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UNITED STATES OF AMERICA
Before the 2012 MAR 28 PM 4: 20
COMMODITY FUTURES TRADING COMMISSION

Office of
Proceedings
Proceedings Clerk

In the Matter of:

Joseph A. Dawson and Strategic Research LLC,

Registrants.

) CFTC Docket No. SD 12-03
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**NOTICE OF INTENT TO REVOKE THE REGISTRATIONS
OF JOSEPH A. DAWSON AND STRATEGIC RESEARCH LLC**

I.

The U.S. Commodity Futures Trading Commission (“Commission”) has received information from its staff that tends to show, and the Commission’s Division of Enforcement (“Division”) alleges and is prepared to prove, that:

1. Strategic Research LLC (“SR”) is a Delaware limited liability company whose listed address with the Commission is at 601 W. Wegner Road, McHenry, Illinois 60050.

2. SR has been registered with the Commission as a Commodity Pool Operator (“CPO”) since December 12, 2008 pursuant to Section 4m 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”)), §§ 131021-13204, 122 Stat. 1651 (enacted June 18, 2008), to be codified at 7 U.S.C. § 6m. SR was first registered as a CPO under the name Strategic Research Corp., a Delaware corporation, from December 12, 2008 until May 2, 2009 and has been registered as a CPO since then under the name Strategic Research LLC.

3. Joseph A. Dawson (“Dawson”) is an Illinois resident and has been registered as an Associated Person (“AP”) of SR since February 13, 2009. Dawson is the president and sole principal of SR and owns a 10% or more financial interest in SR.

4. On December 17, 2009, the United States Attorney’s Office for the Northern District of Illinois filed a federal criminal complaint against Dawson alleging that he committed wire fraud in violation of 18 U.S.C. § 1343. *See United States v. Dawson*, Case No. 09-CR-1037 (N.D. Ill. filed Dec. 17, 2009) (hereinafter “*U.S. v. Dawson*”).

5. On March 8, 2011, Dawson pled guilty to three felony counts of wire fraud in violation of 18 U.S.C. § 1343 in *U.S. v. Dawson*. The United States District Court for the Northern District of Illinois sentenced Dawson to 54 months of imprisonment and ordered him to pay restitution to his victims.

6. On July 20, 2010, the Commission filed a federal civil injunctive action against Dawson and Dawson Trading LLC (“DT”), an unregistered CPO managed by Dawson. *See CFTC v. Joseph A. Dawson and Dawson Trading LLC*, Case No. 10-CV-4510 (N.D. Ill. filed July 20, 2010) (hereinafter “*CFTC v. Dawson*”). The CFTC’s complaint alleged, *inter alia*, that Dawson and DT fraudulently misappropriated approximately \$2.1 million of DT pool participant funds, fraudulently solicited prospective pool participants, and made material false statements to pool participants in violation of the anti-fraud provisions of the Act.

7. On April 26, 2011, the United States District Court for the Northern District of Illinois entered a Consent Order for Permanent Injunction and Other Ancillary Relief Against Defendant Joseph A. Dawson (hereinafter “Consent Order”) in *CFTC v. Dawson*. Dawson admitted to the findings of fact and conclusions of law contained in the Consent Order, which found, *inter alia*, that Dawson fraudulently misappropriated approximately \$2.1 million of DT

pool participant funds, fraudulently solicited prospective pool participants, and made material false statements to pool participants. The Consent Order found that by engaging in this conduct, Dawson violated Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii) (2006), with respect to acts occurring before June 18, 2008; Section 4b(a)(1)(A)-(C) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(1)(A)-(C), with respect to acts occurring on or after June 18, 2008; and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006).

8. Based on these findings, the Consent Order, in relevant part, permanently restrains Dawson from directly or indirectly committing fraud in violation of Sections 4b(a)(1)(A)-(C) or 4o of the Act as amended by the CRA and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “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. §§ 6b(a)(1)(A)-(C) and 6o.

9. Pursuant to Section 8a(2)(C) of the Act as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 12a(2)(C), the Commission may revoke the registration of any person who has been permanently enjoined by order of a court of competent jurisdiction, including an order entered pursuant to an agreement of settlement to which the Commission is a party, from engaging in or continuing any activity involving fraud.

