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UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:	)	
	)	
Equinox Fund Management, LLC,	)	**CFTC Docket No. 16 -09**
	)	
Respondent.	)	

ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS

I.

The Commodity Futures Trading Commission ("Commission" or "CFTC") has reason to believe that Equinox Fund Management, LLC ("Equinox" or "Respondent") violated the Commodity Exchange Act (the "Act") and Commission Regulations ("Regulations"). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

II.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions ("Order") and acknowledges service of this Order.[1]

[1] Respondent consents to the entry of this Order and to the use of these findings in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party; provided, however, that Respondent does not consent to the use of the Offer, or the findings or conclusions in this Order consented to in the Offer, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce the terms of this Order. Nor does Respondent consent to the use of the Offer or this Order, or the

III.

The Commission finds the following:

A. Summary

These proceedings arise from material misstatements and omissions made by registered commodity pool operator ("CPO") Equinox in the operation of the multi-advisor commodity pool, the Frontier Fund ("TFF"). TFF is a managed futures fund structured as a statutory trust offering units of beneficial interest in several separate and distinct series, each with a specific trading strategy. As the CPO for TFF, Equinox was responsible for preparing the disclosures made in the Disclosure Documents for the pool ("Disclosure Documents") and Annual Reports to pool participants concerning TFF. TFF's offerings of units in the fund were publicly registered with the Securities and Exchange Commission ("SEC") and Equinox was responsible for the disclosures made in TFF's registration statements and periodic filings with the SEC. This action concerns the following disclosures:

a. From 2004 through March 2011, Disclosure Documents for TFF disclosed that Equinox charged management fees based upon the *net asset value* ("NAV") (*i.e.* total assets, less total liabilities) of each series, when Equinox actually charged TFF management fees based upon the value of the notional assets it was managing in each series (i.e., the invested amount plus leverage used in the underlying investments; notional assets refers to the trading level of the aggregate attributable assets that Commodity Trading Advisors ("CTAs") traded on behalf of each series) ("Notional Trading Value"), thereby charging TFF $5.4 million more than what would have been charged based upon NAV;

b. The 2010 Annual Report for TFF disclosed that its methodology of valuing certain options was "corroborated by weekly counterparty settlement values," when in fact, Equinox received information during that timeframe showing that its valuation of certain options was materially higher than the counterparty's indicative settlement valuations; and

c. Quarterly reports to pool participants were misleading in that: (1) a report for the second quarter of 2011 failed to disclose as a material subsequent event a series' early termination of an option at a valuation that was materially different than the value that had been recorded for that option and (2) a report for the third quarter of 2011 disclosed that an option had been transferred between two series in accordance with TFF's valuation policies, when, in reality, Equinox transferred the option using a valuation methodology that differed from the methodology used to value substantially identical options held by other TFF series.

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findings or conclusions in this Order consented to in the Offer, by any other party in any other proceeding.

Based upon this conduct, Equinox violated Section 4*o*(1)(B) of the Act, 7 U.S.C. § 6*o*(1)(B), and Commission Regulations 4.22(c) and 4.24(d) and (i), 17 C.F.R. §§ 4.22(c) and 4.24(d) and (i) (2015).

B. Respondent

Equinox Fund Management, LLC ("Equinox"), a Delaware limited liability company headquartered in Denver, Colorado, is an asset management firm that specializes in managed futures. Equinox has been registered as a commodity pool operator with the CFTC since 2003; it is also registered as an investment adviser with the SEC. Currently, as CPO to TFF, Equinox manages approximately $268 million of assets. Equinox is responsible for the preparation and filing of TFF's Disclosure Documents and Annual Reports and its SEC periodic filings.

C. Other Relevant Entity

The Frontier Fund ("TFF"), a Delaware statutory trust launched in 2004, is a commodity pool. Equinox serves as TFF's CPO and managing owner. TFF operates as a series trust, with numerous series engaged in separate trading strategies. The assets of each TFF series are valued and accounted for separately, and a daily NAV is calculated for each series. The offering of units for each TFF series was registered under the Securities Act. During the relevant period (which is primarily from 2009 through 2011), TFF had approximately 15,000 to 20,000 investors and between $800 million and $1 billion in net assets.

