

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK

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U.S. DISTRICT COURT  
EASTERN DISTRICT  
OF NEW YORK

U.S. COMMODITY FUTURES TRADING  
COMMISSION,

CV 12

Case No.

4843

Plaintiff,

v.

WEXLER,  
WALL, M.J.

COMPLAINT FOR INJUNCTIVE  
AND OTHER EQUITABLE  
RELIEF AND CIVIL MONETARY  
PENALTIES PURSUANT TO THE  
COMMODITY EXCHANGE ACT

IFINIX FUTURES, INC. and BENHOPE MARLON  
MUNROE,

JURY TRIAL DEMANDED

Defendants.

ECF Case

By and for its Complaint, Plaintiff U.S. Commodity Futures Trading Commission  
("Plaintiff" or "Commission") alleges as follows:

**I. SUMMARY**

1. In and around July 2011, Defendants iFinix Futures, Inc. ("iFinix") and Benhope Marlon Munroe ("Munroe") made false statements and provided falsified bank documents to the National Futures Association ("NFA"), the self-regulatory organization for the U.S. futures industry, during an NFA audit of iFinix pursuant to NFA's official duties under the Commodity Exchange Act, as amended (the "Act"), 7 U.S.C. § 1 *et seq.* These false statements and documents concealed iFinix's failure to maintain adequate capital to operate as an independent introducing broker as required by applicable regulations. Defendants falsely represented that iFinix had \$60,000 in available cash to meet its obligation to maintain at least \$45,000 in adjusted net capital, when in fact iFinix had no cash and no other assets to meet its liabilities.

2. Defendants' actions violated Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4), which makes it illegal for any person willfully to falsify, conceal, or cover up by any trick, scheme, or artifice a material fact in communications with the NFA.

3. Defendants' actions also violated Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulations 1.12(a), 1.17(a), and 1.18(a), 17 C.F.R. §§ 1.12(a), 1.17(a), and 1.18(a) & (b), which require registered participants in the futures industry like iFinix to meet certain minimum financial requirements.

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

## **II. JURISDICTION AND VENUE**

5. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive relief against any person, or to enforce compliance with the Act, 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 any provision of the Act or any rule, regulation, or order thereunder.

6. Venue lies properly with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), as the Defendants transacted business in this District, and acts and practices in violation of the Act occurred within this District.

### **III. THE PARTIES**

#### **A. Plaintiff U.S. Commodity Futures Trading Commission**

7. The Commission is an independent federal regulatory agency that is charged with responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. § 1 *et seq.*, and the regulations promulgated thereunder, 17 C.F.R. § 1 *et seq.*

#### **B. Defendant iFinix**

8. At the time of the actions described in this Complaint, Defendant iFinix was a Delaware corporation with its principal place of business at 255 Executive Drive, Suite 410, Plainview, New York 11803. iFinix has also done business under the name Pro-Active Futures.

9. iFinix has been registered as an independent introducing broker and has been a member of the NFA since October 2001. It has also been registered as a foreign exchange firm since September 2010. Previously, from October 2004 to September 2005, iFinix was registered as a commodity trading advisor.

10. At the time of the actions described in this Complaint, iFinix had approximately 300 customer accounts.

11. On August 18, 2011, the NFA issued a Member Responsibility Action against iFinix, suspending its membership in the NFA and prohibiting it from conducting futures customer business.

#### **C. Defendant Munroe**

12. At the time of the actions described in this Complaint, Defendant Munroe was Chief Financial Officer of iFinix and Chief Executive Officer and Chief Financial Officer of its parent corporation. He was the most senior executive officer of both entities and controlled their operations, finances, accounts, and books and records.

13. Munroe has been designated with the NFA as a principal of iFinix since September 24, 2008. He is not registered with the Commission.

14. Prior to joining the iFinix companies, Munroe graduated with a degree in accounting from Monroe College in New Rochelle, New York, obtained a master's degree in information systems from Pace University, and worked as an accountant.

