

1 ("Regulations"), 17 C.F.R. §§ 1.1, *et seq.*, committed by
2 Defendants from in or about May 2008 and continuing to March
3 2011 (the "Relevant Period").

4
5 **II. CONSENTS AND AGREEMENTS**

6 To effect settlement of all charges alleged in the
7 Complaint against Defendants without a trial on the merits or
8 any further judicial proceedings, Defendants:

9 1. Consent to the entry of this Consent Order of
10 Permanent Injunction, Civil Monetary Penalty, and Other
11 Equitable Relief Against Defendants (the "Consent Order");

12 2. Affirm that they have read and agreed to this Consent
13 Order voluntarily and that no promise, other than as
14 specifically contained herein, or threat has been made by the
15 CFTC or any member, officer, agent, or representative thereof,
16 or by any other person, to induce consent to this Consent Order;

17 3. Acknowledge service of the summons and Complaint;

18 4. Admit the jurisdiction of this Court over them and the
19 subject matter of this action pursuant to Section 6c of the Act,
20 7 U.S.C. § 13a-1 (2006);

21 5. Admit the jurisdiction of the CFTC over the conduct
22 and transactions at issue in this action pursuant to the Act, 7
23 U.S.C. §§ 1, *et seq.*

1 6. Admit that venue properly lies with this Court
2 pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e)
3 (2006);

4 7. Waive:

5 a. Any and all claims that they may possess under
6 the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28
7 U.S.C. § 2412 (2006), and/or the rules promulgated by the CFTC
8 in conformity therewith, Part 148 of the Regulations, 17 C.F.R.
9 §§ 148.1, *et seq.* (2011), relating to or arising from this
10 action;
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12 b. Any and all claims that they may possess under
13 the Small Business Regulatory Enforcement Fairness Act of 1996,
14 Pub. L. No.104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996),
15 as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205
16 (2007), relating to or arising from this action;
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18 c. Any claim of Double Jeopardy based upon the
19 institution of this action or the entry in this action of any
20 order imposing a civil monetary penalty or any other relief,
21 including this Consent Order; and
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23 d. Any and all rights of appeal from this action.
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25 8. Consent to the continued jurisdiction of this Court
26 over them for the purpose of implementing and enforcing the
27 terms and conditions of this Consent Order and for any other
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1 purpose relevant to this action, even if Defendants now or in
2 the future reside outside the jurisdiction of this Court;

3 9. Agree that they will not oppose enforcement of this
4 Consent Order by alleging that it fails to comply with Rule
5 65(d) of the Federal Rules of Civil Procedure and waive any
6 objection based thereon;

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8 10. Agree that neither Defendants nor any of their agents
9 or employees under their authority or control shall take any
10 action or make any public statement denying, directly or
11 indirectly, any allegation in the Complaint or the Findings of
12 Fact or Conclusions of Law in this Consent Order, or creating or
13 tending to create the impression, that the Complaint and/or this
14 Consent Order is without a factual basis; provided, however,
15 that nothing in this provision shall affect Defendants': (i)
16 testimonial obligations; or (ii) right to take legal positions
17 in other proceedings to which the CFTC is not a party.

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19 Defendants shall undertake all steps necessary to ensure that
20 all of their agents and/or employees under their authority or
21 control understand and comply with this agreement; and

22
23 11. By consenting to the entry of this Consent Order,
24 neither admit nor deny the allegations of the Complaint or the
25 Findings of Fact and Conclusions of Law in this Consent Order,
26 except Defendants admit jurisdiction and venue as set forth in
27 Paragraphs 11-13 in Section III.A of this Consent Order and
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1 admit the factual findings set forth in Paragraphs 14-16, 18,
2 20, 22, 23, 25, 28, and 29 in Sections III.B and III.C of this
3 Consent Order, consistent with their Answer to the Complaint
4 [D.E. #8]. Defendants agree and intend that all of the
5 allegations contained in the Complaint and all of the Findings
6 of Fact and Conclusions of Law contained in this Consent Order
7 shall be taken as true and correct and be given preclusive
8 effect, without further proof, in the course of: (i) any current
9 or subsequent bankruptcy proceeding filed by, on behalf of, or
10 against either Defendant; (ii) any proceeding pursuant to
11 Section 8a of the Act, 7 U.S.C. § 12a (2006), and/or Part 3 of
12 the Regulations, 17 C.F.R. §§ 3.1, *et seq.* (2011); and/or (iii)
13 any proceeding to enforce the terms of this Consent Order.
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16 12. Agree to provide immediate notice to this Court and
17 the CFTC, by certified mail and in the manner required by Part
18 VI of this Consent Order, of any bankruptcy proceeding filed by,
19 on behalf of, or against them whether inside or outside of the
20 United States; and
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22 13. Agree that no provision of this Consent Order shall in
23 any way limit or impair the ability of any other person or
24 entity to seek any legal or equitable remedy against them in any
25 other proceeding.
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1 **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

