

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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In the Matter of : CFTC DOCKET NO. SD 06-05
: :
BAYOU MANAGEMENT LLC : NOTICE OF INTENT TO SUSPEND,
c/o Jeff J. Marwil, Esq., Managing : REVOKE, OR RESTRICT
Member/Receiver : REGISTRATION PURSUANT TO
Jenner & Block LLP : SECTION 8a(2)(C) OF THE
One IBM Plaza : COMMODITY EXCHANGE ACT, AS
330 Wabash Avenue, 44th Floor : AMENDED, AND PART 3 OF THE
Chicago, IL 60611, : COMMISSION'S REGULATIONS
: :
Registrant. : :
: :

I.

The Commodity Futures Trading Commission ("Commission") has received information from its staff which tends to show, and the Commission's Division of Enforcement ("Division") alleges and is prepared to prove that:

1. **Bayou Management LLC** ("Bayou") is a business entity organized in the state of New York with a principal business address of 40 Signal Road, Stamford, CT 06902. Bayou has been registered with the Commission as a Commodity Pool Operator, pursuant to Section 4f of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 6f (2002), since April 9, 1996.

2. On September 29, 2005, in the United States District Court for the Southern District of New York, the Commission filed a Complaint against Bayou in Commodity Futures

Trading Commission v. Bayou Management, LLC, Samuel Israel III, Daniel E. Marino, and Richmond Fairfield Associates, Certified Public Accountants PLLC, Case No. 05CV8374 (CM) (S.D. N.Y. 2005).

3. On April 3, 2006, the Court entered a Partial Consent Order of Permanent Injunction and Other Equitable Relief (“Consent Order”) against Bayou. The Consent Order, among other things, enjoined Bayou from violating Sections 4o(1) and 9(a)(3) of the Act, 7 U.S.C. §§ 6o(1) and 13(a)(3) (2002), and Commission Regulations 1.16 and 4.20, 17 C.F.R. §§ 1.16 and 4.20 (2005), from engaging in fraud and from acting in any capacity for which registration with the Commission is required, including as a commodity pool operator. A copy of the Consent Order is attached hereto as Exhibit 1.

4. The facts set forth in paragraphs 2 and 3 above constitute a basis for statutory disqualification from registration under Section 8a(2)(C) of the Act, 7 U.S.C. § 12a(2)(C) (2002), pursuant to which any current registration of Bayou may be suspended, revoked, or restricted upon notice and with such a hearing as may be appropriate.

II.

Pursuant to Section 3.60 of the Commission’s Regulations, 17 C.F.R. § 3.60 (2005), Registrant Bayou is hereby notified that a public proceeding shall be conducted in accordance with the provisions of Section 3.60 of the Regulations on the question of whether Bayou is subject to statutory disqualification from registration under Section 8a(2)(C) of the Act, 7 U.S.C. § 12a(2)(C) (2002), as set forth in Section I above and, if so, whether the registration of Bayou should be suspended, revoked, or restricted. Such proceeding shall be held before an Administrative Law Judge in accordance with Section 3.60, and all post-hearing procedures shall be conducted pursuant to Section 3.60(i)-(j).

In accordance with the provisions of Section 3.60(a)-(b), 17 C.F.R. § 3.60(a)-(b) (2005), Registrant Bayou is entitled to file a response challenging the evidentiary basis of the statutory disqualification or to show cause why, notwithstanding the accuracy of the allegations, its registration should not be suspended, revoked, or restricted. Such response must be filed with the Hearing Clerk, Office of Hearings and Appeals, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and served upon Christine M. Ryall, Lead Trial Attorney, Division of Enforcement, Commodity Futures Trading Commission, 1155 21st Street NW, Washington, DC 20581, or on such other counsel as may be designated by the Division of Enforcement, within thirty (30) days of the date of service of this Notice upon the Registrant in accordance with the provisions of Section 3.60(b) of the Regulations. If the Registrant fails to file a timely response to this Notice, the allegations set forth herein shall be deemed to be true and the presiding officer may issue an Order of Default in accordance with the provisions of Section 3.60(a)(4) of the Regulations.


III.

The Hearing Clerk shall serve this Notice by registered or certified mail pursuant to Section 3.50 of the Commission's Regulations, 17 C.F.R. § 3.50 (2005).

By the Commission.

September 27, 2006

Date



Eileen Donovan
Acting Secretary to Commission
Commodity Futures Trading Commission