D. Facts

1. Equinox Overcharged Management Fees by Using a Methodology that Contradicted Disclosures to Pool Participants

As the managing owner of TFF, Equinox charged each TFF series various fees, including a management fee. The management fees compensated Equinox for its management of the investments and were also used to pay CTAs their contractual fee. From the inception of various TFF series through March 2011, as CPO for TFF, Equinox prepared several Disclosure Documents for TFF (and amendments thereto), which were provided to prospective participants via mail or other means of interstate commerce. TFF's Disclosure Documents consistently disclosed that Equinox charged management fees (ranging from 0.50% to 3.5%) based upon each series' NAV. For example, TFF's Disclosure Document, in the form of a prospectus dated February 4, 2009, disclosed that "[e]ach Series will pay to the Managing Owner a monthly management fee equal to a certain percentage of each Series' Net Asset Value." TFF's disclosures that Equinox charged management fees as a percentage of each series' NAV were repeated throughout the Disclosure Documents, including in sections regarding "fees and expenses," "past performance," "charges to be paid by the trust," as well as the respective series' fee tables and appendices, including the 12 month projected break-even analysis for each series.

However, contrary to the disclosures in TFF's Disclosure Documents, Equinox charged management fees based on the Notional Trading Value of the assets it was managing in each series.

In early March 2011, TFF's independent auditors questioned whether Equinox's assessment of management fees based on notional assets in each TFF series comported with TFF's existing disclosures that management fees were calculated based on each series' NAV. Thereafter, in the Disclosure Document and annual report to pool participants prepared in April 2011, Equinox modified its disclosures regarding management fees, including adding a clarifying footnote to the break-even analysis, to disclose that Equinox charged management fees based on notional assets.

Equinox did not refund to TFF the additional management fees it had collected by charging on notional assets prior to the modification of its disclosures. From the inception of various TFF series through March 2011, Equinox obtained $5,404,004 in additional management fees by charging TFF series on notional assets, as opposed to NAV as had been previously represented.

2. *Disclosures Regarding the Methodology of Valuing Certain Derivatives Were Misleading*

As the CPO of TFF, Equinox allocated TFF series' funds to CTAs engaged in various trading strategies. In some instances, Equinox determined that it was not feasible for TFF series to make direct investments with desired CTAs. Therefore, Equinox obtained access to those CTAs' returns by investing in customized derivatives, including total return swaps and options, that used the desired CTAs' performance as the reference assets.

From October 2007 through May 2009, four TFF series, through their investments in various subsidiary trading companies, first began investing in separate European OTC call options (the "Options"), all of which were written by the same counterparty (the "Option Counterparty"). The reference asset of each respective Option was a different private managed futures fund managed by a wholly-owned subsidiary of the Options Counterparty. The Options included:

a. The RCW Option (held by TFF's Balanced Series);
b. The FX Enhanced Option (held by TFF's Currency Series);
c. The RCW2 Option (held by TFF's Diversified Series); and
d. The Solon Option (held by TFF's Dynamic Series).

The TFF Disclosure Documents provided that Equinox was responsible for the daily calculations of NAV and as a result was responsible for determining the valuation of all investments held by each TFF series. The Options did not have readily determinable fair values because they were not traded on an open market and did not have publicly-reported prices. Therefore, Equinox treated the Options held by TFF as Level Three assets, pursuant to Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*. From the respective

dates of purchase through the third quarter of 2010, Equinox valued the Options using its internal valuation methodology.

During the fourth quarter of 2010, Equinox revised its valuation methodology with respect to the Options to account for a valuation range provided by an outside valuation agent ("Valuation Agent"). Specifically, for each Option, Equinox obtained a valuation range from its Valuation Agent, then compared it to the valuation estimated using its own methodology. If Equinox's internal valuation fell within the Valuation Agent's range, Equinox used the midpoint of the Valuation Agent's range. If its valuation fell outside of the range, then Equinox valued the Option at the closest bound of the Valuation Agent's range (either the upper or lower bound). This valuation methodology remained in effect through July 2011.

In its Annual Report for the year ending December 31, 2010 and quarterly reports for the first and second quarters of 2011, each of which was provided to pool participants via U.S. mail or other means of interstate commerce, TFF disclosed, in the notes to its financial statements, that certain derivatives, including the Options, were "reported at fair value based upon daily valuations provided by a third party pricing service and *corroborated by weekly counterparty settlement values*" (emphasis added). Equinox's internal valuation methodology used certain pricing information provided on a weekly basis by a subsidiary of the Option Counterparty concerning the net asset value of reference assets of the respective Options. However, TFF's disclosure that its valuations were "corroborated by weekly counterparty settlement values" was misleading because throughout this timeframe, Equinox received, but failed to consider, three types of information concerning the Option Counterparty's pricing of the Options which was materially different than the valuation of the Options as reported by TFF.

First, on each business day from late June 2009 through early May 2011, the Option Counterparty provided Equinox with a "Products Valuation" report that included indicative bid and ask prices for the RCW2 and Solon Options that were materially different from the valuations Equinox had assigned to these Options.