2 The Court, being fully advised in the premises, finds that
3 there is good cause for the entry of this Consent Order and that
4 there is no just reason for delay. The Court therefore makes
5 the following Findings of Fact and Conclusions of Law, and
6 directs the entry of a permanent injunction, civil monetary
7 penalty, and other equitable relief, pursuant to § 6c of the
8 Act, 7 U.S.C. § 13a-1 (2006), as set forth herein.
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10 **A. Findings of Fact**

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12 14. Plaintiff U.S. Commodity Futures Trading Commission is
13 an independent federal regulatory agency that is charged by
14 Congress with the administration and enforcement of the Act, 7
15 U.S.C. §§ 1, et seq., and the Regulations promulgated
16 thereunder, 17 C.F.R. §§ 1.1, et seq.
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18 15. Defendant CSG Commodity Service Group is a California
19 corporation with its principal office at 6755 Mira Mesa Blvd.
20 STE. 123-188, San Diego, CA 92121. CSG was formed on May 14,
21 2004, and its rights and privileges as a business entity were
22 subsequently suspended. CSG registered in 2004 with the CFTC as
23 an Introducing Broker and with the Securities Exchange
24 Commission ("SEC") as a Notice Broker Dealer. CSG withdrew both
25 registrations in 2005, was not registered in any capacity with
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1 the NFA or SEC during the Relevant Period, and has no current
2 registration status with the CFTC or SEC.

3 16. Defendant Charles Steven Goodie is an individual who
4 resides in San Diego, CA. Goodie is (and was during the
5 Relevant Period) CSG's sole principal, officer, employee and
6 agent. Goodie was registered with the CFTC in various
7 capacities from 1984 until 2007. Goodie was not registered with
8 the CFTC during the Relevant Period and has no current
9 registration status with the CFTC.
10

11 17. During the Relevant Period, CSG, an unregistered
12 commodity pool operator ("CPO") and Goodie, an unregistered
13 Associated Person ("AP") of a CPO who acted individually and in
14 his capacity as the sole principal, officer, and employee of
15 CSG, solicited and accepted at least \$494,000 from members of
16 the public in connection with Defendants' operation of a
17 commodity pool, (the "Pool").
18

19 18. Defendants solicited prospective pool participants
20 telling them that their funds would be used to trade futures
21 contracts in silver, copper, natural gas, and oil, and that the
22 profits from that trading would be shared by the pool
23 participants.
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25 19. As part of his solicitation of prospective pool
26 participants, Goodie touted his ability to profitably trade
27 futures contracts. For example, in May 2008 Goodie told at
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1 least one prospective pool participant that Goodie had been very
2 successful trading futures contracts and that his personal
3 trading account was, at that time, showing a profit of close to
4 \$500,000. This statement was false. An examination of Goodie's
5 domestic trading activity reveals no activity in 2008 until June
6 2008, when Goodie opened an account in the name of CSG.

7
8 Moreover, Goodie traded this account for only three months and
9 suffered total net losses of approximately \$81,700.

10 20. As a result of Defendants' solicitations, at least 15
11 individuals sent funds to Defendants for investment in the Pool.
12 These funds were received by Defendants by checks in the mail
13 and by wire transfer.
14

15 21. These funds totaled at least \$494,000.

16 22. Rather than trade all of the funds received from pool
17 participants, Defendants used some of these funds to pay
18 Goodie's personal expenses. In fact, Goodie confessed to some
19 of the pool participants that he had spent pool participant
20 funds on personal expenses rather than trade them as promised.

