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 CENTRAL DISTRICT OF CALIFORNIA  
 BY: **RS** DEPUTY

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**IN THE UNITED STATES DISTRICT COURT  
 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
 WESTERN DIVISION**

16 COMMODITY FUTURES TRADING  
 17 COMMISSION,

Plaintiff,

v.

21 SCOTT ALLENSWORTH, individually  
 and d/b/a CAPITAL GROWTH GROUP  
 22 ASSOCIATES AND COBRA  
 23 DEVELOPMENT GROUP LLP,  
 ROBERT J. FUSCO, DAVID WEDDLE,  
 24 and E-SLATE, INC. d/b/a/ COBRA  
 25 DEVELOPMENT GROUP LLP,

Defendants.

Civil Action No. **2:17-CV-07102-CBM-JPRx**

**COMPLAINT FOR INJUNCTIVE  
 AND OTHER EQUITABLE RELIEF  
 AND FOR CIVIL MONETARY  
 PENALTIES UNDER THE  
 COMMODITY EXCHANGE ACT  
 AND COMMISSION REGULATIONS**

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1 Plaintiff Commodity Futures Trading Commission (“CFTC” or “Commission”),  
2 an independent federal regulatory agency, alleges as follows:

### 3 I. INTRODUCTION

4 1. From at least December 2013 to the present (“Relevant Period”), Scott  
5 Allensworth (“Allensworth”) fraudulently solicited certain of his tax and retirement-  
6 planning clients to contribute to commodity pools for the purpose of trading in  
7 commodity futures. Allensworth himself did not trade commodity futures. Rather, he  
8 first convinced his clients to invest, through Allensworth’s own companies, with  
9 supposed successful commodity futures trader Robert J. Fusco (“Fusco”). Those funds  
10 were pooled in Fusco’s company DTG LLC (“the DTG Pool”). Fusco and DTG,  
11 however, did not transfer any funds to any commodity futures trading account or trade  
12 any commodity futures. As such, no commodity futures trading occurred on behalf of  
13 the DTG Pool participants. Instead, Fusco misappropriated DTG Pool participant  
14 funds to allegedly pay a personal tax lien. Allensworth also received DTG Pool  
15 participant funds from Fusco. Allensworth concealed (and continues to conceal) this  
16 misappropriation from his clients.

17 2. After being unable to withdraw his clients’ funds from Fusco,  
18 Allensworth fostered a relationship with replacement commodity futures trader David  
19 Weddle (“Weddle”) and directed millions of dollars to a commodity pool operated by  
20 Weddle, JustInfo LLC (“the JustInfo Pool”), for the purpose of trading commodity  
21 futures.

22 3. To solicit pool participants in the JustInfo Pool, Allensworth and Weddle  
23 worked together, touting exorbitantly high but false commodity futures trading returns.  
24 To maintain a stream of new pool participants from Allensworth and prevent the  
25 existing pool participants from fleeing, Weddle fabricated trading statements showing  
26 the exorbitant returns and provided them to Allensworth, existing pool participants,  
27 and prospective pool participants. Allensworth also used these fabricated trading  
28 statements to solicit additional investments from existing and prospective pool

1 participants.

2 4. In reality, Weddle was an abysmal futures trader, losing all of the JustInfo  
3 Pool funds that he traded, and misappropriating the remainder for his personal use.  
4 Weddle and Allensworth also perpetuated the scheme by using new pool participant  
5 funds to repay existing pool participants, in the nature of a Ponzi scheme. Combined,  
6 activity in the DTG Pool and JustInfo Pool resulted in total losses of \$2,743,692.29 to  
7 at least seventy pool participants.

8 5. By engaging in this conduct and the conduct further described herein,  
9 Defendants have engaged, are engaging, or are about to engage in violations of anti-  
10 fraud and registration provisions of the Commodity Exchange Act (“Act”), 7 U.S.C.  
11 §§ 1-26 (2012), and Commission Regulations (“Regulations”), 17 C.F.R. pt. 1-190  
12 (2017). Specifically, Defendants violated the anti-fraud provisions contained in  
13 Sections 4b(a)(1)(A)-(C) and 4o(1)(A) and(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C),  
14 6o(1)(A),(B) (2012). In addition, Defendants violated registration requirements set  
15 forth in Section 4k(2) of the Act, 7 U.S.C. § 6k(2) (2012); Allensworth and E-Slate  
16 violated registration requirements set forth in Regulation 3.12(a), 17 C.F.R. § 3.12(a)  
17 (2017); and Weddle and Fusco violated registration requirements set forth in Section  
18 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012). Finally, Weddle and Fusco engaged in  
19 activities prohibited by Regulation 4.20(b) and (c), 17 C.F.R. § 4.20(b), (c) (2017).

