Financial Services,	)	
	)	
Defendants; and	)	
	)	
PATRICIA L. BOS,	)	
	)	
Relief Defendant.	)	

**CONSENT ORDER OF PERMANENT INJUNCTION, RESTITUTION, CIVIL  
MONETARY PENALTY AND OTHER EQUITABLE RELIEF AGAINST  
DEFENDANT RONALD E. SATTERFIELD**

On November 8, 2010, Plaintiff U.S. Commodity Futures Trading Commission (the "Commission") filed a Complaint against defendants Ronald E. Satterfield ("Satterfield"), Graham Street Forex Group, LLC ("Graham Street"), Shore-2-Summit Financial, LLC ("Shore-2-Summit"), and Nicholas Bos ("Bos") (collectively "Defendants") seeking injunctive relief, restitution, civil monetary penalties, and other equitable relief against Defendants for violations of the anti-fraud 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 of 2008 ("CRA")), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), to be codified at 7 U.S.C. §§ 1 *et seq.*

**I. CONSENTS AND AGREEMENTS**

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

1. Consents to the entry of this Consent Order of Permanent Injunction, Restitution, Civil Monetary Penalty and Other Equitable Relief (“Order”).

2. Acknowledges service upon him of the summons and Complaint.

3. Affirms that he has read and agrees to this Order voluntarily, and that no threat or promise, other than as set forth specifically 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 Order.

4. Admits that this Court has jurisdiction over him and the subject matter of this action pursuant to Section 6c of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 13a-1, and Section 2(c)(2) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2).

5. Admits that venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended by the CRA, 7 U.S.C. § 13a-1(e).

6. Waives:

a. The entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, except as set forth in Part II of this Order;

b. Any and all claims that may be available to him under the Equal Access to Justice Act (“EAJA”), 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or Part 148 of the Commission’s Regulations, 17 C.F.R. §§148.1, *et seq.* (2011), relating to or arising from this action and any right pursuant to EAJA to seek costs, fees and other expenses relating to or arising from this action;

c. Any and all claims that he may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. 104-121, §§ 201-253, 110 Stat. 847, 857-68 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2010), relating to or arising from this proceeding;

d. Any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief; and

e. All rights of appeal in this action.

7. Agrees that he will not oppose enforcement of the Order on the grounds that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waives any objections based thereon.

8. Agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or findings or conclusions in this Order or creating, or tending to create, the impression that the Complaint or this Order is without a factual basis; provided, however, that nothing in this provision shall affect his testimonial obligations or right to take legal positions in other proceedings to which the Commission is not a party. Satterfield shall take all necessary steps to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement.

9. Agrees to cooperate with Commission staff in the continuing litigation of this matter against any defendant not a party to this Order. As part of such cooperation, Satterfield agrees, subject to all applicable privileges, to comply fully, promptly and truthfully with any reasonable inquiries or requests for information or testimony, including but not limited to, testifying at any trial or hearing in this action, or producing written statements or trial

declarations to the Commission related to any trial of the subject matter of this proceeding.

10. Neither admits nor denies the allegations of the Complaint or the Findings of Fact or Conclusions of Law made in this Order, except as to jurisdiction and venue, which Satterfield admits. However, Satterfield agrees that the allegations of the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of any current or subsequent proceeding to enforce the terms of this Order, any bankruptcy proceeding filed by, on behalf of, or against him, and any proceeding pursuant to Section 8a of the Act, 7 U.S.C. § 12a(1), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 *et seq.*

11. Agrees that no provision of this Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Satterfield in any other action or processing, and further agrees to provide immediate notice to this Court and the Commission by certified mail of any bankruptcy filed by, on behalf of, or against him.

12. Consents to the continued jurisdiction of this Court for the purposes of implementing and enforcing the terms and conditions of this Order, to assure compliance with this Order, and for any other purposes relevant to this action, even if he now, or in the future, resides outside the jurisdiction.

## II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

### A. FINDINGS OF FACT

13. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, as amended by the CRA and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), Pub. L. No. 111-203, Title VII (the Wall Street

Transparency and Accountability Act of 2010), §§701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.*, and the Commission's Regulations ("Regulations") promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2011).

14. Defendant **Ronald E. Satterfield** is an individual residing in Charleston, South Carolina and was the pastor of a church in Charleston, South Carolina. Satterfield is President, Secretary and Registered Agent of Graham Street and Secretary and Treasurer of Shore-2-Summit. Satterfield has never been registered with the Commission in any capacity. He is not an associated person of a financial institution, registered broker dealer, insurance company, financial holding company, or investment bank holding company. At all times relevant and in regard to all conduct described herein, Satterfield was a controlling person of Graham Street and Shore-2 Summit, and was an agent or employee of Graham Street and Shore-2-Summit and acted within the scope of his agency or employment.