21 23. In addition, Defendants provided at least some pool
22 participants with false account statements.
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24 24. These statements falsely represented that Defendants
25 had profitably traded the pool participants' funds in futures
26 contracts in copper, silver, natural gas, and oil. Defendants
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1 never traded the contracts as represented in the account
2 statements.

3 25. Furthermore, the limited amount of actual trading
4 conducted by Defendants during the Relevant Period resulted in
5 net losses.

6 26. In addition, the account statements stated that
7 "margin calls" resulting from Defendants' purported futures
8 trading had been deducted from pool participants' individual
9 investments. These representations were false because the Pool
10 never incurred "margin calls" as represented.

11 27. Defendants sent these false statements to pool
12 participants by mail, email and/or facsimile. In reliance on
13 these false statements, pool participants maintained and/or
14 increased their investments in the Pool.

15 28. Further, Defendants did not provide pool participants
16 with a Disclosure Document regarding the operation of the Pool.

17 29. In or about the fall of 2010, Defendants informed pool
18 participants that Defendants were closing the Pool and would
19 return the pool participants' funds along with substantial
20 profits that had been reported in the account statements sent to
21 pool participants.

22 30. Despite this and subsequent promises to repay the pool
23 participants, Defendants have not done so.
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B. Conclusions of Law

i. Jurisdiction and Venue

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31. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), which provides that whenever it shall appear to the CFTC that any 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 promulgated thereunder, the CFTC may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

32. This Court has personal jurisdiction over Defendants, who acknowledge service of the summons and Complaint and consent to the Court's jurisdiction over them.

33. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), in that Defendants are found in, inhabit, and/or transacted business in this district, and the acts and practices in violation of the Act and Regulations have occurred, are occurring, or are about to occur within this district, among other places.

**ii. Fraud in connection with commodity
futures contracts**

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3 34. Sections 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§
4 6b(a)(1)(A)-(C) (Supp. III 2009), provide, in relevant part,
5 that it is unlawful

6 for any person, in or in connection with any order to
7 make, or the making of, any contract of sale of any
8 commodity in interstate commerce or for future
9 delivery that is made, or to be made, on or subject to
10 the rules of a designated contract market, for or on
11 behalf of any other person... (A) to cheat or defraud or
12 attempt to cheat or defraud the other person; (B)
13 willfully to make or cause to be made to the other
14 person any false report or statement or willfully to
15 enter or cause to be entered for the other person any
16 false record; (C) willfully to deceive or attempt to
17 deceive the other person by any means whatsoever in
18 regard to any order or contract or the disposition or
19 execution of any order or contract, or in regard to
20 any act of agency performed, with respect to any order
21 or contract for or, in the case of paragraph (2), with
22 the other person.

23 35. As described above, from at least May 2008 through
24 March 2011, in connection with the making of futures contracts
25 made or to be made for or on behalf of other persons, Defendants
26 violated Sections 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§
27 6b(a)(1)(A)-(C) (Supp. III 2009), by, among other things,
28 willfully or with reckless disregard for the truth (i)
misappropriating pool participant funds, (ii) fraudulently
soliciting pool participants or prospective pool participants,
and (iii) making, causing to be made, and distributing reports

1 and statements to pool participants or prospective pool
2 participants that contained false information.

3 **iii. Fraud by a Commodity Pool Operator**

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5 36. Section 1a(5) of the Act, 7 U.S.C. § 1a(5) (2006),
6 defines a Commodity Pool Operator ("CPO") as:

7 any person engaged in a business that is of the nature
8 of an investment trust, syndicate, or similar form of
9 enterprise, and who, in connection therewith,
10 solicits, accepts or receives from others, funds,
11 securities, or property, either directly or through
12 capital contributions, the sale of stock or other
13 forms of securities, or otherwise, for the purpose of
14 trading any commodity for future delivery

15 37. Regulation 1.3(aa)(3), 17 C.F.R. § 1.3(aa)(3) (2011),
16 defines an Associated Person ("AP") of a CPO as a person who
17 solicits funds for participation in a commodity pool.

18 38. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006),
19 prohibits CPOs and APs of CPOs from using the mails or any other
20 means of interstate commerce to:

21 (A) employ any device, scheme or artifice to defraud
22 any client or participant or prospective client or
23 participant; or (B) engage in any transaction,
24 practice or course of business which operates as a
25 fraud or deceit upon any client or participant or
26 prospective participant.