20 6. Unless restrained and enjoined by this Court, Defendants are likely to  
21 continue engaging in the acts and practices alleged in this complaint or in similar acts  
22 and practices, and funds they have obtained fraudulently may be misappropriated or  
23 otherwise dissipated. Accordingly, the CFTC brings this action pursuant to Section 6c  
24 of the Act, 7 U.S.C. § 13a-1 (2012), to enjoin Defendants’ unlawful acts and practices  
25 and to compel their compliance with the Act. The CFTC also seeks civil monetary  
26 penalties and remedial ancillary relief, including restitution, disgorgement, pre- and  
27 post-judgment interest, and such other equitable relief as this Court may deem  
28 necessary and appropriate.



1 2012, with its principal place of business located in Valencia, California. Allensworth  
2 used E-Slate in connection with his business operations, including using a bank  
3 account held in E-Slate's name to funnel pool participant funds to both Fusco and  
4 Weddle. Pool participant funds were made payable to E-Slate. E-Slate has never been  
5 registered with the Commission in any capacity.

6 12. Defendant **Robert J. Fusco** is an individual who resides in Henderson,  
7 Nevada. Fusco served as the commodity futures trader in the Allensworth/Fusco  
8 scheme. Fusco established and operated DTG LLC. Fusco has never been registered  
9 with the Commission in any capacity.

10 13. Defendant **David Weddle** is an individual who resides in Somerset,  
11 Kentucky. Weddle has worked as, among other things, a music teacher, an account  
12 manager selling computer equipment and software, a consultant, and a commodity  
13 futures trader. Weddle served as the commodity futures trader in the  
14 Allensworth/Weddle scheme. Weddle established and operated JustInfo LLC.  
15 Weddle has never been registered with the Commission in any capacity.

#### 16 **IV. OTHER RELEVANT ENTITIES**

17 14. **DTG LLC** is a limited liability company organized in Nevada in August  
18 2014, with its principal place of business at 425 E. Silverado Ranch Blvd., Unit 285,  
19 Las Vegas, NV 89183. Fusco used DTG LLC as part of the Allensworth/Fusco  
20 scheme by fraudulently soliciting pool participants and using it to accept pool  
21 participant funds for the purported purpose of trading commodity futures. Pool  
22 participant funds were transferred from Allensworth/E-Slate to a bank account held by  
23 DTG LLC and controlled by Fusco. Fusco then used the DTG LLC bank account to  
24 misappropriate for his own use all of the pool participants' funds. DTG LLC has never  
25 been registered with the Commission in any capacity.

26 15. **JustInfo LLC** is a limited liability company established by Weddle as a  
27 Kentucky LLC in December 2009, with its principal place of business at 3404  
28 Woodhaven Drive, Somerset, KY 42503. In 2015, Weddle started using JustInfo LLC

1 to trade commodity futures. Weddle used JustInfo LLC to carry out the  
2 Allensworth/Weddle scheme by fraudulently soliciting pool participants and using it to  
3 accept pool participant funds for the purported purpose of trading commodity futures.  
4 JustInfo LLC is also the name found on Allensworth's and Weddle's fabricated trading  
5 account statements and the name on one of three commodity futures trading accounts  
6 holding pool participant funds. In addition, JustInfo LLC was the name on the bank  
7 account that served as the primary conduit for fraudulently soliciting pool participant  
8 funds. JustInfo LLC has never been registered with the Commission in any capacity.

## 9 V. FACTS

10 16. To execute the fraudulent schemes, Allensworth, individually and doing  
11 business as CGGA and Cobra, and as an agent and principal of E-Slate, solicited his  
12 existing tax, retirement, and investment clients, along with their family, friends, and  
13 acquaintances, to contribute to two separate commodity pools, JustInfo and DTG, for  
14 the purpose of trading in commodity futures.

