

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

_____)	
U.S. COMMODITY FUTURES TRADING)	
COMMISSION,)	
)	CASE NO: 1:14-cv-755
Plaintiff,)	
)	
v.)	COMPLAINT FOR INJUNCTIVE AND
)	OTHER EQUITABLE RELIEF AND
JOHN R. BULLAR AND EXECUTIVE)	FOR CIVIL MONETARY PENALTIES
MANAGEMENT ADVISORS L.L.C.,)	PURSUANT TO THE COMMODITY
)	EXCHANGE ACT
Defendants.)	
)	<u>JURY TRIAL DEMANDED</u>
)	
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)	
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_____)	

Plaintiff U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”), by its attorneys, alleges as follows:

I.

**SUMMARY OF DEFENDANTS’ VIOLATIONS
OF THE COMMODITY EXCHANGE ACT**

1. John R. Bullar (“Bullar”) and his company, Executive Management Advisors L.L.C. (“EMA”) (together “Defendants”), fraudulently solicited and obtained at least \$8,348,604 from approximately 40 investors for the purported purpose of pooling their funds in a managed account to trade commodity futures and options contracts on designated contract markets in violation of the Commodity Exchange Act, 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. IV 2011) (the “CEA” or the “Act”).

2. Bullar directed the investors (“EMA Pool Participants”) to deposit their funds into EMA bank accounts controlled by Bullar and/or to another bank account in the name of Executive Management of Greater Cincinnati, LTD (“EMG”), also controlled by Bullar. Only a fraction of EMA Pool Participant funds were transferred to futures and commodity options trading accounts in the name of EMA, for which Defendants had trading authority.

3. Defendants misappropriated, embezzled, stole, purloined, and converted EMA Pool Participants’ funds totaling approximately \$6 million by unlawfully transferring and using Pool Participant funds in the EMA and EMG bank accounts. For example, Bullar transferred Pool Participant funds to bank accounts in the name of another company he owned called Priapus Group LLC (“Priapus”) and then used those funds for his own benefit, including paying Bullar’s personal debts and expenses. Defendants also paid certain EMA Pool Participants’ fictitious profits and/or funded withdrawals of their investment with the funds of other EMA Pool Participants. As such, Defendants operated a Ponzi scheme.

4. In furtherance of this Ponzi scheme, Defendants misrepresented and omitted material facts to EMA Pool Participants including: (a) failing to disclose that all EMA Pool Participant funds would not be invested and traded; (b) failing to disclose that Defendants were misappropriating and embezzling EMA Pool Participant funds; (c) providing false account statements to EMA Pool Participants, which showed fictitious profits and account balances and concealing Defendants’ misappropriation of funds and trading losses; and (d) failing to disclose that EMA Pool Participant funds were being used to pay certain Pool Participants’ fictitious trading profits and/or balances reported on their false account statements.

5. As part of their scheme, Defendants advised and managed the trading of commodity futures and options contracts for EMA Pool Participants for compensation and profit,

acting as a Commodity Trading Advisor (“CTA”) without being registered with the Commission as a CTA, as required by the Act and Commission Regulations (“Regulations”).

6. Also in furtherance of their scheme, Defendants engaged in a business that is of the nature of a commodity pool and in connection therewith solicited, accepted and/or received funds from EMA Pool Participants for the purpose of trading in commodity interests, including futures contracts and commodity options, and thereby acted as a commodity pool operator (“CPO”) without being registered with the Commission as a CPO, as required by the Act and Regulations.

7. By virtue of his misrepresentations and omissions, issuance of false reports, and the misappropriation, embezzlement, stealing, purloining, and converting of EMA Pool Participant funds, and the conduct further described herein, from at least January 1, 2008 through September 2013 (“Bullar Relevant Period”), Bullar has engaged, is engaging and/or is about to engage in acts and practices in violation of Sections 4b(a)(2)(i)-(iii), 4b(a)(1)(A)-(C), 4c(b), 4o(1), and 9(a)(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006) (with respect to conduct prior to June 18, 2008), 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), 6c(b), 6o(1) (2006), 13(a)(1) (2006) (with respect to conduct before June 18, 2008), and 13(a)(1) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013).