27 39. As described above, from at least May 2008 through
28 March 2011, CSG acted as a CPO and Goodie acted as an AP of CSG
by soliciting, accepting, or receiving funds from others while
engaged in a business that is of the nature of an investment

1 trust, syndicate, or similar form of enterprise, for the purpose
2 of, among other things, trading in commodities for future
3 delivery.

4 40. CSG and its AP, Goodie, violated Section 4o(1) of the
5 Act, 7 U.S.C. § 6o(1) (2006), in that they employed a device,
6 scheme, or artifice to defraud pool participants and prospective
7 pool participants and engaged in transactions, practices, and a
8 course of business which operated as a fraud or deceit upon the
9 pool participants or prospective pool participants. The
10 fraudulent acts include (i) misappropriating pool participant
11 funds, (ii) fraudulently soliciting pool participants or
12 prospective pool participants, and (iii) making, causing to be
13 made, and distributing reports and statements to pool
14 participants or prospective pool participants that contained
15 false information.
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19 **iv. Failure to register as a Commodity**
20 **Pool Operator**

21 41. Section 4m(1) of the Act, 7 U.S.C § 6m(1) (2006),
22 provides that it is unlawful for any CPO, unless registered, to
23 make use of the mails or any means or instrumentality of
24 interstate commerce in connection with its business as a CPO.
25

26 42. As described above, from at least May 2008 through
27 March 2011, CSG acted as a CPO. Furthermore, CSG, by and
28 through its employees, agents, and control persons, used the

1 mails or instrumentalities of interstate commerce in or in
2 connection with a commodity pool as a CPO while failing to
3 register as a CPO, in violation of Section 4m(1) of the Act, 7
4 U.S.C. § 6m(1) (2006).

5
6 **v. Failure to register as an Associated
7 Person**

8 43. Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006),
9 prohibits persons from being associated with a CPO as a partner,
10 officer, employee, consultant, or agent (or any person occupying
11 a similar status or performing similar functions), in any
12 capacity that involves (i) the solicitation of funds,
13 securities, or property for participation in a commodity pool,
14 or (ii) the supervision of any person or persons so engaged,
15 unless such person is registered. This section further
16 prohibits CPOs from permitting such persons to become or remain
17 associated with the CPO if the CPO knew or should have known
18 that such persons were not so registered.
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21 44. Regulation 3.12, 17 C.F.R. § 3.12 (2011), prohibits a
22 person from being associated with a CPO unless the person is
23 registered as an AP of the sponsoring CPO.

24 45. As described above, Goodie solicited funds for
25 participation in a commodity pool operated by CSG. Because
26 Goodie was not registered as an AP of CSG, Goodie violated
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28

1 Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2006), and
2 Regulation 3.12, 17 C.F.R. § 3.12 (2011).

3 46. As described above, CSG, by and through its employees,
4 agents, and control persons, permitted Goodie to become or
5 remain associated with CSG knowing that he was not registered as
6 an AP, in violation of Section 4k(2) of the Act, 7 U.S.C. §
7 6k(2) (2006).
8

9 **vi. Failure to comply with disclosure**
10 **requirements**

11 47. Regulation 4.21, 17 C.F.R. § 4.21 (2011), provides
12 that

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14 each commodity pool operator registered or required to
15 be registered under the Act must deliver or cause to
16 be delivered to a prospective participant in a pool
17 that it operates or intends to operate a Disclosure
18 Document for the pool prepared in accordance with §§
19 4.24 and 4.25 by no later than the time it delivers to
20 the prospective participant a subscription agreement
21 for the pool.

22 48. As described above, CSG failed to provide a pool
23 Disclosure Document in the form specified by Regulation 4.21, 17
24 C.F.R. § 4.21 (2011), to prospective pool participants.