### 15 A. Allensworth/Fusco Scheme and the DTG Pool

16 17. In 2013, Allensworth learned of Fusco through a radio show touting  
17 Fusco's prowess as a commodity futures trader. By at least December 2013,  
18 Allensworth began soliciting his existing clientele to invest in commodity futures  
19 through Cobra and E-Slate, with Fusco as the affiliated commodity futures trader.  
20 Allensworth represented to his clients that he had a relationship with Fusco, a  
21 purportedly successful futures trader based in Las Vegas, Nevada. Allensworth  
22 represented in writing to some prospective pool participants that Cobra and E-Slate  
23 would "apply a conservative approach....never put more than 3% at risk" and that pool  
24 participants could get their "money out at any time." Allensworth further represented  
25 that all pool participant funds would be invested in commodity futures, with Fusco  
26 managing trading. Allensworth persuaded thirteen pool participants to contribute  
27 \$246,500 to the DTG Pool.

28 18. Once pool participants invested in the DTG Pool, Fusco produced trading



1 statements to Allensworth who, in turn, produced such to the pool participants. These  
2 trading statements were nothing more than cut and pasted numbers from an excel  
3 spreadsheet created by Fusco. The fabricated trading statements showed exorbitantly  
4 high returns on the pool participants' initial investments. The returns were false.  
5 Fusco never traded commodity futures on behalf of the pool participants. Allensworth  
6 touted these returns in order to procure further investments. Allensworth should have  
7 but never did any independent investigation into the accuracy of the allegedly  
8 profitable commodity futures trading for the DTG Pool.

9 19. To invest in the DTG Pool, Allensworth typically directed prospective  
10 pool participants to write checks to a bank account in E-Slate's name. From this  
11 account, Allensworth wired \$217,000 to Fusco's DTG bank account. Allensworth  
12 wrote a personal check for \$20,000 on his parents' bank account to Fusco's DTG bank  
13 account. Allensworth also received \$10,000 in the CGGA bank account and then  
14 transferred \$9,500 of it to Fusco. All told, Allensworth directed \$246,500 to Fusco.  
15 Allensworth received nearly \$30,000 from Fusco, presumably as commission  
16 payments.

17 20. During the Relevant Period, neither Fusco nor DTG ever transferred any  
18 funds to any commodity futures trading account or traded any commodity futures. No  
19 commodity futures trading occurred on behalf of the pool participants. Instead, all of  
20 the funds were misappropriated by Allensworth and Fusco.

21 21. Allensworth comingled pool participant funds with his own personal  
22 funds in the E-Slate and CGGA bank accounts and paid personal expenses from both  
23 accounts.

24 22. Fusco commingled the pool participant funds with his own funds in the  
25 DTG bank account. Fusco frequently withdrew pool participant funds from ATMs  
26 inside, or in close proximity to, casinos. Fusco misappropriated all pool participant  
27 funds from the DTG account.

28 23. When pool participants requested withdrawals, Fusco and Allensworth

1 routinely failed and refused to provide the requested funds, instead proffering a litany  
2 of excuses.

3 24. When Allensworth confronted Fusco about his failure to return funds to  
4 pool participants, Fusco informed Allensworth that he had misappropriated the funds  
5 to pay a personal tax lien. In total, Fusco misappropriated approximately \$217,000,  
6 and Allensworth misappropriated approximately \$29,000 from DTG pool participants.

7 25. Allensworth is actively concealing his and Fusco's misappropriation from  
8 his clients. Moreover, Fusco and Allensworth continue to misrepresent to pool  
9 participants that significant profits exist in the DTG Pool. In reality, all or almost all  
10 of the pool participant funds have been misappropriated.

#### 11 **B. Allensworth/Weddle Scheme and the JustInfo Pool**

##### 12 *1. Weddle Forms the JustInfo Pool To Trade Commodity Futures*

13 26. In the second half of 2015, Weddle solicited and accepted funds from a  
14 small group of friends to form an "investment club" to trade commodity futures. This  
15 investment club was organized as JustInfo. In September and October 2015, Weddle  
16 accepted checks for \$5,000 from four pool participants and deposited the \$20,000 into  
17 JustInfo's bank account at First Southern National Bank. This was the start of the  
18 JustInfo Pool.

19 27. Weddle transferred a portion of these funds to his already existing  
20 personal futures trading account at a registered Futures Commission Merchant  
21 ("FCM"), where he commingled pool participant funds with his own personal trading  
22 funds. He misappropriated the remainder of the initial pool participant funds for his  
23 personal use.