15. Munroe resides in New Milford, Connecticut.

#### **IV. BACKGROUND**

##### **A. National Futures Association**

16. The NFA is a futures association registered pursuant to Section 17 of the Act, 7 U.S.C. § 21.

17. Membership in the NFA is mandatory for all persons and entities conducting business with the public in the U.S. futures industry.

18. Pursuant to its official duties as a registered futures association, NFA has developed a body of rules to safeguard market integrity, to protect investors from fraud, and to help its members meet regulatory responsibilities.

19. Cooperation and candor by NFA members with NFA compliance and audit staff are critical to the NFA's ability to discharge its obligations as a registered futures association to, among other things, protect members of the public from persons or entities unlawfully soliciting customers, accepting customer orders, or exercising trading discretion on behalf of customers.

##### **B. Relevant Introducing Broker Rules**

20. As defined in Section 1a(23) of the Act, 7 U.S.C. § 1a(23), an introducing broker is a person or entity who, for compensation or profit, whether direct or indirect, is engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market who does not accept any money, securities, or

property (or extend credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

21. An introducing broker is not permitted to accept customer funds; rather, in order to trade futures or options on futures contracts, customers of the introducing broker must open an account and deposit funds with a registered futures commission merchant.

22. Pursuant to Section 4d(a)(1) of the Act, 7 U.S.C. § 6d(a)(1), introducing brokers are required to be registered as such with the Commission.

23. Commission Regulation 3.10(a)(1), 17 C.F.R. § 3.10(a)(1), requires introducing broker applicants to complete an introducing broker registration application in accordance with NFA instructions. As part of the registration process, NFA Rule 204 requires introducing broker applicants to designate in the registration application all principals of the firm. Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a), defines the term “principal” to include, among other things, “any person . . . having the power, directly or indirectly . . . to exercise a controlling influence over the entity’s activities that are subject to regulation by the Commission.”

24. Pursuant to Commission and NFA rules, registered introducing brokers who, like Defendant iFinix, have not entered into a guarantee agreement with a futures commission merchant must meet certain minimum financial requirements on their own. Such introducing brokers are referred to as independent introducing brokers. 17 C.F.R. §§ 1.12(a), 1.17(a).

25. Introducing brokers, like other registrants, are subject to audits and investigations by the NFA to ensure compliance with applicable regulatory requirements.



## V. FACTS

26. As alleged above, Defendant iFinix has been registered as an independent introducing broker since October 2001.

27. In June 2009, iFinix was a subject of NFA action for failure to maintain adequate capital, when the NFA issued a complaint against iFinix alleging, among other financial and compliance problems, that the company had failed to maintain minimum adjusted net capital for more than two months in 2008. iFinix settled the June 2009 NFA action for \$17,500, without admitting or denying the allegations.

28. Two years later, on June 29, 2011, the NFA commenced an unannounced audit of iFinix to ensure that the firm was in compliance with NFA financial requirements. Pursuant to applicable rules and regulations, iFinix had an obligation to maintain at least \$45,000 in adjusted net capital.

29. During the audit that began on June 29, 2011, the NFA reviewed iFinix's May 31, 2011 balance sheet, which listed \$60,000 in cash as a current asset.

30. None of the company's bank account statements reflected a balance of \$60,000. As of May 31, 2011, iFinix's three bank accounts had a combined balance of negative \$1,058.27.

31. The NFA auditors asked Defendant Munroe where the \$60,000 in cash was held, and Munroe claimed that it was in a safe deposit box at a bank in Connecticut.

32. Since Defendants iFinix and Munroe could provide no evidence to support the existence of the \$60,000 in cash, the NFA told Munroe that iFinix could not consider the cash as a current asset and had to remove it from the May 31, 2011 balance sheet. The NFA also told iFinix that it had to re-do its May 31, 2011 monthly net capital computation to account for the removal of the purported \$60,000 in cash.