Second, in connection with the audit of each TFF series' financial statements for year-end 2010, the Option Counterparty provided audit confirmations for each of the Options as of December 31, 2010 showing indicative valuations that were materially different from Equinox's valuations. TFF's independent auditor in turn provided these counterparty audit confirmations to Equinox.

Third, between June 2009 and May 2011, various TFF series engaged in seven additional transactions with the Option Counterparty to increase or decrease the amount invested in the RCW, RCW2 and Solon Options ("Additional Transactions"). In each of the Additional Transactions, the parties used the Option Counterparty's bid or ask prices to increase or decrease the amounts invested in the Options, and at least in certain instances, these prices were materially different than what was reflected in TFF's Options valuations. Furthermore, the bid or ask prices for the Additional Transactions matched pricing contained in the Products Valuation reports that Equinox routinely received from the Option Counterparty.

The discrepancy between Equinox's valuations and pricing information provided to Equinox by the Option Counterparty demonstrated that, contrary to TFF's disclosures, its valuations were not corroborated by weekly counterparty settlement values between December 31, 2010 and June 30, 2011. Instead, on multiple occasions, TFF's reported valuation for the Options was substantially higher than the Option Counterparty's valuation of each of the Options.

3. *Certain Quarterly Reports in 2011 Were Misleading*

The quarterly report to TFF pool participants for the period ending June 30, 2011 failed to disclose a material subsequent event pursuant to ASC 855, which requires SEC filers to disclose material subsequent events if they are "of such a nature that they must be disclosed to keep the financial statements from being misleading." Specifically, ASC 855 requires the disclosure of the nature of the material subsequent event, and "an estimate of its financial effect, or a statement that such an estimate cannot be made." Paragraph ASC 855-10-55-2 lists various examples of material subsequent events, including "[c]hanges in the fair value of assets or liabilities (financial or nonfinancial) or foreign exchange rates after the balance sheet date but before financial statements are issued or are available to be issued."

In July 2011, shortly after the close of the reporting period ending June 30, 2011, TFF's Currency Series liquidated the FX Enhanced Option and received an amount materially lower than the recorded value. The FX Enhanced Option constituted a significant portion of the Currency Series' assets. TFF's Currency Series failed to disclose both the liquidation of the FX Enhanced Option and the estimated financial effect, despite the fact that both were known prior to the issuance of the Currency Series' June 30, 2011 financial statements. TFF's Currency Series' liquidation of the FX Enhanced Option on July 8, 2011 took place after the reporting period ended June 30, 2011, but prior to the publication of its quarterly report on August 12, 2011.

Also in July 2011, the Solon Option was transferred from the Dynamic Series to the Balanced Series.

The Dynamic Series was structured such that its investment returns were almost entirely driven by its investment in the Solon Option.

One of TFF's larger series, the Balanced Series, held an inter-series investment in the Dynamic Series, such that the Balanced Series was entitled to share in 94% of the profits or losses of the Dynamic Series.

In July 2011, the early liquidation of the FX Enhanced Option caused Equinox to undertake an expedited re-assessment of: (i) the appropriate valuation for the remaining three Options still held by other TFF series (including the Dynamic Series); and (ii) the potential impact of write-downs of the valuations of the three Options on the NAVs of the series that held the Options. Specifically, when Equinox liquidated the FX Enhanced Option on July 8, 2011, the Option Counterparty paid only $3,699,000 at liquidation even though the Currency Series had the FX Enhanced Option valued at $5,029,547, a difference of $1,330,547.

On July 12, 2011, Equinox requested pricing for the remaining three Options, and the Option Counterparty provided indicative settlement valuations later that day showing that TFF's valuations of the Options were substantially higher than the Option Counterparty's settlement valuations as of June 30, 2011. Following receipt of this information, Equinox calculated that writing down the Solon Option to the Valuation Agent's lower bound would have a material impact on the Dynamic Series' NAV.

By July 15, 2011, Equinox had decided to write-down the valuation of the RCW and RCW2 Options to the Valuation Agent's lower bound. On July 15, 2011, Equinox also announced the immediate closure of the Dynamic Series, with a forced redemption of all investors at that day's NAV. However, the Dynamic Series did not liquidate the Solon Option to make redemptions. Instead, on July 15, 2011, Equinox transferred ownership of the Solon Option from the Dynamic Series to the Balanced Series.