15. Defendant **Graham Street Forex Group, LLC** is a limited liability company formed by Satterfield in South Carolina on or about August 31, 2006 with its principal place of business at 91 Anson Street, Charleston, South Carolina. Graham Street has never been registered with the Commission in any capacity and is not a financial institution, registered broker dealer, insurance company, financial holding company, or investment bank holding company, and is not an associated person of such entities.

16. Defendant **Shore-2-Summit Financial, LLC** was a limited liability company formed in South Carolina on or about June 28, 2005 with its principal place of business at 317 23rd Avenue North, North Myrtle Beach, South Carolina. Shore-2-Summit was dissolved on or about December 31, 2009. Shore-2-Summit has never been registered with the Commission in any capacity and was not a financial institution, registered broker dealer, insurance company,

financial holding company, or investment bank holding company, and is not an associated person of such entities.

17. Defendant **Nicholas Bos** is an individual residing in Ludington, Michigan who held himself out as the owner and operator of Boss Financial Service, a financial advisory and planning business with its principal place of business in Zeeland, Michigan. Bos was an agent, representative or employee of Satterfield, Graham Street and Shore-2-Summit and has solicited customers on behalf of Satterfield, Graham Street and Shore-2-Summit to engage in foreign currency trading. Bos has never been registered with the Commission in any capacity. At all times relevant and in regard to all conduct described herein, Bos was an agent or employee of Satterfield, Graham Street and Shore-2-Summit and acted within the scope of his agency or employment.

18. Relief Defendant **Patricia L. Bos** is the wife of Nicholas Bos and resides in Ludington, Michigan.

19. On August 31, 2006, Satterfield formed Graham Street in South Carolina. On June 28, 2005, Satterfield and another individual formed Shore-2-Summit in South Carolina. Graham Street and Shore-2-Summit were organized to solicit, accept, and pool funds from retail customers for the purpose of trading leveraged or margined foreign currency transactions (“forex”).

20. From at least March 2006 through March 2009 (the “relevant period”), Satterfield, individually and on behalf of Graham Street and Shore-2-Summit, solicited and received over \$3.3 million from over 70 retail customers for the purpose of trading forex. During this same period, Satterfield deposited only about \$1.9 million of the customer funds received into forex trading accounts.

21. Satterfield had trading authority over the forex trading accounts into which Graham Street and Shore-2-Summit customer funds were deposited, and executed margined or leveraged forex transactions in these accounts. Satterfield's forex trading typically resulted in a net loss each month during the relevant period.

22. Overall, Satterfield failed to generate any profits through his forex trading. In the forex trading accounts he controlled, Satterfield incurred net trading losses of approximately \$1.9 million. Virtually all of the customer funds deposited into forex trading accounts were lost as a result of Satterfield's unsuccessful forex trading.

23. Throughout the relevant period, Satterfield, Graham Street and Shore-2-Summit operated a "Ponzi" scheme by paying some customers monthly "returns" at the promised rates and claiming that these returns were produced by Satterfield's successful forex trading when, in fact, Satterfield's trading resulted in substantial losses and any purported profits or returns paid to customers by Satterfield, Graham Street and Shore-2-Summit came from other customers' funds.

24. Satterfield, directly and through his agents, solicited customers from North Carolina and South Carolina to deposit funds with Graham Street for the purposes of trading forex. Satterfield and Bos solicited customers from Michigan, including clients of Bos' financial advisory and planning business, Boss Financial Services, and Bos' family, friends, and personal and business acquaintances, to deposit funds with Graham Street and Shore-2-Summit for the purposes of trading forex. Satterfield and Bos solicited customers in person, over the telephone, and through word of mouth and promotional materials.

25. Satterfield and Bos directed prospective Graham Street and Shore-2-Summit customers to execute a document they characterized as a "loan agreement" or "promissory note."

Graham Street and Shore-2-Summit promotional materials represented that “[t]his format is the only way to ‘guarantee’ a monthly return.” Satterfield or Bos then signed these documents on behalf of Graham Street and Shore-2-Summit.

26. To open an account with Graham Street or Shore-2-Summit, prospective customers were directed to (a) give a check to Bos, who forwarded it to Satterfield, (b) give a check to Satterfield, or (c) deposit funds directly into specified bank accounts. Satterfield deposited and pooled Graham Street customer funds in Graham Street bank accounts and deposited and pooled Shore-2-Summit customer funds in Shore-2-Summit bank accounts.