8. By virtue of its misrepresentations and omissions, issuance of false reports, and the misappropriation, embezzlement, stealing, purloining, and converting of EMA Pool Participant funds, and the conduct further described herein, from March 11, 2009, through September 2013 (“EMA Relevant Period”) EMA has engaged, is engaging and/or is about to engage in acts and practices in violation of Sections 4b(a)(1)(A)-(C), 4c(b), 4o(1), and 9(a)(1) of

the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), 6c(b), 6o(1) (2006), 13(a)(1) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013).

9. Each Defendant's failure to register as a CTA and CPO violated Section 4m(1) of the Act, 7 U.S.C §6m(1) (2006).

10. Bullar committed the acts described herein within the scope of his employment or office while acting as the sole principal, President and CEO of EMA. Therefore, during the EMA Relevant Period, EMA is liable for Bullar's violations pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006); and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2013).

11. Bullar is also liable under Section 13(b) of the Act, 7 U.S.C. §13c(b) (2006), as a controlling person of EMA, for EMA's violations of the Act and Regulations during the EMA Relevant Period, because he controlled EMA and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting EMA's violations.

12. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1(2006) (current version at 7 U.S.C. §13a-1 (Supp. IV 2011)), the Commission brings this action to enjoin such acts and practices and compel compliance with the Act. In addition, the Commission seeks civil monetary penalties and other equitable and remedial ancillary relief including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, post-judgment interest and such other relief as the Court deems necessary or appropriate under the circumstances.

13. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendants will continue to engage in the acts and practices alleged in this Complaint, as more fully described below.

II.

JURISDICTION AND VENUE

14. This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1 (2006) (current version at 7 U.S.C. §13a-1 (Supp. IV 2011)), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of the Act or any rule, regulation, or order thereunder.

15. 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 located and reside in this District and transact business in this District, and acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this District.

III.

THE PARTIES AND OTHER RELATED ENTITIES

A. PLAINTIFF U.S. COMMODITY FUTURES TRADING COMMISSION

16. The Commission is an independent federal regulatory agency charged by Congress with the responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§ 1 *et seq.* (2006, Supp. II 2009 & Supp. IV 2011), and the Regulations promulgated there under, 17 C.F.R. §§ 1 *et seq.* (2013).

B. DEFENDANTS

17. **Defendant John R. Bullar** is an individual residing in Cincinnati, Ohio. Bullar is the sole principal, President and CEO of EMA, and an authorized signatory for bank accounts held in the name of EMA. Bullar is also sole principal of EMG, and an authorized signatory for a bank account held in the name of EMG. Additionally, Bullar is the sole principal and only known owner of Priapus and an authorized signatory for bank accounts held in the name of

Priapus. Bullar has never been registered with the Commission in any capacity, but falsely held himself out to the EMA Pool Participants as being “C.T.A. Exempt” during the Bullar Relevant Period. On December 29, 1997, Bullar took and failed the Series 3 National Commodities Futures Exam proctored by the Financial Industry Regulatory Authority.

18. **Defendant Executive Management Advisors L.L.C.** is a limited liability company organized in Ohio on or about March 11, 2009, with a registered office in Cincinnati, Ohio. EMA has never been registered with the Commission.

C. OTHER RELATED ENTITIES

19. **Executive Management of Greater Cincinnati, LTD** is a limited liability company organized in Ohio with a registered office in Cincinnati, Ohio. EMG has never been registered with the Commission.

20. **Priapus Group LLC** is a limited liability company organized in Ohio with a principal office in Cincinnati, Ohio. Priapus has never been registered with the Commission.

IV.

STATUTORY BACKGROUND

21. A “commodity pool” is defined in Commission Regulation 4.10(d)(1), 17 C.F.R. § 4.10(d)(1) (2013), as any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading commodity interests.

22. Prior to July 16, 2011, a CPO was defined in Section 1a(5) of the Act, 7 U.S.C. § 1a(5) (2006), as any person engaged in a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of

trading in any commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility. Upon the effective date of Title VII of the Dodd-Frank Act on July 16, 2011, the definition of a CPO was expanded to include, *inter alia*, commodity options, and re-designated in Section 1a(11) of the Act, 7 U.S.C. §1a(11) (2006 & Supp. IV 2011).