25 **vii. Control person and vicarious liability**

26 49. Goodie controlled CSG, directly or indirectly, and did
27 not act in good faith or knowingly induced, directly or
28 indirectly, CSG's conduct described above that violated the Act
and Regulations. Therefore, pursuant to Section 13(b) of the

1 Act, 7 U.S.C. § 13c(b) (2006), Goodie is liable for CSG's
2 violations.

3 50. The foregoing acts, misrepresentations, omissions, and
4 failures of Goodie described above that violated the Act and
5 Regulations occurred within the scope of his employment, office,
6 or agency with CSG. Therefore, CSG, as principal of its agent
7 Goodie, is liable for these acts, misrepresentations, omissions,
8 and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C.
9 § 2(a)(1)(B) (2006), and Regulation 1.2, 17 C.F.R. § 1.2 (2011).
10

11 **viii. Reasonable likelihood of future**
12 **violations**

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14 51. Unless restrained and enjoined by this Court, there is
15 a reasonable likelihood that Defendants will continue to engage
16 in the acts and practices alleged in the Complaint and in
17 similar acts and practices in violation of the Act and
18 Regulations.
19

20 **IV. ORDER FOR PERMANENT INJUNCTION**

21 **IT IS NOW HEREBY ORDERED THAT:**

22 52. Based upon and in connection with the foregoing
23 conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1
24 (2006), Defendants are permanently restrained, enjoined, and
25 prohibited from, directly or indirectly:
26

- 27 a. cheating, defrauding, or deceiving, or attempting to
28 cheat, defraud, or deceive other persons, or issuing

1 any false statements to other persons, in connection
2 with any order to make, or the making of, any
3 contract of sale of any commodity for future
4 delivery;

5 b. employing any device, scheme, or artifice to defraud
6 any person or engaging in any transaction, practice,
7 or course of business which operates as a fraud or
8 deceit upon any person in connection with the
9 operation of a commodity pool; and

10 c. operating a commodity pool or acting as an associated
11 person of a commodity pool operator without proper
12 registration or an exemption from registration and
13 failing to provide required disclosures to
14 participants or prospective participants in any
15 commodity pool;

16 in violation of Sections 4b(a)(1)(A)-(C), 4k(2), 4m(1), and/or
17 4o of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2), 6(m)1, and/or
18 6o, as amended by the Dodd-Frank Wall Street Reform and Consumer
19 Protection Act of 2010, Pub. L. No. 111-203, Title VII (the
20 "Dodd-Frank Act"), §§ 701-774, 124 Stat. 1376 (enacted July 21,
21 2010), to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2),
22 6(m)1, and 6o, and Regulations 3.12 and 4.21, 17 C.F.R. §§ 3.12
23 and 4.21 (2011);

1 53. Defendants are permanently restrained, enjoined, and
2 prohibited from, directly or indirectly:

- 3 a. trading on or subject to the rules of any registered
4 entity (as that term is defined in Section 1a of the
5 Act, as amended, to be codified at 7 U.S.C. § 1a);
6
7 b. entering into any transactions involving commodity
8 futures, options on commodity futures, commodity
9 options (as that term is defined in Regulation
10 1.3(hh), 17 C.F.R. § 1.3(hh) (2011)) ("commodity
11 options"), security futures products, and/or foreign
12 currency (as described in Sections 2(c)(2)(B) and
13 2(c)(2)(C)(i) of the Act, as amended, to be codified
14 at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex
15 contracts"), for their own personal account or for
16 any account in which they have a direct or indirect
17 interest;
18
19 c. having any commodity futures, options on commodity
20 futures, commodity options, security futures
21 products, and/or forex contracts traded on their
22 behalf;
23
24 d. controlling or directing the trading for or on behalf
25 of any other person or entity, whether by power of
26 attorney or otherwise, in any account involving
27 commodity futures, options on commodity futures,
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1 commodity options, security futures products, and/or
2 forex contracts;

3 e. soliciting, receiving, or accepting any funds from
4 any person for the purpose of purchasing or selling
5 any commodity futures, options on commodity futures,
6 commodity options, security futures products, and/or
7 forex contracts;

8
9 f. applying for registration or claiming exemption from
10 registration with the CFTC in any capacity, and
11 engaging in any activity requiring such registration
12 or exemption from registration with the CFTC, except
13 as provided for in Regulation 4.14(a)(9), 17 C.F.R. §
14 4.14(a)(9) (2011); and

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16 g. acting as a principal (as that term is defined in
17 Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2011)), agent,
18 or any other officer or employee of any person
19 registered, exempted from registration, or required
20 to be registered with the CFTC, except as provided
21 for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9)
22 (2011).
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1 action or inaction arising from its appointment as Monitor,
2 other than actions involving fraud.