27. Satterfield transferred a portion of the customer funds from Graham Street and Shore-2-Summit bank accounts into his personal bank accounts, where the customer funds were commingled with Satterfield’s personal funds as well as with funds received by Satterfield from his individual customers. Satterfield also transferred Graham Street customer funds to Shore-2-Summit bank accounts and vice versa.

28. During the relevant period, Satterfield was the sole signatory on all Graham Street bank accounts and was a signatory on all Shore-2-Summit bank accounts. Satterfield controlled the bank accounts through which Graham Street and Shore-2-Summit customer funds were received, paid out to certain customers, or misappropriated.

29. Satterfield also independently solicited acquaintances, members of his church congregation, their friends and family, and others in North Carolina, South Carolina, Maryland, and other states for funds to trade forex. These customers (Satterfield’s “individual customers”) did not deposit funds with Graham Street or Shore-2-Summit. Satterfield instructed his individual customers to make their checks payable to him personally and then deposited the individual customers’ funds into his personal bank account, where he commingled the



customers' funds with his personal funds.

30. Although some Graham Street, Shore-2-Summit, and individual customer funds were deposited into forex trading accounts at registered futures commission merchants ("FCMs") and traded unsuccessfully by Satterfield, some customer funds were not deposited into any forex trading account and instead were misappropriated by Satterfield and used to pay principal and purported returns to customers, to pay commissions or fees to Bos and other Graham Street and Shore-2-Summit agents, to make payments benefitting Satterfield and other officers, agents, and employees of Graham Street and Shore-2-Summit, and for other personal uses.

31. For example, from at least April 2008 through May 2009, Satterfield received monthly payments of at least \$2500 from Shore-2-Summit's bank account. In December 2008, Satterfield used at least \$24,000 of Graham Street customer funds to make payments to a log cabin building company. Satterfield also used customer funds to pay Bos and other agents. Between March 2006 and March 2009, Bos received at least \$550,000 in purported commissions or fees from Graham Street and Shore-2-Summit bank accounts.

32. On or about August 26, 2008, Satterfield used customer funds from Graham Street's bank account to issue a Cashier's Check in the amount of \$295,000, which Bos used to purchase a personal residence in Ludington, Michigan, titled in the name of Nicholas Bos and Patricia L. Bos. Neither Bos nor Patricia L. Bos deposited any personal funds with Satterfield, Graham Street or Shore-2-Summit. Patricia L. Bos provided no legitimate services to Satterfield, Graham Street or Shore-2-Summit.

33. In total, Satterfield misappropriated at least \$957,146 of customer funds.

34. Throughout the relevant period, in order to induce new customers to open accounts with Satterfield, Graham Street and Shore-2-Summit and to induce current customers to

deposit additional funds for forex trading, Satterfield omitted or failed to disclose material facts, including that:

- a. Satterfield consistently lost money trading forex in all Graham Street, Shore-2-Summit, and personal accounts;
- b. Satterfield was misappropriating customer funds by using a significant portion of customer funds to pay commissions or salary to Satterfield, Bos and others, and for personal use;
- c. Customer funds, not trading profits, were used to make payments to pay principal and purported profit returns to existing customers; and
- d. Graham Street maintained no forex trading accounts at registered FCMs during the relevant period, and no forex trading was conducted in any Shore-2-Summit FCM account from November 2007 through October 2008 or in December 2008.

35. In addition, from August 2008 through March 2009, Satterfield failed to disclose to actual and prospective customers that at least \$295,000 was taken from customer funds and provided to Bos for personal use, and that Bos used these funds to purchase a residence in Ludington, Michigan.

36. Customers of Graham Street, Shore-2-Summit and Satterfield would have found it important to know that Satterfield's forex trading was not profitable, that customer funds were being misappropriated and used to pay returns to other customers in a manner typical of a Ponzi scheme, and that Satterfield circulated account statements and documents falsely showing that Satterfield's trading was profitable and yielding the promised returns. Consequently, Satterfield should have disclosed this material information. Satterfield was required to disclose all material information and the truth about the misappropriation and the actual use of customer deposits at

the time he or his agents personally solicited actual and prospective customers, and every day that customers maintained an open account with Graham Street, Shore-2-Summit or Satterfield. The failures to provide this information were material and fraudulent omissions.