23. Prior to July 16, 2011, a CTA was defined, in relevant part, in Section 1a(6), 7 U.S.C. § 1a(6) (2006) as any person who for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery, or trading in a commodity option. Upon the effective date of Title VII of the Dodd-Frank Act on July 16, 2011, the definition of CTA was expanded and re-designated in Section 1a(12), 7 U.S.C. §1a(12) (2006 & Supp. IV 2011).

V.

FACTS ESTABLISHING DEFENDANTS' VIOLATIONS OF THE COMMODITY EXCHANGE ACT

24. Bullar solicited potential EMA Pool Participants located mainly in Cincinnati, Ohio and represented to them that their funds would be pooled for the purpose of trading commodity futures and commodity options contracts. The Pool Participants included members of a church group, friends and acquaintances.

25. Bullar solicited potential EMA Pool Participants in person, by phone, email or through the mail, represented that he would make the trading decisions for the pool, and held himself out as being a successful and exempt CTA.

26. Bullar also represented himself as a highly specialized managed futures trader who had broad experience with trading floors at the Chicago Board of Trade and the Chicago Mercantile Exchange.

27. As a result of Bullar's solicitations and representations, approximately 40 EMA Pool Participants invested at least \$8,348,604 with the EMA Pool, some of whom also entered into an EMA Managed Account Agreement ("EMA Investment Agreement"). The EMA Investment Agreement stated that the Pool Participants "appointed EMA or its authorized agent as [the Pool Participant's] attorney-in-fact with respect to the account to buy, sell or otherwise trade in commodities, commodity futures contracts [and] ... commodity options" The EMA Investment Agreement also provided that EMA would open accounts for the Pool Participants "through EMA" at a registered futures commission merchant ("FCM") and that EMA would only be entitled to a monthly incentive fee based on a percentage of the Pool Participants' trading profits. The incentive fee fluctuated depending on the agreement Bullar reached with each Pool Participant. The EMA Investment Agreement did not provide for any other fees to be paid to EMA or for the benefit of Bullar.

28. Defendants directed EMA Pool Participants to send their funds by check or wire into three EMA bank accounts and one EMG bank account (collectively called the "EMA-EMG Bank Accounts") held at three financial institutions. Bullar was a signatory for all EMA-EMG Bank Accounts.

29. Most of the funds received from the EMA Pool Participants and deposited in the EMA-EMG Bank Accounts for the purpose of trading commodity futures or commodity options contracts were not traded at all. Instead, most of the EMA Pool Participant funds were misappropriated or embezzled by Defendants, as discussed below.

Funds Traded

30. Defendants traded a fraction of the funds they solicited and obtained from Pool Participants at accounts opened and maintained at FCMs MF Global and R.J. O'Brien ("RJO") (together, "EMA Trading Accounts") and misappropriated and embezzled the remainder of the funds.

31. From April 2009 through November 2011, Defendants opened and traded five EMA Trading Accounts at MF Global and from November 2011 through July 2013, Defendants opened and traded six EMA Trading accounts at RJO.

32. Defendants traded the EMA Trading Accounts in commodity futures, including indexes, soft commodities, metals, energy, notes, and on exchange currency; and in commodity options contracts, Defendants traded soft commodities, metals, bonds, and on exchange currency.

33. Defendants represented to EMA Pool Participants that their trades cleared through MF Global, RJO and Rosenthal Collins ("Rosenthal") through June 2013, yet there was no trading conducted at all at Rosenthal for at least five years prior to the collapse of this scheme in September 2013.

34. In total, Defendants deposited and traded \$786,941.21 through the EMA Trading Accounts and lost \$230,155.53 through trading activity and fees. The remaining funds in the EMA Trading Accounts were either returned to the EMA-EMG bank accounts or used for purposes other than the benefit of the EMA Pool Participants.

Material Misrepresentations and Omissions Regarding the Use of Funds

35. Defendants failed to disclose to the EMA Pool Participants that all of their funds would not be invested and traded. Instead, Defendants invested only a small portion of their funds and used the remaining amount for their own purposes.