3 56. Defendants shall cooperate with the Monitor as
4 appropriate to provide such information as the Monitor deems
5 necessary and appropriate to identify Defendants' participants,
6 whom the Monitor, in its sole discretion, may determine to
7 include in any plan for distribution of any payments received.
8

9 57. Defendants shall execute any documents necessary to
10 release funds that they have in any repository, bank, investment
11 or other financial institution, wherever located, in order to
12 make partial or total payment toward the Restitution Obligation.
13

14 58. Defendants shall make Restitution Obligation payments
15 under this Consent Order to the Monitor in the name of the "CSG
16 Commodity Service Group Fund" and shall send such payments by
17 electronic funds transfer, or by U.S. postal money order,
18 certified check, bank cashier's check, or bank money order, made
19 payable to and sent to the Office of Administration, National
20 Futures Association, 300 S. Riverside Plaza, Suite 1800,
21 Chicago, Illinois 60606, under a cover letter that identifies
22 the paying Defendant and the name and docket number of this
23 proceeding. The paying Defendant shall simultaneously transmit
24 a copy of the cover letter and the form of payment to the Chief
25 Financial Officer, U.S. Commodity Futures Trading Commission, at
26 the following address: 1155 21st Street, N.W., Washington, DC
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1 20581, and to the Director, Division of Enforcement, at the same
2 address.

3 59. The Monitor shall oversee the Restitution Obligation
4 and shall have the discretion to determine the manner of
5 distribution of such funds in an equitable fashion to
6 Defendants' participants identified by the CFTC or may defer
7 distribution until such time as the Monitor deems appropriate.
8 In the event that the amount of Restitution Obligation payments
9 to the Monitor are of a *de minimis* nature such that the Monitor
10 determines that the administrative cost of making a distribution
11 to eligible participants is impractical, the Monitor may, in its
12 discretion, treat such Restitution Obligation payments as civil
13 monetary penalty payments, which the Monitor shall forward to
14 the CFTC following the instructions for civil monetary penalty
15 payments set forth in Part V.B, below.
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18 60. The Monitor shall provide the CFTC at the beginning of
19 each calendar year with a report detailing the disbursement of
20 funds to Defendants' participants during the previous year. The
21 Monitor shall transmit this report under a cover letter that
22 identifies the name and docket number of this proceeding to the
23 Chief Financial Officer, Commodity Futures Trading Commission,
24 Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C.
25 20581.
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1 61. Nothing herein shall be construed in any way to limit
2 or abridge the rights of any person that exist under federal,
3 state, or common law to assert a claim for recovery against
4 Defendants subject to any offset or credit that Defendants may
5 be entitled to claim under the law governing that person's
6 claim. The amounts payable to each participant shall not limit
7 the ability of any participant from proving that a greater
8 amount is owed from Defendants or any other person or entity,
9 and nothing herein shall be construed in any way to limit or
10 abridge the rights of any participant that exist under state or
11 common law.
12

13
14 62. Subsequent to the entry of this Consent Order, each
15 Defendant shall provide the CFTC and the Monitor with immediate
16 notice of any filing or compromise and settlement of any private
17 or governmental actions relating to the subject matter of this
18 Consent Order in the manner required by Part VI of this Consent
19 Order.
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21 63. To the extent that any funds accrue to any U.S.
22 governmental entity, including but not limited to the U.S.
23 Treasury, as a result of the Restitution Obligation, such funds
24 shall be transferred to the Monitor for disbursement in
25 accordance with the procedures set forth in this Part V of the
26 Consent Order.
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1 64. Pursuant to Rule 71 of the Federal Rules of Civil
2 Procedure, each participant of Defendants who suffered a loss is
3 explicitly made an intended third-party beneficiary of this
4 Consent Order and may seek to enforce obedience of this Consent
5 Order to obtain satisfaction of any portion of the restitution
6 that has not been paid by Defendants to ensure continued
7 compliance with any provision of this Consent Order and to hold
8 Defendants in contempt for any violations of any provision of
9 this Consent Order.
10