37. Satterfield made material misrepresentations to actual and prospective customers, including:

- a. that Satterfield was an experienced and successful trader who had been engaged in profitable forex trading for several years;
- b. that there would be no risk to the customers' principal and that depositing funds with Satterfield, Graham Street, and Shore-2-Summit was low risk;
- c. how funds provided to Satterfield, Graham Street and Shore-2-Summit would be used, claiming they would be used for trading forex when they were in part used to pay other customers as profit, to pay commissions or fees to Satterfield, Bos, and others, or for the personal use of Satterfield and Bos;
- d. that Satterfield's forex trading was profitable and that Graham Street and Shore-2-Summit customers would be able to, and purportedly did, receive returns ranging between approximately 2 percent and 4 percent on the principal amount of their deposit per month based on profits generated by Satterfield's forex trading, when none of the Satterfield, Graham Street or Shore-2-Summit forex trading accounts had generated a net monthly profit; and
- e. that Graham Street and Shore-2-Summit would return the principal to customers after one year.

38. Throughout the relevant period, Satterfield assured prospective and existing customers, both verbally and in writing, that Satterfield was trading successfully and generating

profits through his forex trading when, in fact, Satterfield was consistently losing money on trades. For example, on or about October 10, 2008, Satterfield sent Bos an email that falsely stated “we have sailed through these financial storms with nice profit during the last few weeks” and “our gains are solid and consistent” when in fact the total trading losses incurred in accounts controlled by Satterfield, Graham Street and Shore-2-Summit in October 2008 were at least \$56,000. Additionally, on or about December 22, 2008, Satterfield emailed a statement to at least one customer that included the following false representation: “We had a fine week. December tends to be the best trading month in Forex. It sailed us upward and onward this past week.” However, Satterfield’s total trading losses in December 2008 were approximately \$38,416.31.

39. Satterfield and Bos sent Graham Street and Shore-2-Summit customers false account statements misrepresenting that the customers were earning profitable returns and that their investments were increasing by 2% to 4% of the principal deposit amount per month. In fact, Satterfield’s forex trading never achieved these returns. Moreover, none of these statements ever reported a loss despite the fact that the forex trading accounts consistently lost money and the fact that customer funds were being misappropriated to pay returns to other customers, purported commissions and fees, and Satterfield’s and Bos’ personal expenses.

40. Satterfield also issued false account statements to his individual customers misrepresenting the earnings in their accounts from his forex trading. For example, on April 15, 2009, Satterfield emailed a statement to one of his individual customers that reflected a total trading profit of \$14,748.75, bringing her total stated balance to \$109,748.75, when Satterfield had never achieved these returns.

41. Satterfield used the mails or other means or instrumentalities of interstate

commerce, directly or indirectly, to solicit customers and transmit false account statements.

42. By February 2009, customer funds in Satterfield, Graham Street and Shore-2-Summit trading and bank accounts had been substantially depleted and Satterfield began to fall behind in distributing "returns" to customers. Checks were sent out late to customers and, in some cases, were returned for insufficient funds.

43. Despite the grim state of the trading and bank accounts, Satterfield, directly and through his agent Bos, continued to solicit and accept funds from new and existing customers. In March 2009, over \$40,228 in customer funds was collected by Graham Street. Of this amount, more than \$30,000 was obtained as a result of Bos' solicitations of Michigan customers and \$10,000 was obtained as a result of Satterfield's solicitation of a North Carolina customer.

44. When customers made inquiries and demands for their funds, Satterfield and Bos responded with various excuses and falsely claimed that trading, banking, or accounting rules or regulations were preventing or hindering the transfer or release of customer funds.

45. For example, on or about March 12, 2009, Satterfield distributed a letter to customers claiming that the monthly mailing date for interest checks was being changed from the 15th to the 22nd of each month to enable him "to move funds from a trading account into the operational account, where monthly checks are written" and "keep the flow of business flowing in a consistent pattern." The letter further advised customers that "[c]hecks will be mailed, beginning March 22, 2009, and continue in that pattern." Only a few customers received any payments for returns after March 12, although Satterfield transferred \$26,000 to Bos on or about March 3, 2009 and transferred at least \$7,200 to himself from a Shore-2 Summit bank account between March 20 and May 29, 2009.

46. Satterfield, Graham Street, Shore-2-Summit, and the FCMs that were the

counterparties to the foreign currency transactions at issue were not financial institutions, registered brokers or dealers, insurance companies, financial holding companies, or investment bank holding companies or associated persons of such entities.

47. Some or all of the customers of Satterfield, Graham Street and Shore-2-Summit were not “eligible contract participants” as defined in Section 1a of the Act, to be codified at 7 U.S.C. § 1a.