33. This adjustment to iFinix's May 31, 2011 net capital computation, as well as other, minor adjustments directed by the NFA, revealed that iFinix was substantially below its minimum net capital requirement. Consequently, the NFA informed Munroe that iFinix needed an immediate infusion of additional capital.

34. On July 5, 2011, Munroe told the NFA audit team that he had made two deposits totaling \$62,000 into the firm's operating account at the firm's bank in Pelham, New York (the "Bank"), and that these deposits included the \$60,000 in cash from the safe deposit box in Connecticut which he had identified as the source of the cash entry on iFinix's balance sheet.

35. The next day, on July 6, 2011, Munroe provided the NFA with a Deposit Account Balance Summary form from the Bank stating that iFinix's account had a current balance of \$62,004.95.

36. Also on July 6, 2011, Munroe provided the NFA with an undated one-page printout from the Bank's online account system, reflecting two deposits on July 5, 2011 – a deposit for \$60,000 and an ATM check deposit for \$2,000 – and a resulting balance of \$62,004.95.

37. Based on this information, as of July 6, 2011, it appeared to the NFA that iFinix was in compliance with its minimum adjusted net capital requirement.

38. Over the next few weeks, in order to ensure that iFinix continued to maintain adequate capital, the NFA instructed Munroe to provide copies of iFinix's bank statements.

39. Munroe produced what appeared to be additional printouts from the Bank's account system, dated July 14, July 20, and July 25, 2011, respectively, each reflecting the two deposits on July 5, no subsequent account activity, and a current balance of \$62,004.95.

40. At the end of the month, Munroe produced to the NFA a purported July 2011 monthly account statement for iFinix's Bank accounts. This statement also reflected the two deposits on July 5, 2011, no subsequent activity in the account, and an ending balance of \$62,005.21.

41. Because the statements produced by Munroe indicated that there had been no activity in iFinix's operating account in the three weeks since the purported deposits, and because the NFA audit team noticed formatting differences in the statements, the NFA audit team contacted the Bank to confirm iFinix's balances.

42. In fact, iFinix's operating account had a current balance of \$100 on August 12, 2011, and it had a balance of negative \$7.05 on each of July 14, July 20, and July 25, 2011.

43. iFinix's actual bank account statements for May to July 2011, and the \$60,000 check corresponding to the deposit in that amount on July 5, 2011, reveal that Munroe's statements to the NFA were false in significant respects.

44. First, while Munroe had represented that the \$60,000 deposit was cash from a safe deposit box, Munroe had in fact attempted to deposit a check in that amount drawn on a separate account at the Bank that he controlled. The actual monthly statement reflected that this deposit on July 5, 2011, like the \$2,000 deposit, was an ATM check deposit rather than a cash deposit. Thus, the July 6, 2011 document that Munroe produced to the NFA and purported to have obtained from the Bank's online account system concealed the fact that the \$60,000 deposit was an ATM check deposit from another account, rather than a deposit of cash from a safe deposit box or any other source.

45. Moreover, the actual bank account statement showed that the July 5, 2011 deposits had promptly been rejected by the Bank, in two steps. First, upon inspection of the



check on July 6, 2011, the Bank reduced the deposit amount to \$6,000 and rejected \$54,000 of the attempted deposit, because while Munroe had written "\$60,000" in the numerical portion of the check, he wrote "six thousand 00/100" in the text portion. On July 7, 2011, the Bank rejected the remaining \$6,000 because there were insufficient funds to cover even that smaller amount. The balance in the account from July 7, 2011 onward was negative \$7.05, the amount confirmed by the Bank to the NFA on August 12, 2011.

46. Thus, each of Munroe's statements to the NFA on and after July 6, 2011 that \$60,000 had been deposited into iFinix's operating account, and that this amount remained in the account, was false.