24 28. From the outset, Weddle was an abysmal futures trader, losing over  
25 \$50,000 of his own and pool participant funds trading from October to December  
26 2015. Weddle did not disclose these losses to the initial pool participants. Instead,  
27 Weddle produced completely fabricated statements to the pool participants showing  
28 that the JustInfo Pool was highly profitable.



1           2.    *Allensworth Begins Soliciting His Clients To Invest in the JustInfo*  
2                    *Pool*

3           29.   Allensworth and Weddle became acquainted in the 1980s when both were  
4 living in California and Allensworth provided tax planning services to Weddle. Their  
5 relationship continued even after Weddle moved from California to Kentucky in 2008.  
6 In 2015, Allensworth spoke with Weddle about the possibility of Weddle trading  
7 commodity futures on behalf of Allensworth's clients.

8           30.   In November 2015, shortly after the JustInfo Pool was formed by Weddle,  
9 Allensworth invested \$25,000 of his mother's money and began soliciting his clients to  
10 invest in the JustInfo Pool.

11          31.   To assist Allensworth's solicitations, Weddle provided to Allensworth  
12 fabricated statements showing that the JustInfo Pool was highly profitable, often  
13 showing trading profits of more than 20% per month.

14          32.   To convince his clients to invest in the JustInfo Pool, Allensworth touted  
15 Weddle's fantastically high commodity futures trading returns, often showing  
16 prospective pool participants the fabricated statements provided by Weddle.  
17 Allensworth also represented that Weddle was a successful commodity futures trader  
18 with a long history of profitable trading and, at times, guaranteed to prospective pool  
19 participants a 15% monthly return.

20          33.   Further, to solicit new pool participants in the JustInfo Pool and additional  
21 investments from existing pool participants, Allensworth and Weddle sent misleading  
22 emails and texts touting profitable trades but ignoring much larger losses.

23          34.   For example, a number of pool participants received a February 17, 2016  
24 email from Allensworth attaching a Daily Trading Report and describing "[o]nce  
25 again, nice & obscene profits for the day !!!" A similar email dated August 16, 2016  
26 reported daily trading results of "+0.75 Points !! 2 Trades !! Profits !! . . . Still on  
27 target for an +18.0 point month !!!" While Weddle did have profitable trades on these  
28 days, overall he lost approximately \$58,000 in February 2016 and approximately

1 \$129,000 in August 2016 trading commodity futures on behalf of the JustInfo Pool.

2 35. In addition to daily reports, numerous JustInfo pool participants received  
3 periodic “update” emails from Allensworth. These “update” emails describe “obscene  
4 profits” and average “20% per month net returns.” The “update” emails also  
5 encouraged pool participants to increase their investment to produce “a larger & faster  
6 increase in your account.” At the same time, the “update” emails told pool participants  
7 to “rest assured” because their “account & funds are still in our ‘protected cocoon . . .  
8 .’” These “update” emails were completely false. Weddle never had a profitable  
9 month trading commodity futures, much less averaged 20% monthly net returns on  
10 behalf of the JustInfo Pool.

11 36. Allensworth should have but never did any independent investigation into  
12 the accuracy of the purportedly highly profitable commodity futures trading in the  
13 JustInfo Pool.

14 37. As a result of his solicitations, fifty-nine of Allensworth’s clients invested  
15 approximately \$2.7 million in the JustInfo Pool.

16 3. *After Agreeing To Invest, JustInfo Pool Participants Enter into an*  
17 *Investment Agreement*

18 38. Allensworth and Weddle required some or all pool participants in the  
19 JustInfo Pool to enter into an “Investment Agreement” with CGGA. The “Investment  
20 Agreement” identified the amount invested, stated that it would be “placed in a  
21 brokerage account,” and discussed when the trading would begin. Allensworth  
22 executed the “Investment Agreements” as “Business Principal” of CGGA. In some  
23 instances, pool participants also executed documents that identified their investment as  
24 being placed in a “Just Info Trading account” or “Just Info, LLC, and/or its affiliates,  
25 [CGGA], [FCM] Trading Accounts.”

26 39. To invest in the JustInfo Pool, Allensworth typically instructed  
27 prospective pool participants to pay funds to CGGA. On at least one occasion, a pool  
28 participant wired funds directly to JustInfo. Allensworth commingled pool participant

1 funds with his own funds in the CGGA bank account. Weddle commingled pool  
2 participant funds in both the JustInfo bank account and the FCM commodity futures  
3 trading accounts.