48. The forex transactions conducted by Satterfield at the FCMs on behalf of Satterfield, Graham Street and Shore-2-Summit customers were entered into on a leveraged or margined basis. Satterfield, Graham Street and Shore-2-Summit were required to provide only a percentage of the value of the foreign currency contracts that they purchased. The forex transactions conducted by Satterfield, Graham Street and Shore-2-Summit at FCMs neither resulted in delivery of actual currency within two days nor created an enforceable obligation to deliver between a seller and a buyer that had the ability to deliver and accept delivery, respectively, in connection with their lines of business. Rather, these forex contracts remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an obligation to do so).

#### **B. CONCLUSIONS OF LAW**

49. This Court has personal and subject matter jurisdiction over Defendants and this action pursuant to Section 6c of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 13a-1, and Section 2(c)(2) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2).

50. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended by the CRA, 7 U.S.C. § 13a-1(e), as one or more of the defendants are found in, inhabit or transact 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, among other places.

51. It is a violation of Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A)-(C), with respect to acts occurring on or after June 18, 2008, the effective date of the CRA, for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market: (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; and (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 person.

52. Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, apply to the foreign exchange currency transactions, agreements or contracts offered by Defendants. Section 2(c)(2)(C)(iv) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2)(C)(iv).

53. By the conduct described herein, Satterfield knowingly, willfully or with reckless disregard for the truth, violated Sections 4b(a)(2)(A) and (C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A) and (C), with respect to acts occurring on or after June 18, 2008, the effective date of the CRA, by, among other things, (1) omitting material information, including the fact that the Defendants were misappropriating customer funds; (2) misrepresenting the profitability of Satterfield's trading and omitting material facts concerning the performance of Satterfield's trading; and (3) misappropriating customer funds for personal

use.

54. By the conduct described herein, Satterfield also violated Section 4b(a)(2)(B) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(2)(B), by knowingly, willfully or with reckless disregard for the truth therein, issuing or causing to be issued false account statements and reports reflecting positive returns from Satterfield's trading and increases in the value of customer's interests, and omitting or failing to disclose amounts paid as commissions or fees and amounts paid to Satterfield, Bos, and others for personal use.

55. The Court, having been fully advised in the premises, finds that there is good cause of the entry of this Order and that there is no just reason for delay. The Court therefore directs the entry of a permanent injunction and orders Satterfield to pay restitution and a civil monetary penalty and other equitable relief pursuant to 7 U.S.C. § 13a-1, as set forth herein.

### **III. PERMANENT INJUNCTION**

**IT IS HEREBY ORDERED** that:

- A. Satterfield is permanently restrained, enjoined, and prohibited from directly or indirectly engaging in any conduct in violation of Sections 4b(a)(2)(A) - (C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A) - (C), including but not limited to conduct such as that set forth in Part II above.
- B. Satterfield is permanently restrained, enjoined, and prohibited 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, to be codified at 7 U.S.C. § 1a);
  2. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2010)) ("commodity options"), retail commodity contracts (as described in Section 2(C)(2)(D) of the Act, to be codified at 7 U.S.C. § 2(c)(2)(D)) ("retail commodity contracts"), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, 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, proprietary



account or for any account in which he has a direct or indirect interest;

3. having any commodity futures, options on commodity futures, commodity options, retail commodity contracts, and/or forex contracts traded on his 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, options on commodity futures, commodity options, retail commodity contracts, and/or forex contracts;
5. 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, retail commodity contracts, and/or forex contracts;
6. 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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2010);
7. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2010)), agent, officer or employee of any person (as that term is defined in Section 1a of the Act, to be codified at 7 U.S.C. § 1a) registered, exempted from registration, or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2010); and
8. engaging in any business activities related to commodity interest trading.

**IT IS HEREBY FURTHER ORDERED** that the injunctive relief provisions of this Order shall be binding upon Satterfield, upon any agent, employee, attorney, and/or assign of Satterfield, and upon any person who receives actual notice of this Order, by personal service or otherwise, insofar as he or she is acting in active concert or participation with Satterfield.

**IV. RESTITUTION AND CIVIL MONETARY PENALTY**

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

**A. Restitution**

1. Satterfield shall be liable for and pay restitution in the amount of \$957,146, plus post-judgment interest.

2. Post-judgment interest shall accrue beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

3. To effect payment by Satterfield and distribution of restitution, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall collect restitution payments from Satterfield and make distributions as set forth below. Because the Monitor is acting as an Officer of the Court in the performance of these services, the Monitor shall not be liable for any action or inaction arising from his appointment as Monitor, other than actions involving fraud.