47. Further, each of the online account printouts that Munroe produced to the NFA for the dates July 14, July 20, and July 25, 2011, as well as the purported monthly account statement for July 2011 that Munroe produced to the NFA, had been falsified to omit or conceal the fact that the attempted deposits on July 5, 2011 had been rejected on July 6 and July 7, 2011, and that the account actually had a negative balance from that point onward.

48. On August 18, 2011, the NFA issued a Notice of Member Responsibility Action ("MRA") against iFinix, suspending iFinix from NFA membership, prohibiting it from disbursing or transferring any funds without prior approval from the NFA, and requiring it to provide copies of the MRA to its customers.

49. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and in similar acts and practices.

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

**COUNT ONE**

**FALSE STATEMENTS TO THE NATIONAL FUTURES ASSOCIATION  
(VIOLATIONS OF SECTION 9(a)(4) OF THE ACT)**

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

51. Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4), makes it unlawful for any person:

willfully to falsify, conceal, or cover up by any trick, scheme, or artifice a material fact, make any false, fictitious, or fraudulent statements or representations, or make or use any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry to a registered entity, board of trade, swap data repository, or futures association designated or registered under this Act acting in furtherance of its official duties under this Act.

52. Defendants willfully made materially false statements to the NFA during an NFA audit in furtherance of the NFA's official duties under the Act and concealed material information about the nature and amount of iFinix's net capital, in violation of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4).

53. Specifically, as alleged above, Defendant Munroe falsely stated to the NFA that Defendant iFinix had \$60,000 in cash, that this cash had been deposited into iFinix's operating account, and that this amount remained in the account through the month of July 2011.

54. Defendant Munroe provided falsified bank documents to the NFA to conceal the fact that this cash amount did not exist, that the purported deposits had been rejected, and that iFinix's account actually had a negative balance in the month of July 2011.

55. Defendant Munroe knew that his statements to the NFA that iFinix had \$60,000 in cash and that this amount had been deposited into iFinix's operating account and remained there through July 2011 were false.

56. Defendant Munroe also knew that the purported bank documents that he provided to the NFA to document the deposit and balance had been falsified to omit or conceal the rejection of the deposit and the actual negative balance of the account.

57. Defendant Munroe knew that he was communicating with NFA staff members who were conducting an NFA audit when he provided these false statements and falsified documents.

58. Thus, each of the false statements made by Defendant Munroe to the NFA, and each of Munroe's efforts to conceal information from the NFA, were made knowingly and willfully, pertained to material facts, and occurred while Munroe was aware that the NFA was acting in furtherance of its official duties.

59. By making false statements to the NFA, and by concealing information from the NFA, Defendant Munroe willfully falsified, concealed, and covered up by trick, scheme, or artifice material facts and made false writings or documents knowing the same to contain false statements, in violation of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4).

60. Each of the false statements made by Defendant Munroe to the NFA, and his efforts to conceal material information from the NFA, occurred within the scope of his office or employment with Defendant iFinix. Therefore, iFinix is liable for those false statements to the NFA and for those efforts to conceal material information from the NFA, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2.

61. Moreover, at all times pertinent to this Complaint, Defendant Munroe controlled Defendant iFinix, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, iFinix's violations of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4).

Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Defendant Munroe is liable for iFinix's violations of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4).

62. Each false, fictitious, or fraudulent statement, representation, or omission, and each act of concealment, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4).

### **COUNT TWO**

#### **FAILURE TO MEET MINIMUM FINANCIAL REQUIREMENTS (VIOLATIONS OF SECTION 4f(b) OF THE ACT AND COMMISSION REGULATIONS 1.12(a), 1.17(a), AND 1.18(a) & (b))**

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

64. Pursuant to the Act and Commission Regulations, an independent introducing broker like iFinix must meet certain minimum financial requirements at all times. Under Section 4f(b) of the Act, 7 U.S.C. § 6f(b), “[n]otwithstanding any other provisions of this Act, no person desiring to register as . . . an introducing broker shall be so registered unless he meets such minimum financial requirements as the Commission may by regulation prescribe as necessary to insure his meeting his obligations as a registrant, and each person so registered shall at all times continue to meet such prescribed minimum financial requirements . . . .” Under Commission Regulation 1.17(a)(3), “[e]ach registrant must be in compliance with [the minimum financial requirements] at all times and must be able to demonstrate such compliance to the satisfaction of the Commission or the [NFA].”