4 *4. Pool Participant Funds Are Lost in Trading and Misappropriated*  
5 *by Weddle and Allensworth*

6 40. Weddle deposited approximately \$1.7 million of the approximately \$2.5  
7 million pool participant funds that he received either directly or by and through  
8 Allensworth into commodity futures trading accounts. Allensworth also received  
9 approximately \$400,000 from pool participants that he never sent to Weddle or DTG  
10 for commodity futures trading. In total, the Allensworth/Weddle scheme took in  
11 approximately \$2.9 million in pool participant funds.

12 41. Of the approximately \$1.7 million Weddle deposited into commodity  
13 futures trading accounts, only \$91,500 was deposited into a commodity futures trading  
14 account in the name of the JustInfo Pool. This account was not opened until March  
15 2016. The remainder was deposited into Weddle's personal trading accounts at the  
16 FCM. By March 2017, Weddle had lost the entire \$1.7 million trading commodity  
17 futures, never having a winning month.

18 42. The remaining approximately \$1.2 million invested by pool participants  
19 was misappropriated by Weddle and Allensworth or were Ponzi payments to pool  
20 participants. Weddle misappropriated for his own use approximately \$500,000 of the  
21 pool participant funds. He used these funds for, among other things, vacations, golf  
22 country club dues, mortgage payments, groceries, dining, spa treatments, and college  
23 tuition for his children. Allensworth received approximately \$300,000 back from  
24 Weddle, and he used, at least, some of these funds for personal purposes. Only  
25 approximately \$400,000 of the funds received by Allensworth and Weddle were  
26 returned to pool participants as either redemptions or purported profits.

27 *5. The Allensworth/Weddle Scheme Falls Apart*

28 43. Weddle represented to the FCM when he opened his trading accounts that

1 he was only trading his own funds. In addition, in response to another FCM inquiry in  
2 June 2016, Weddle again represented that he was exclusively trading his own funds as  
3 part of his hobby of trading. While making these representations, Weddle, working  
4 with Allensworth, was actively soliciting funds from additional pool participants.

5 44. In early 2017, a JustInfo pool participant contacted the FCM after  
6 requesting the return of her \$20,000 initial investment from Allensworth. Because she  
7 had not received her funds as requested, she inquired about the amount of time needed  
8 to fulfill such a request. In doing so, she referred to Weddle as her “[b]roker[.]” In  
9 follow up with Allensworth over her refund request, Allensworth represented to her  
10 that the FCM was conducting an audit that was preventing the return of her requested  
11 funds. This was false.

12 45. Other JustInfo pool participants made repeated demands for the return of  
13 their funds. In an effort to address these demands, Weddle fabricated an email  
14 communication announcing a “Compliance Review” of the FCM trading accounts at  
15 issue and a resulting hold on “withdrawals from these accounts . . . .”

16 46. In April 2017, Allensworth forwarded a “Disbursement of Funds Update”  
17 email from Weddle to pool participants. The email reported that there were “no funds  
18 to be distributed from any of the three [FCM] trading accounts. They were liquidated .  
19 . . in an amount less than \$10,000.00 . . . .”

## 20 VI. VIOLATIONS OF THE ACT AND REGULATIONS

### 21 COUNT I—AGAINST ALL DEFENDANTS

#### 22 FRAUD IN CONNECTION WITH COMMODITY FUTURES CONTRACTS

##### 23 Violations of Section 4b(a)(1)(A)-(C) of the Act

24 47. The allegations in paragraphs 1-46 are re-alleged and incorporated herein  
25 by reference.  
26

27 48. Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (2012),  
28 makes it unlawful:

1 for any person, in or in connection with any order to make, or  
2 the making of, any contract of sale of any commodity in  
3 interstate commerce or for future delivery that is made, or to  
4 be made, on or subject to the rules of a designated contract  
5 market, for or on behalf of any other person . . .

6 . . . .

7 (A) to cheat or defraud or attempt to cheat or defraud  
8 the other person;

9 (B) willfully to make or cause to be made to the other  
10 person any false report or statement or willfully to enter or  
11 cause to be entered for the other person any false record; [or]

12 (C) willfully to deceive or attempt to deceive the other  
13 person by any means whatsoever in regard to any order or  
14 contract or the disposition or execution of any order or  
15 contract, or in regard to any act of agency performed, with  
16 respect to any order or contract for or, in the case of  
17 paragraph (2), with the other person[.]