4. Satterfield shall make restitution payments under this Order in the name “Ronald E. Satterfield – Restitution Fund” and shall send such restitution payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier’s, or bank money order, to Office of Administration, National Futures Association, 300 S. Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under cover letter that identifies the paying defendant and the name and docket number of the proceeding. The paying defendant shall simultaneously transmit copies of the cover letter and the form of payment to (a) the Director, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and (b) the Chief, Office of Cooperative Enforcement, Division of Enforcement at the same address.

5. The Monitor shall oversee Satterfield’s restitution obligation and shall have

discretion to determine the manner for distribution of funds in an equitable fashion to the defrauded customers, as appropriate, or may defer distribution until such time as it deems appropriate. In the event that the amount of restitution payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative costs of the making a restitution distribution is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth herein.

6. Satterfield shall cooperate with the Monitor and provide such information as the Monitor deems necessary and appropriate to identify the customers to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any restitution payments.

7. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each of the customers identified in Attachment A is explicitly made an intended third-party beneficiary of this Order and may seek to enforce obedience of this Order to obtain satisfaction of any portion of the restitution amount which has not been paid by Satterfield, to ensure continued compliance with any provision of this Order, and to hold Satterfield in contempt for any violations of any provision of this Order.

8. Satterfield shall immediately notify the Commission and Monitor if he or any defendant makes or has previously made any agreement with any investor obligating the defendant to make payments outside this Order. Satterfield shall also provide immediate evidence to the Commission and the Monitor of any payments made pursuant to such agreement. Upon being notified of any payments made by a defendant to customers outside of this Order, and receiving evidence of such payments, the Monitor shall have the right to reduce and offset the paying defendant's obligation to specified customers and to make any other changes in the

restitution distribution schedule that the Monitor deems appropriate.

9. Satterfield shall cooperate fully with the Monitor, the Commission, and any other government agency seeking to enforce the provisions of this Order by providing any requested information relating to his financial status including, but not limited to, income and earnings, assets, financial statements, asset transfers, tax returns, bank and trading accounts, and assets held by them in foreign countries.

10. In the event that Satterfield changes his address or telephone number at any time prior to his full satisfaction of his restitution obligation, he shall provide written notice of the new address, or telephone number to the Commission and the Monitor by certified mail within ten (10) calendar days of the change.

11. Except as provided in paragraph 12 below, upon the entry of this Order, the provisions of the Court's November 22, 2010, Consent Order of Preliminary Injunction and Other Equitable Relief against Satterfield, Graham Street, and Shore-2-Summit that impose a freeze on the assets of Satterfield shall be lifted. The Court's Consent Orders of Preliminary Injunction and Other Equitable Relief issued in this action shall remain in effect against any other remaining defendants until otherwise ordered by this Court.

12. Satterfield may transfer or cause others to transfer funds or other property to satisfy his restitution and/or civil monetary penalty obligation under this Order; and shall not transfer or cause others to transfer funds or other property to the possession, custody, or control of any other person for the purpose of concealing such funds from the Court, the Commission, the Monitor, or any customer.

13. To the extent that any funds accrue to any U.S. governmental entity, including but not limited to the U.S. Treasury, as a result of the restitution obligation under this Order, such

funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Order.

14. To the extent this Court orders other defendants in this action to pay restitution, Satterfield's restitution obligation will be deemed satisfied, on a dollar-for-dollar basis, by such other defendants' payments in satisfaction of their restitution obligations pursuant to such other order of this Court.

**B. Civil Monetary Penalty**

15. Satterfield shall be liable for and pay to the Commission a civil monetary penalty in the amount of \$2,871,438, plus post-judgment interest. Post-judgment interest shall accrue beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

16. Satterfield shall pay the civil monetary penalty by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables --- AMZ 340  
E-mail Box: 9-AMC-AMZ-AR-CFTC  
DOT/FAA/MMAC  
6500 S. MacArthur Blvd.  
Oklahoma City, Oklahoma 73169  
Telephone: 405-954-6644

If payment is to be made by electronic funds transfer, Satterfield shall contact Linda Zurhorst or her successor at the above address to receive payment instructions and shall fully comply with those instructions. The paying Defendant shall accompany payment of the penalty with a cover letter that identifies the paying Defendant and the name and docket number of the proceedings.

The paying Defendant shall simultaneously transmit copies of the cover letter and the form of payment to the Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and the Chief, Office of Cooperative Enforcement, at the same address.

17. To the extent this Court orders other defendants in this action to pay civil monetary penalties, Satterfield's civil monetary penalty obligation will be deemed satisfied, on a dollar-for-dollar basis, by such defendants' payments to the Commission in satisfaction of their civil monetary penalty obligations.