65. Specifically, as an independent introducing broker registered with the NFA, iFinix had an obligation to maintain adjusted net capital of at least \$45,000. *See* 17 C.F.R. § 1.17(a)(1)(iii), (a)(2) (providing that independent introducing brokers must maintain adjusted net capital of at least \$45,000 under Commission Regulations or a corresponding amount required by the NFA for its members); NFA Financial Requirements § 5(a) (providing that

member independent introducing brokers “must maintain Adjusted Net Capital (as defined in CFTC Regulation 1.17) equal to or in excess of” at least \$45,000). “Adjusted net capital” is defined as “the amount by which current assets exceed liabilities,” 17 C.F.R. § 1.17(c)(1), less certain charges against capital, *id.* § 1.17(c)(5).

66. Defendant iFinix failed to meet the minimum financial requirement of maintaining adjusted net capital of at least \$45,000, in July and August 2011 and preceding months, in violation of Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulation 1.17(a), 17 C.F.R. § 1.17(a).

67. Further, “each person registered as an introducing broker . . . who knows or should have known that its adjusted net capital at any time is less than the minimum required by § 1.17 or by the capital rule of any self-regulatory organization to which such person is subject, if any, must: (1) [g]ive telephonic notice, to be confirmed in writing by facsimile notice, . . . that the applicant’s or registrant’s adjusted net capital is less than required . . . ; and (2) [p]rovide together with such notice documentation in such form as necessary to adequately reflect the applicant’s or registrant’s capital condition as of any date such person’s adjusted net capital is less than the minimum required.” 17 C.F.R. § 1.12(a). Notice of such deficiency must be provided to the NFA and to every futures commission merchant carrying customer accounts for the introducing broker, 17 C.F.R. § 1.17(i)(2), “immediately after the applicant or registrant knows or should know that its adjusted net capital is less than required by any of the aforesaid rules to which the applicant or registrant is subject,” 17 C.F.R. § 1.12(a).

68. Defendant iFinix failed to provide notice to the NFA and its futures commission merchants, in July and August 2011 and preceding months, when iFinix knew or should have

known that its adjusted net capital was less than the required minimum amount, in violation of Commission Regulation 1.12(a), 17 C.F.R. § 1.12(a).

69. In addition, iFinix had an obligation, immediately upon failing to meet its minimum financial requirements, to “cease doing business as an introducing broker” and “notify each of its customers and the futures commission merchants carrying the account of each customer that it has ceased doing business.” 17 C.F.R. § 1.17(a)(5).

70. Defendant iFinix did not cease doing business as an introducing broker immediately upon failing to meet its minimum financial requirements in July and August 2011 and preceding months, in violation of Commission Regulation 1.17(a)(5), 17 C.F.R. § 1.17(a)(5).

71. Finally, as a registered independent introducing broker, iFinix had an obligation to “prepare[] and keep[] current ledgers or other similar records which show or summarize, with appropriate references to supporting documents, each transaction affecting his asset, liability, income, expense and capital accounts.” 17 C.F.R. § 1.18(a). iFinix also had an obligation to “make and keep as a record in accordance with § 1.31 formal computations of its adjusted net capital and of its minimum financial requirements pursuant to §1.17 or the requirements of the [NFA] as of the close of business each month.” 17 C.F.R. § 1.18(b)(1); *see also* 17 C.F.R. § 1.31 (setting forth requirements for books and records).