18 49. As described herein, Defendants violated Section 4b(a)(1)(A)-(C) of the  
19 Act by, among other things: (i) fraudulently soliciting pool participants and  
20 prospective pool participants by making material misrepresentations and omissions  
21 about Defendants' commodity futures trading strategy, Defendants' trading abilities  
22 and profits, and Defendants' use of deposited funds; (ii) misappropriating pool  
23 participants' funds; and (iii) fabricating false records in the form of fake pool  
24 performance statements and fake individual account statements.

25 50. Defendants engaged in the acts and practices described above willfully  
26 (knowingly or recklessly).

27 51. Defendants engaged in the acts and practices described above using  
28 instrumentalities of interstate commerce, including but not limited to: interstate wires

1 for transfer of funds, emails, websites, and other electronic communication devices.

2 52. Allensworth controlled E-Slate, directly or indirectly, and he did not act in  
3 good faith and knowingly induced, directly or indirectly, the acts and/or omissions  
4 alleged herein. Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012),  
5 Allensworth is liable for E-Slate's violations of Section 4b(a)(1)(A)-(C) of the Act.

6 53. Allensworth acted within the course and scope of his employment,  
7 agency, or office with E-Slate. Pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C.  
8 § 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2017), E-Slate is liable as  
9 principal for Allensworth's violations of Section 4b(a)(1)(A)-(C) of the Act.

10 54. Each act of fraudulent solicitation, misappropriation, and false statement  
11 or report, including but not limited to those specifically alleged herein, is alleged as a  
12 separate and distinct violation of Section 4b(a)(1)(A)-(C) of the Act.

13 **COUNT II—AGAINST ALL DEFENDANTS**

14 **FRAUD BY A COMMODITY POOL OPERATOR AND AN ASSOCIATED**  
15 **PERSON OF A COMMODITY POOL OPERATOR**

16 **Violations of Section 4o(1)(A) and (B) of the Act**

17  
18 55. The allegations in paragraphs 1-54 are re-alleged and incorporated herein  
19 by reference.

20 56. Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A), (B) (2012),  
21 make it unlawful for a CPO or AP of a CPO to use

22 the mails or any means or instrumentality of interstate  
23 commerce, directly or indirectly—

24 (A) to employ any device, scheme, or artifice to  
25 defraud any client or participant or prospective client or  
26 participant; or

27 (B) to engage in any transaction, practice, or course of  
28 business which operates as a fraud or deceit upon any client



1 or participant or prospective client or participant.

2 57. As alleged herein, during the Relevant Period, Weddle and Fusco acted as  
3 CPOs (Weddle for the JustInfo Pool and Fusco for the DTG Pool) by soliciting,  
4 accepting, or receiving funds from the public while engaged in a business that is of the  
5 nature of an investment trust, syndicate, or similar form of enterprise, for the purpose  
6 of, among other things, trading in commodity futures contracts.

7 58. As alleged herein, during the Relevant Period, Allensworth acted as an  
8 AP of the CPOs because he solicited and accepted funds, securities, or property from  
9 pool participants for Weddle and Fusco for participation in commodity pools.

10 59. As described above, Weddle and Fusco, while acting as CPOs, and  
11 Allensworth, while acting as an AP of the CPOs, through their use of the mails or any  
12 means or instrumentality of interstate commerce violated Section 4o(1)(A) and (B) of  
13 the Act by, among other things: (i) fraudulently soliciting pool participants and  
14 prospective pool participants by making material misrepresentations and omissions  
15 about Defendants' commodity futures trading strategy, Defendants' trading abilities  
16 and profits, and Defendants' use of deposited funds; (ii) misappropriating pool  
17 participants' funds; and (iii) fabricating false records in the form of fake pool  
18 performance statements and fake individual account statements.

19 60. Through the conduct described above, Weddle, Fusco, and Allensworth  
20 employed a device, scheme, or artifice to defraud any client or participant or  
21 prospective client or participant.

22 61. Weddle, Fusco, and Allensworth engaged in the transactions, practices, or  
23 courses of business described above, which operated as a fraud or deceit upon any  
24 client or participant or prospective client or participant.