**C. Partial Payments**

18. Any acceptance by the Commission and/or the Monitor of partial payment of Satterfield's restitution obligation and/or civil monetary penalty shall not be deemed a waiver of his obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

**D. Equitable Relief Provisions**

19. The equitable relief provisions of this Order shall be binding upon Satterfield, upon any person who acts in the capacity of agent, employee, attorney, and/or assign of Satterfield, and upon any person who receives actual notice of this Order, by personal service or otherwise, insofar as he or she is acting in active concert or participation with Satterfield.

**IV. MISCELLANEOUS PROVISIONS**

**IT IS FURTHER ORDERED THAT:**

1. This Court shall retain jurisdiction of this case to assure compliance with this Order and for all other purposes related to this action.

2. This Order shall be interpreted and enforced according to the Federal Rules of Civil Procedure, the Local Rules of the United States District Court for the District of South Carolina, and all provisions of the Act and Commission Regulations, relating or referring to the obligations hereunder.

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

Notice to the Commission:

Attention - Director of Enforcement  
Commodity Futures Trading Commission  
Division of Enforcement  
Three Lafayette Center  
1155 21st Street N.W.  
Washington, DC 20581

All such notices to the Commission shall reference the name and docket number of this action.

Notice to the Monitor:

Vice President, Compliance  
National Futures Association  
200 West Madison Street  
Chicago, IL 60606

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


5. If any provision or the application of any provision of this Order is held invalid, the remainder of this Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

6. This Order incorporates all of the terms and conditions of the settlement among the parties hereto. Nothing shall serve to amend or modify this Order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties hereto; and (3) approved by order of this Court.

7. This Order shall inure to the benefit of and be binding on Satterfield's successors, assigns, heirs, beneficiaries, and administrators.

8. 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, e-mail, 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 any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Agreement.

Done and So Ordered this 9<sup>th</sup> day of May, 2012 at Charleston, South Carolina.

  
\_\_\_\_\_  
HON. RICHARD M. GERSTEL  
UNITED STATES DISTRICT JUDGE

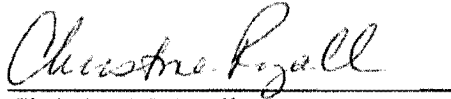
***Consent Order of Permanent Injunction, Restitution, Civil Monetary Penalty and For Other Equitable Relief Against Defendant Ronald E. Satterfield consented to and approved for entry by:***



  
\_\_\_\_\_  
Ronald E. Satterfield

Charleston, South Carolina

Dated: 2/28, 2012

  
\_\_\_\_\_  
Christine M. Ryall

Christine M. Ryall

Attorney for Plaintiff

U.S. Commodity Futures Trading Commission

Division of Enforcement

Three Lafayette Center

1155 21<sup>st</sup> Street, N.W.

Washington, DC 20581

Dated: 4/2, 2012

**ATTACHMENT A TO CONSENT ORDER OF PERMANENT INJUNCTION,  
 RESTITUTION, CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF  
 AGAINST DEFENDANT RONALD E. SATTERFIELD,  
 CASE NO. 2:10-CV-2893 (U.S.D.C. SOUTH CAROLINA)**

<u>CUSTOMER NAME</u>	<u>CUSTOMER/POOL TYPE</u>	<u>STATE</u>
Bazuin, Willard	Shore-2-Summit	MI
Boerman, Joyce	Shore-2-Summit	MI
Boss, Richard	Shore-2-Summit	MI
Bouwense Family Trust	Shore-2-Summit	MI
Breukur, Bryan	Shore-2-Summit	MI
Brouwer, Roger	Shore-2-Summit	MI
Decan, Evelyn	Shore-2-Summit	MI
DeJorge, Ronald	Shore-2-Summit	MI
Den Uyl, Dean	Shore-2-Summit	MI
De Vries, Shirley	Shore-2-Summit	MI
Goeman, Russell	Shore-2-Summit	MI
Gras Enterprises (Jerry Gras)	Shore-2-Summit	MI
Klein, Earl	Shore-2-Summit	MI
Klompmaker Family Trust	Shore-2-Summit	MI
Lanniga, Art	Shore-2-Summit	MI
Maatman, Herbert	Shore-2-Summit	MI
Meiste Trust/ Ed Mieste	Shore-2-Summit	MI
Michmerhuizen, Ken	Shore-2-Summit	MI
Pelgrim, Theresa	Shore-2-Summit	MI
Rietema, Anthony	Shore-2-Summit	MI
Shearer, Frank	Shore-2-Summit	MI
Smith-Horn, Marilyn	Shore-2-Summit	MI
Vandeuberg, David	Shore-2-Summit	MI
VerBeck, Kenneth	Shore-2-Summit	MI
Wabeke, Randall	Shore-2-Summit	MI
Weiland, Marguerite	Shore-2-Summit	MI
Willis, Rene	Shore-2-Summit	MI
Wood, Lowell	Shore-2-Summit	MI
Zeerip, Glen	Shore-2-Summit	MI
Zeerip, Jason	Shore-2-Summit	MI