11 **B. Civil Monetary Penalty**
12

13 65. Pursuant to Section 6c(d) of the Act, 7 U.S.C. § 13a-
14 1(d) (2006), and Regulation 143.8(a)(1), 17 C.F.R. § 143.8(a)(1)
15 (2011), this Court may impose an order directing Defendants to
16 pay a civil monetary penalty ("CMP"), to be assessed by the
17 Court, in amounts of not more than the greater of (1) triple the
18 monetary gain to Defendants for each violation of the Act and
19 Regulations; or (2) \$130,000 for each violation of the Act and
20 Regulations occurring from October 23, 2004 through October 22,
21 2008, and \$140,000 for each violation of the Act and Regulations
22 occurring on or after October 23, 2008.
23
24

25 66. In determining the amount of the CMP to be paid by
26 Defendants, the Court has considered the egregiousness,
27 duration, and scope of the fraud and violations of the Act and
28

1 Regulations. A proper showing having been made, Defendants are
2 hereby jointly and severally liable to pay a CMP in the amount
3 of \$700,000. This CMP shall be paid within ten (10) days of the
4 date of entry of this Consent Order. Should Defendants not
5 satisfy this CMP within ten (10) days of the date of entry of
6 this Consent Order, post-judgment interest shall accrue on this
7 CMP beginning on the date of entry of this Consent Order and
8 shall be determined by using the Treasury Bill rate prevailing
9 on the date of entry of this Consent Order pursuant to 28 U.S.C.
10 § 1961 (2006).
11

12 67. Defendants shall pay the CMP by electronic funds
13 transfer, U.S. postal money order, certified check, bank
14 cashier's check, or bank money order. If payment is to be made
15 by other than electronic funds transfer, the payment shall be
16 made payable to the United States Commodity Futures Trading
17 Commission and sent to the address below:
18
19

20 United States Commodity Futures Trading Commission
21 Division of Enforcement
22 ATTN: Accounts Receivables - AMZ 340
23 E-mail Box: 9-AMC-AMZ-AR-CFTC
24 DOT/FAA/MMAC
25 6500 S. MacArthur Blvd.
26 Oklahoma City, OK 73169
27 Telephone: (405) 954-5644
28

25 If the payment is to be made by electronic funds transfer,
26 Defendants shall contact Linda Zurhorst, or her successor, at
27 the above address for payment instructions and fully comply with
28

1 those instructions. Defendants shall accompany the payment of
2 the CMP with a cover letter that identifies the paying Defendant
3 and the name and docket number of this proceeding. Defendants
4 shall simultaneously transmit copies of the cover letter and the
5 form of payment to the Chief Financial Officer, United States
6 Commodity Futures Trading Commission, Three Lafayette Center,
7 1155 21st Street, N.W., Washington, DC 20581, and to the
8 Director, Division of Enforcement, at the same address.
9

10 **C. Provisions Related to Monetary Sanctions**
11

12 68. Partial Satisfaction: Any acceptance by the CFTC
13 and/or Monitor of partial payment of the Restitution Obligation
14 or CMP ordered in this Consent Order shall not be deemed a
15 waiver of Defendants' requirement to make further payments
16 pursuant to this Consent Order or a waiver of the CFTC's right
17 to seek to compel payment of any remaining balance.
18

19 **D. Cooperation**
20

21 69. Defendants shall continue to cooperate fully and
22 expeditiously with the CFTC, including the CFTC's Division of
23 Enforcement, and any government agency with respect to this
24 action, and in any investigation, civil litigation, or
25 administrative matter related to the subject matter of this
26 action or any current or future CFTC investigation related
27 thereto. As part of such cooperation, Defendants shall provide
28

1 any requested information relating to their financial status,
2 including but not limited to, income and earnings, assets,
3 financial statements, asset transfers, and tax returns.