On the date of the transfer of the Solon Option, Equinox did not adjust the valuation in any way to account for the Option Counterparty's materially different indicative settlement valuations. Instead, contrary to its valuation policy, Equinox transferred the Solon Option using the midpoint of the Valuation Agent's range, $10,123,315. However, the next business day after the inter-series transfer, the Balanced Series wrote down the valuation of the Solon Option to the lower bound of the Valuation Agent's range, $9,065,685. The impact of this write-down was absorbed by the Balanced Series, a significantly larger series.

During the third quarter of 2011, Equinox ultimately decided to use the Option Counterparty's indicative settlement valuations to value the Solon Option and the other two remaining Options.

A quarterly report to pool participants for the third quarter of 2011 contained the following disclosure regarding the inter-series transfer of the Solon Option:

> "On July 18, 2011, the Balanced Series reduced its inter-series advance to the Dynamic Series in exchange for ownership in a total return swap contract in the amount of $27,379,284 which approximated fair value in accordance with the Trust's valuation policies at the time of transfer."

This disclosure was misleading because by the time the report for the third quarter of 2011 was issued, Equinox knew or should have known that the Solon Option had not been transferred "in accordance with the Trust's valuation policies." Those policies required that Equinox take into account, among other things, "whether the same or similar securities are held by other Funds managed by Equinox and the method used to price the security in those funds."

By making an exception and transferring the Solon Option at the Valuation Agent's midpoint instead of its lower bound, Equinox failed to take into account information regarding the same or similar securities (the RCW and RCW2 Options) held by other TFF series. Furthermore, Equinox had no other information to justify treating the Solon Option differently, nor did Equinox learn of any new information as of July 18, 2011 (the next business day after July 15, 2011) prompting the write-down of the Solon Option that took place on that date.

Equinox's delay in writing down the Solon Option to the Valuation Agent's lower bound caused the Solon Option not to be transferred in accordance with Trust valuation policies.

Equinox made a voluntary reimbursement to the Balanced Series to compensate its investors for the portion of the subsequent write down of the valuation of the Solon Option attributable to the Dynamic Series.

IV.

LEGAL DISCUSSION

A. Respondent Violated Section 4*o*(1)(B) of the Act

Section 4*o*(1)(B) of the Act prohibits CPOs from engaging, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly in "any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant." 7 U.S.C. § 6*o*(1)(B). Scienter is not required to prove a violation of Section 4*o*(1)(B). *See In re Slusser*, [1998-1999 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶27,701 at 48,315 (CFTC July 19, 1999), aff'd in relevant part, *Slusser v. CFTC*, 210 F.3d 783 (7th Cir. 2000).

During the relevant period, as set forth above, Equinox made several misleading disclosures in Disclosure Documents and reports distributed to pool participants and prospective participants. Therefore, Equinox violated Section 4*o*(1)(B) of the Act.

B. Respondent Violated Commission Regulation 4.24(d) and (i)

Pursuant to Regulation 4.21 all CPOs are required to file with NFA and deliver to prospective pool participants a Disclosure Document. 17 C.F.R. § 4.21. Regulation 4.24(d) requires that, in the forefront of the Disclosure Document, a CPO must include disclosure of the break-even point per unit of initial investment. 17 C.F.R. § 4.24(d). Regulation 4.24(i) requires that the Disclosure Document must include "a complete description of each fee, commission and other expense which the commodity pool operator knows or should know has been incurred by the pool for its preceding fiscal year and is expected to be incurred by the pool in its current fiscal year, including . . . management fees." Regulation 4.24(i)(3) further specifies, "where any fee is determined by reference to a base amount, including, but not limited to, 'net assets' . . . the [CPO] must explain how such base amount will be calculated, in a manner consistent with calculation of the break-even point." 17 C.F.R. § 4.24(i).

As set forth above, Equinox's Disclosure Documents, including its break-even analysis, reflected that management fees would be calculated based on NAV and did not disclose that the fees were actually calculated based on the Notional Trading Value of the funds. Accordingly, Equinox violated Regulations 4.24(d) and 4.24(i).

C. Respondent Violated Commission Regulation 4.22(c)

Regulation 4.22(c) requires that a CPO must distribute an Annual Report to each participant and electronically submit a copy of the Annual Report to NFA. 17 C.F.R. § 4.22(c). Regulation 4.22(c)(5) specifies that the Annual report must contain "[a]ppropriate footnote

disclosure and such further material information as may be necessary to make the required statements not misleading."

As set forth above, Equinox's 2010 Annual Report included certain disclosures in the notes to its financial statements regarding its valuation methodology which were misleading. Accordingly, Equinox violated Regulation 4.22(c).

V.

FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that, during the Relevant Period, Equinox Fund Management, LLC violated Section 4*o*(1)(B) of the Act, 7 U.S.C. § 6*o*(1)(B), and Commission Regulations 4.22 and 4.24, 17 C.F.R. §§ 4.22, 4.24 (2015).

VI.

OFFER OF SETTLEMENT

Respondent has submitted an Offer in which it, without admitting or denying the findings and conclusions herein:

A. Acknowledges receipt of service of this Order;

B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;

C. Waives:

1. the filing and service of a complaint and notice of hearing;
2. a hearing;
3. all post-hearing procedures;
4. judicial review by any court;
5. any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
6. any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1-30 (2015), relating to, or arising from, this proceeding;

7. any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this proceeding; and

8. any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief;

D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer;

E. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:

1. makes findings by the Commission that Respondent violated Section 4*o*(1)(B) of the Act, 7 U.S.C. § 6*o*(1)(B) and Commission Regulations 4.22 and 4.24, 17 C.F.R. §§ 4.22, 4.24;

2. orders Respondent to cease and desist from violating Section 4*o*(1)(B) of the Act, , 7 U.S.C. § 6*o*(1)(B) and Commission Regulations 4.22 and 4.24, 17 C.F.R. §§ 4.22, 4.24;

3. orders Respondent to pay a civil monetary penalty in the amount of two hundred fifty thousand dollars ($250,000) within ninety (90) days of the date of entry of this Order; and

4. orders Respondent and its successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VII of this Order.

Upon consideration, the Commission has determined to accept Respondent's Offer.

VII.

ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

A. Respondent shall cease and desist from violating Section 4*o*(1)(B) of the Act, 7 U.S.C. § 6*o*(1)(B) and Commission Regulations 4.22 and 4.24, 17 C.F.R. §§ 4.22, 4.24.

B. Respondent shall pay a civil monetary penalty of two hundred fifty thousand dollars ($250,000) within ninety (90) days of the date of entry of this Order (the "CMP Obligation"). If the CMP Obligation is not paid in full within ninety (90) days of the date of entry of this Order, then post-judgement interest shall accrue on the CMP Obligation 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

(2012).

Respondent shall pay the CMP Obligation 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, then 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
> DOT/FAA/MMAC/AMZ-341
> CFTC/CPSC/SEC
> 6500 S. MacArthur Blvd.
> Oklahoma City, OK 73169
> (405) 954-7262 office
> (405) 954-1620 fax
> nikki.gibson@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

C. Respondent and its successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Disgorgement: Respondent shall pay disgorgement in the amount of five million four hundred and four thousand and four dollars ($5,404,004) ("Disgorgement Obligation"). Respondent shall make an initial payment of $4,500,000 within ninety (90) days of the earlier of (1) the date of entry of this Order or (2) the date of entry of the *Order Instituting Administrative and Cease-And-Desist Proceedings Pursuant to Section 8a of The Securities Act Of 1933, Section 21c Of The Securities Exchange Act Of 1934, And Section 203(E) Of The Investment Advisers Act Of 1940, Making Findings, and Imposing Remedial Sanctions and A Cease-And-Desist* captioned "In the matter of Equinox Fund Management, LLC" promulgated by the Securities Exchange Commission ("SEC Order"). Respondent shall pay the balance of the Disgorgement Obligation by September 30, 2016.

   Post-judgment interest shall accrue on the Disgorgement Obligation beginning on the date payment is due 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 (2012).

Payment, up to the amount of five million four hundred and four thousand and four dollars ($5,404,004), made by the Respondent in satisfaction of any disgorgement entered in the SEC Order (including payments to an escrow account as provided in the SEC Order) shall offset (dollar for dollar) Respondent's Disgorgement Obligation identified herein.

Any payment of Disgorgement Obligations to the CFTC hereunder shall be made 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, then 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
DOT/FAA/MMAC/AMZ-341
CFTC/CPSC/SEC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-7262 office
(405) 954-1620 fax
nikki.gibson@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact Nikki Gibson or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the Disgorgement Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

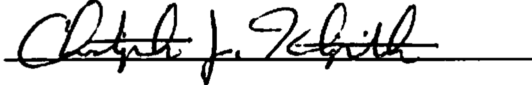
2. Public Statements: Respondent agrees that neither it nor any of its successors and assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent and its successors and assigns shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.

3. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission of partial payment of Respondent's Disgorgement Obligation or CMP Obligation shall not be deemed a waiver of its 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.

4. Change of Address/Phone: Until such time as Respondent satisfies in full its Disgorgement Obligation and CMP Obligation as set forth in this Consent Order, Respondent shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten (10) calendar days of the change.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: March 16, 2016