25 62. Allensworth acted within the course and scope of his employment,  
26 agency, or office with E-Slate. Pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. §  
27 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2017), E-Slate is liable as  
28 principal for Allensworth's violations of Section 4o(1)(A) and (B) of the Act.



1 commingling the property of the DTG and JustInfo Pools with non-pool property,  
2 including but not limited to those specifically alleged herein, is alleged as a separate  
3 and distinct violation of Regulation 4.20(b) and (c).

4 **COUNT IV—AGAINST FUSCO AND WEDDLE**

5 **FAILURE TO REGISTER AS COMMODITY POOL OPERATORS**

6 **Violations of Sections 4m(1) of the Act**

7  
8 70. The allegations in paragraphs 1-69 are re-alleged and incorporated herein  
9 by reference.

10 71. Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012), makes it unlawful for  
11 any CPO, unless registered with the Commission, to make use of the mails or any  
12 means or instrumentality of interstate commerce in connection with its business as a  
13 CPO.

14 72. As set forth above, during the Relevant Period, Fusco and Weddle acted  
15 as CPOs by soliciting, accepting, or receiving funds from the public while engaged in a  
16 business that is of the nature of an investment trust, syndicate, or similar form of  
17 enterprise, for the purpose of, among other things, trading in commodity futures  
18 contracts.

19 73. In connection with the acts and practices described above, Fusco and  
20 Weddle used the mails and other means or instrumentalities of interstate commerce,  
21 including but not limited to interstate wires for transfer of funds, emails, websites, and  
22 other electronic communication devices.

23 74. During the Relevant Period, Fusco and Weddle were not exempt from  
24 registering as CPOs and therefore violated Section 4m(1) of the Act by failing to do so.

25 75. Each use by Fusco and Weddle of the mails or any means or  
26 instrumentality of interstate commerce in connection with their business as CPOs  
27 without proper registration, including but not limited to those specifically alleged  
28 herein, is alleged as a separate and distinct violation of Section 4m(1) of the Act.



1 Allensworth to become, and to remain, associated with Fusco and Weddle as APs  
2 when they knew, or should have known, that Allensworth was not registered.

3 83. Allensworth acted within the course and scope of his employment,  
4 agency, or office with E-Slate. Pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C.  
5 § 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2017), E-Slate is liable as  
6 principal for Allensworth's violations of Section 4k(2) of the Act and Regulation 3.12.

7 84. Each act by Allensworth of soliciting funds, securities, or property for  
8 participation in a commodity pool while being associated with Fusco and Weddle  
9 without being registered as an AP of a CPO is alleged as a separate and distinct  
10 violation of Section 4k(2) of the Act and Regulation 3.12.

11 85. Each act by Fusco and Weddle of allowing Allensworth to be associated  
12 with them in such a capacity when they knew or should have known that Allensworth  
13 was not registered as an AP is alleged as a separate and distinct violation of Section  
14 4k(2) of the Act.

## 15 **VII. RELIEF REQUESTED**

16 The Commission respectfully requests that this Court, as authorized by Section  
17 6c of the Act, 7 U.S.C. § 13a-1 (2012), and pursuant to its own equitable powers:

18 A. Enter an order finding that:

- 19 1) Fusco and Weddle violated Sections 4b(a)(1)(A)-(C), 4k(2), 4m(1),  
20 4o(1)(A) and (B), 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2), 6m(1), 6o(1)(A),  
21 (B) (2012) and Regulation 4.20(b) and (c), 17 C.F.R. § 4.20(b), (c)  
22 (2017);
- 23 2) Allensworth violated Sections 4b(a)(1)(A)-(C), 4k(2), 4o(1)(A) and  
24 (B), 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2), 6o(1)(A), (B) (2012); and  
25 Regulation 3.12, 17 C.F.R. § 3.12 (2017);
- 26 3) E-Slate violated Section 4b(a)(1)(A)-(C), 7 U.S.C. § 6b(a)(1)(A)-(C)  
27 (2012);

28 B. Enter orders of permanent injunction restraining, enjoining, and

1 prohibiting Fusco and Weddle, and any other person or entity in active concert with  
2 either, from engaging in conduct in violation of Sections 4b(a)(1)(A)-(C), 4k(2),  
3 4m(1), 4o(1)(A) and (B), 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2), 6m(1), 6o(1)(A), (B)  
4 (2012), and Regulation 4.20(b) and (c), 17 C.F.R. § 4.20(b), (c) (2017);