BAUMANN, DICK & KATHY	Graham Street	MI
BROOKHOUSE, LEROY & GENEVA	Graham Street	MI
BROUWER, CARLTON & LORRAINE	Graham Street	MI
BOS, TODD & ANITA	Graham Street	MI
BOSS, JOHN	Graham Street	MI
COLE FAMILY TRUST/JOHN COLE	Graham Street	MI
DeJONGE, PAUL	Graham Street	MI
DeJONGE, RONALD	Graham Street	MI
DeJONGE, IVAN	Graham Street	MI
GOEMAN, RUSSELL	Graham Street	MI
DORNBUSH, EUGENE	Graham Street	MI
GEERTMAN, DAVID	Graham Street	MI
HOLLAND CAPITAL GROUP	Graham Street	MI
KLOMPMAKER FAMILY TRUST	Graham Street	MI
BERNARD MEISTE TRUST	Graham Street	MI
JUDY MEISTE TRUST	Graham Street	MI
OVERWEG, MIKE & AMY	Graham Street	MI
ROZEMA, CHARLES	Graham Street	MI
PEERBOLT, LORAN	Graham Street	MI
SPRIK, STEVE & KARLA	Graham Street	MI
SPRIK, LYLE	Graham Street	MI
VAN HUIS TRUST	Graham Street	MI
WABEKE, BRUCE	Graham Street	MI
WIERSMA, JOHN & HELEN	Graham Street	MI
WITT, DAVID & SHIRLEY/MANDARIN ENTERPRISES	Graham Street	MI
VANDE VUSSE FAMILY TRUST	Graham Street	MI
Al Wood	Graham Street	SC
Bart Peacher	Graham Street	SC
Tom Hardiman	Graham Street	NC
Trace Chiodo	Graham Street	SC
Noel Fuller	Graham Street	SC
Vanessa Carr	Graham Street	NC
Gary Sanderson	Graham Street	SC
Bonnie Hatch	Graham Street	SC
Jason Hoehr	Graham Street	SC
Lori Taylor	Graham Street	SC
Brett Endress	Graham Street	NC

Barrow Family	Satterfield Indiv. Customer	SC
Shedrick Barrow	Satterfield Indiv. Customer	SC
Arthur Brown (deceased)	Satterfield Indiv. Customer	SC
Andrew Brown	Satterfield Indiv. Customer	SC
Anthony Brown	Satterfield Indiv. Customer	SC
Claire Brown	Satterfield Indiv. Customer	SC
Olivia Brown	Satterfield Indiv. Customer	SC
Selina Brown	Satterfield Indiv. Customer	SC
Patrice Capers	Satterfield Indiv. Customer	SC
Peter Capers	Satterfield Indiv. Customer	SC
Charles Comfort	Satterfield Indiv. Customer	SC
Patricia Comfort-Capers	Satterfield Indiv. Customer	SC
Rosa Faulk	Satterfield Indiv. Customer	SC
Carrie Greene	Satterfield Indiv. Customer	SC
Carla Huggins	Satterfield Indiv. Customer	SC
Margaret Kinlock	Satterfield Indiv. Customer	SC
Wilbert Nesbit	Satterfield Indiv. Customer	SC
Louise Rouse	Satterfield Indiv. Customer	SC
Mildred Rouse	Satterfield Indiv. Customer	SC
St John's Church Operating Fund	Satterfield Indiv. Customer	SC
Avis Florine Thompson	Satterfield Indiv. Customer	SC
Brighter Days Charities	Satterfield Indiv. Customer	SC
Melody Houston	Satterfield Indiv. Customer	MD
Robert McDermott	Satterfield Indiv. Customer	VA
Mary McNeill	Satterfield Indiv. Customer	SC
Azile Rose	Satterfield Indiv. Customer	SC
Ben Satterfield	Satterfield Indiv. Customer	SC
Jane Secrest	Satterfield Indiv. Customer	NC
Mary Helen Treece	Satterfield Indiv. Customer	NC