72. In preparing false information about its net capital and sending such false information to the NFA, Defendant iFinix failed to keep formal computations of its adjusted net capital and minimum financial requirements, and failed to prepare and keep current ledgers or other similar records, in violation of Commission Regulation 1.18, 17 C.F.R. § 1.18(a) & (b).

73. At all times pertinent to this Complaint, Defendant Munroe controlled Defendant iFinix, directly or indirectly, and did not act in good faith or knowingly induced, directly or



indirectly, iFinix's violations of Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulations 1.12(a), 1.17(a), and 1.18(a) & (b), 17 C.F.R. §§ 1.12(a), 1.17(a), and 1.18(a) & (b). Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Defendant Munroe is liable for iFinix's violations of these provisions.

74. Each failure to meet financial requirements and failure to maintain required records, and the associated failures to cease doing business as an independent introducing broker and notify the NFA, futures commission merchants, and customers, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of, as applicable, Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulations 1.12(a), 1.17(a), and 1.18(a) & (b), 17 C.F.R. §§ 1.12(a), 1.17(a), and 1.18(a) & (b).

## 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:

A. Find Defendants liable for violating Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4), Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulations 1.12(a), 1.17(a), and 1.18(a) & (b), 17 C.F.R. §§ 1.12(a), 1.17(a), and 1.18(a) & (b);

B. Enter an order of preliminary and permanent injunction prohibiting Defendants, and all persons insofar as they are acting in the capacity of Defendants' agents, servants, employees, successors, assigns, and attorneys and all persons insofar as they are acting in active concert or participation with Defendants, who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. Engaging in conduct in violation of Section 9(a)(4) of the Act, 7 U.S.C. § 13(a)(4), Section 4f(b) of the Act, 7 U.S.C. § 6f(b), and Commission Regulations 1.12(a), 1.17(a), and 1.18(a) & (b), 17 C.F.R. §§ 1.12(a), 1.17(a), and 1.18(a) & (b);
2. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, 7 U.S.C. § 1a), including but not limited to trading for themselves or others;
3. Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh)) ("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, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts"), for their own personal account or for any account in which they have a direct or indirect interest;
4. Having any commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts traded on their behalf;
5. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts;

6. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts;
7. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9); and
8. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent, or any other officer or employee of any person (as that term is defined in Section 1a of the Act, 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);

C. Enter an order directing that Defendants make an accounting to the Court of all of Defendants' assets and liabilities, together with all funds Defendants received from and paid to investors and other persons in connection with commodity futures or commodity options or options on commodity futures or forex transactions, or purported commodity futures or commodity options or options on commodity futures or forex transactions, including the names, mailing addresses, email addresses, and telephone numbers of any such persons from whom they received such funds from January 2011 to the date of such accounting, and all disbursements for any purpose whatsoever of funds received from investors, including salaries, commissions, fees, loans, and other disbursements of money and property of any kind, from January 2011 to and including the date of such accounting;

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

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

E. Enter an order requiring Defendants, and any third-party transferees or successors thereof, to disgorge to any officer appointed or directed by the Court, or directly to investors, all benefits received, including but not limited to salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from acts or practices which constitute violations of the Act as described herein, including pre-judgment and post-judgment interest;

F. Enter an order directing Defendants and any successors thereof to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between Defendants and any of the investors whose funds were received by Defendants as a result of the acts and practices which constitute violations of the Act as described herein;

G. Enter an order directing each Defendant to pay a civil monetary penalty for each violation of the Act described herein, plus post-judgment interest, in the amount of the greater of (1) triple the monetary gain to Defendants for each violation of the Act; or (2) \$140,000 for each violation of the Act;

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

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

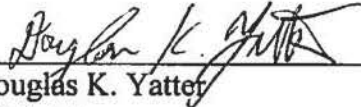
**VIII. DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a jury trial.

Dated: New York, NY  
September 27, 2012

Respectfully submitted,

U.S. COMMODITY FUTURES TRADING  
COMMISSION

By:   
\_\_\_\_\_  
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