10. Pursuant to Section 8a(2)(D) of the Act as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 12a(2)(D), the Commission may revoke the registration of any person who has been convicted within ten years preceding the filing of the registration application or any time thereafter of any felony that involves the violation of 18 U.S.C. § 1343.

11. Furthermore, pursuant to Section 8a(2)(E) of the Act as amended by the CRA and the Dodd-Frank Act, to be codified at 7 U.S.C. § 12a(2)(E), the Commission may revoke the

registration of any person who has been found in a proceeding brought by the Commission to have violated the Act by committing fraud or misappropriation within ten years preceding the filing of the registration application or any time thereafter.

12. The facts set forth above constitute a valid basis for the Commission to revoke Dawson's registration as an AP of SR.

13. Pursuant to Section 8a(2)(H) of the Act, 7 U.S.C. § 12a(2)(H), the Commission may revoke the registration of any person if revocation of the registration of any principal of such person is warranted pursuant to Section 8a(2) of the Act. Section 8a(2)(H) of the Act further provides that "principal," as used in Section 8a(2) of the Act, includes a general partner of a partnership or a person who owns more than 10% of the voting shares of a corporation.

14. The facts set forth above constitute a valid basis for the Commission to revoke SR's registration as a CPO because Dawson is listed as SR's sole principal, owns a more than 10% financial interest in SR, and is statutorily disqualified from being registered as a result of the Consent Order in *CFTC v. Dawson* and his felony conviction in *U.S. v. Dawson*.

II.

15. Pursuant to Commission Regulation ("Regulation") 3.60(a), 17 C.F.R. § 3.60(a) (2011), Dawson and SR are hereby notified that a public proceeding shall be conducted in accordance with the provisions of Regulation 3.60, 17 C.F.R. § 3.60 (2011), and Part 10 of the Regulations, 17 C.F.R. § 10.1 *et seq.*, on the following questions:

A. Whether Dawson is subject to statutory disqualification from registration under Section 8a(2)(C), (D), and (E) of the Act as set forth in Section I above;

B. Whether SR is subject to statutory disqualification from registration under Section 8a(2)(H) of the Act as set forth in Section I above; and

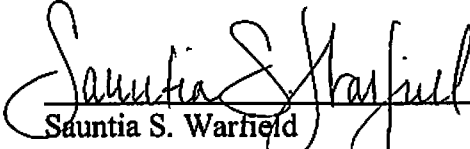
C. If the answers to questions A and B are affirmative, then whether the registrations of Dawson as an AP of SR and of SR as a CPO should be revoked.

16. Such proceeding shall be held before an Administrative Law Judge or a Presiding Officer in accordance with Regulations 3.60 and 10.8, 17 C.F.R. §§ 3.60, 10.8 (2011), and all post-hearing procedures shall be conducted pursuant to Regulations 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j) (2011).

17. In accordance with the provisions of Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3) (2011), Dawson and SR are entitled to file responses challenging the evidentiary bases of the statutory disqualification or show cause why, notwithstanding the accuracy of the allegations, their registrations should not be revoked. Such responses must be filed with the Proceedings Clerk, Office of Proceedings, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and served upon Stephanie Reinhart, Senior Trial Attorney, Division of Enforcement, Chicago Regional Office, 525 W. Monroe St., Chicago IL 60661, within thirty (30) days after the date of service of this Notice upon Dawson and SR, in accordance with the provisions of Regulation 3.60(b), 17 C.F.R. § 3.60(b) (2011). If Dawson and SR fail to file a timely response to this Notice, the allegations set forth herein shall be deemed to be true, and the Administrative Law Judge or the Presiding Officer may issue an Order of Default in accordance with the provisions of Regulation 3.60(g), 17 C.F.R. § 3.60(g) (2011).

III.

18. The Proceedings Clerk shall serve this Notice of Intent to Revoke the Registrations of Joseph A. Dawson and Strategic Research LLC by registered or certified mail pursuant to Regulation 3.50, 17 C.F.R. § 3.50 (2011).


Sauntia S. Warfield
Assistant Secretary of the Commission
Commodity Futures Trading Commission

Dated: March 28, 2012