4
5 **VI. MISCELLANEOUS PROVISIONS**

6 **IT IS FURTHER ORDERED THAT:**

7 70. Notice: All notices required to be given by any
8 provision in this Consent Order shall be sent by email,
9 facsimile, or certified mail, return receipt requested, as
10 follows:
11

12 Notice to CFTC:

13 Matthew Elkan
14 Division of Enforcement
15 U.S. Commodity Futures Trading Commission
16 1155 21st Street NW
17 Washington, DC 20581
(202) 418-5937 (facsimile)
melkan@cftc.gov

18 All such notices to the CFTC shall reference the name and docket
19 number of this action. Notice to Defendants shall be as
20 follows:
21

22 Charles Steven Goodie
23 c/o Jeffry M. Henderson, Esquire
24 Henderson & Lyman
25 175 West Jackson Boulevard
26 Suite 240
Chicago, Illinois 60604
(312) 986-6961 (facsimile)
jmh@henderson-lyman.com

27 71. Change of Address/Phone: Until such time as
28 Defendants satisfy in full their Restitution Obligation and CMP

1 as set forth in this Consent Order, Defendants shall provide
2 written notice to the CFTC of any change to their telephone
3 number(s) and/or address(es) within ten (10) calendar days
4 thereof.

5 72. Entire Agreements and Amendments: This Consent Order
6 incorporates all of the terms and conditions of the settlement
7 among the parties hereto to date. Nothing shall serve to amend
8 or modify this Consent Order in any respect whatsoever, unless:
9 (1) reduced to writing; (2) signed by all parties hereto; and
10 (3) approved by order of this Court.
11

12 73. Binding Effect: The injunctive and equitable relief
13 provisions of this Consent Order shall be binding upon
14 Defendants, upon any person under their authority or control,
15 and upon any person who receives actual notice of this Consent
16 Order, by personal service, e-mail, facsimile or otherwise
17 insofar as he or she is acting in active concert or
18 participation with Defendants.
19
20

21 74. Invalidation: If any provision of this Consent Order
22 or if the application of any provisions or circumstances is held
23 invalid, then the remainder of this Consent Order and the
24 application of the provisions to any other person or
25 circumstance shall not be affected by the holding.
26

27 75. Waiver: The failure of any party to this Consent
28 Order or of any participant at any time or times to require

1 performance of any provision hereof shall in no manner affect
2 the right of such party at a later time to enforce the same or
3 any other provision of this Consent Order. No waiver in one or
4 more instances of the breach of any provision contained in this
5 Consent Order shall be deemed to be or construed as a further or
6 continuing waiver of such breach or waiver of the breach of any
7 other provision of this Consent Order.
8

9 76. Authority: Goodie hereby warrants that he is/was the
10 sole owner of CSG, that this Consent Order has been duly
11 authorized by CSG, and that he has been duly empowered to sign
12 and submit it on behalf of CSG.
13

14 77. Continuing Jurisdiction of this Court: This Court
15 shall retain jurisdiction of this case to assure compliance with
16 this Consent Order and for all other purposes related to this
17 action.
18

19 78. Enforceability: Defendants understand that the terms
20 of this Consent Order are enforceable through contempt
21 proceedings, and that, in any such proceedings they may not
22 challenge the validity of this Consent Order.
23

24 79. Counterparts and Facsimile Execution: This Consent
25 Order may be executed in two or more counterparts, all of which
26 shall be considered one and the same agreement and shall become
27 effective when one or more counterparts have been signed by each
28 of the parties and delivered (by facsimile or otherwise) to the

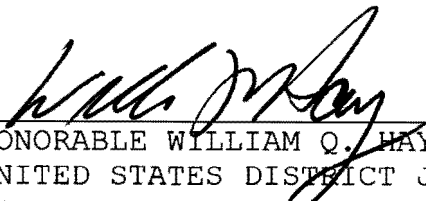
1 other party, it being understood that all parties need not sign
2 the same counterpart. Any counterpart or other signature to
3 this agreement that is delivered by facsimile or otherwise shall
4 be deemed for all purposes as constituting good and valid
5 execution and delivery by such party of this Consent Order.

6
7 There being no just reason for delay, the Clerk of the
8 Court is hereby directed to enter this *Consent Order of*
9 *Permanent Injunction, Civil Monetary Penalty, and Other*
10 *Equitable Relief Against Defendants.*

11 **ORDERED AND ADJUDGED.**

12 **DONE AND ORDERED** at San Diego, California, this 23 day of

13 August, 2012.
14

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16
17 
18 _____
19 HONORABLE WILLIAM Q. HAYES
20 UNITED STATES DISTRICT JUDGE
21 SOUTHERN DISTRICT OF CALIFORNIA
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28