5 C. Enter orders of permanent injunction restraining, enjoining, and  
6 prohibiting Allensworth and E-Slate, and any other person or entity in active concert  
7 with either, from engaging in conduct in violation of 4b(a)(1)(A)-(C), 4k(2), 4o(1)(A)  
8 and (B), 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6k(2), 6o(1)(A), (B) (2012), and Regulation  
9 3.12, 17 C.F.R. § 3.12 (2017);

10 D. Enter an order of permanent injunction prohibiting Fusco, Weddle,  
11 Allensworth, and E-Slate and any other person or entity in active concert with any of  
12 them, directly or indirectly:

- 13 1) Trading on or subject to the rules of any registered entity (as that term  
14 is defined by Section 1a(40) of the Act, 7 U.S.C. § 1a(40) (2012));
- 15 2) Entering into any transactions involving “commodity interests” (as that  
16 term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy) (2017)), for  
17 accounts held in the name of Fusco, Weddle, Allensworth, or E-Slate  
18 or for accounts in which Fusco, Weddle, Allensworth, or E-Slate have  
19 a direct or indirect interest;
- 20 3) Having any commodity interests traded on Fusco’s, Weddle’s,  
21 Allensworth’s, or E-Slate’s behalf;
- 22 4) Controlling or directing the trading for or on behalf of any other  
23 person or entity, whether by power of attorney or otherwise, in any  
24 account involving commodity interests;
- 25 5) Soliciting, receiving, or accepting any funds from any person for the  
26 purpose of purchasing or selling any commodity interests;
- 27 6) Applying for registration or claiming exemption from registration with  
28 the CFTC in any capacity and engaging in any activity requiring such



1 registration or exemption from registration with the CFTC except as  
2 provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2017);  
3 and

4 7) Acting as a principal (as that term is defined in Regulation 3.1(a), 17  
5 C.F.R. § 3.1(a) (2017)), agent, or any other officer or employee of any  
6 person registered, exempted from registration, or required to be  
7 registered with the CFTC except as provided for in Regulation  
8 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2017);

9 E. Enter an order requiring Fusco, Weddle, Allensworth, and E-Slate, as well  
10 as any of their successors, to disgorge to any officer appointed by the Court all benefits  
11 received from acts or practices that constitute violations of the Act and Regulations as  
12 described herein, including, but not limited to, salaries, commissions, loans, fees,  
13 revenues, and trading profits derived, directly or indirectly, plus pre-judgment interest  
14 thereon from the date of such violations, plus post-judgment interest;

15 F. Enter an order requiring Fusco, Weddle, Allensworth, and E-Slate, as well  
16 as their successors, to make full restitution, pursuant to such procedure as the Court  
17 may order, to every person or entity who sustained losses proximately caused by  
18 Fusco's, Weddle's, Allensworth's, or E-Slate's violations (in the amount of such  
19 losses), as described herein, plus pre-judgment interest thereon from the date of such  
20 violations, plus post-judgment interest;

21 G. Enter an order directing Fusco, Weddle, Allensworth, and E-Slate and any  
22 of their successors, to rescind, pursuant to such procedures as the Court may order, all  
23 contracts and agreements, whether implied or express, entered into between Fusco,  
24 Weddle, Allensworth, or E-Slate and any of the customers whose funds were received  
25 by them as a result of the acts and practices which constituted violations of the Act and  
26 Regulations, as described herein;

27 H. Enter an order requiring Fusco, Weddle, Allensworth, and E-Slate to pay  
28 a civil monetary penalty under the Act, to be assessed by the Court, in amounts of not

1 more than the greater of: (1) \$170,472 for each violation of the Act and Regulations; or  
2 (2) triple Fusco's, Weddle's, Allensworth's, or E-Slate's monetary gain for each  
3 violation of the Act and Regulations;

4 I. Enter an order requiring Fusco, Weddle, Allensworth, or E-Slate to pay  
5 costs and fees as permitted by 28 U.S.C. §§ 1920 and 2413(a)(2) (2012); and

6 J. Enter an order providing such other and further relief as this Court may  
7 deem necessary and appropriate under the circumstances.

8 Dated: September 26, 2017

Respectfully submitted,

9 **COMMODITY FUTURES TRADING**  
10 **COMMISSION**

11  
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