36. Defendants failed to disclose to the EMA Pool Participants that they were misappropriating their funds.

37. Defendants provided false account statements to the EMA Pool Participants that showed fictitious profits, account balances and other false information relating to their investments. Indeed, Defendants made these misrepresentations on the account statements to conceal the misappropriation of funds and trading losses from the Pool Participants.

38. Defendants failed to disclose to the EMA Pool Participants that their funds were being used to pay certain Pool Participants their fictitious trading profits and/or withdrawals of their principal.

39. Bullar misrepresented to EMA Pool Participants that the funds they were receiving were a pro-rata share of the pool's trading profits. This representation was false since any funds the Pool Participants received were mostly, if not fully, paid by the funds contributed by the Pool Participant funds and not from trading profits. For example, from July 2009 through August 2010, EMA Trading Accounts suffered only trading losses, but Bullar made payments to EMA Pool Participants from Pool Participant Funds.

40. In short, Defendants intentionally or recklessly misrepresented or omitted disclosing to EMA Pool Participants the manner in which their funds were or would be used or traded.

41. Statements and omissions made by Defendants set forth above were material misstatements and misrepresentations as well as fraudulent omissions.

Misappropriation and Embezzlement of the EMA Pool Participants' Funds

42. Defendants solicited and received at least \$8,348,604 from Pool Participants, of which Defendants misappropriated and embezzled approximately \$6 million. Only \$786,941.21

was transferred to EMA Trading Accounts for trading commodity futures and commodity options.

43. Defendants used most of the EMA Pool Participants' funds in the EMA-EMG Bank Accounts to pay for Bullar's personal expenses, to make cash withdrawals, to issue checks to Bullar, and to transfer money to Bullar's personal accounts, or to two Priapus Accounts -- accounts that Bullar controlled and used to purchase property and vehicles, to pay for landscaping and other home improvements.

44. In a manner typical of a Ponzi scheme, Defendants also used certain EMA Pool Participant funds to pay for other EMA Pool Participants' withdrawals of principal or fictitious profits.

False Reports of EMA's Trading Performance and the Value of EMA's Investors' Accounts

45. Throughout the Bullar Relevant Period, Bullar sent or caused to be sent to EMA Pool Participants an "Executive Management Advisors L.L.C. Account Statement" ("EMA Account Statement") that purported to show the beginning balance, total gross profit/loss, total deposits/withdrawals, total margin requirements, total open trade positions, and total account ending balance for each Pool Participant.

46. The EMA Account Statements always showed that "total gross profits" increased on a quarterly basis. For example, an EMA Account Statement sent to one EMA Pool Participant showed the following gross profits every quarter for 2012: Q1 2012: \$3,635.00; Q2 2012: \$4,088.00; Q3 2012: 4,387.00 and Q4 2012: \$5,130.00. These gross profits, as well as the "beginning balance" that incorporated these gross profits in the following quarter, were fictitious.

47. Similarly, the EMA Account Statements showed fictitious values for the "Total Account Ending Balance." For example, the account statement for the same EMA Pool

Participant described above in paragraph 46, listed increases in his “Total Account Ending Balance” from \$315,643.55 in the 2011 fourth quarter to \$454,690.37 in the 2012 fourth quarter. This ending balance was false since it was more than the total amount of EMA Pooled funds in all trading accounts for this very same fourth quarter of 2012, which totaled only \$160,674.19.

48. Also, since at least 2012, Bullar sent or caused to be sent to EMA Pool Participants an EMA “Deposit Form” (“EMA Deposit Form”) that purported to show the date when EMA Pool Participant funds were “received by E.M.A.” and the date when the funds were “entered into active trading.” For example, on September 20, 2013, one EMA Pool Participant sent a wire transfer in the amount of \$80,000 to EMA. The EMA Deposit Form received by this Pool Participant showed that this EMA’s Pool Participant’s funds were “entered into active trading” on September 20, 2013. A review of EMA Trading Accounts shows this to be false. The funds were never deposited into the EMA Trading Accounts.

49. EMA Pool Participants relied on the false information in the EMA Account Statements and as a result made decisions to deposit funds with the Defendants, decided not to withdraw their investments, and/or made additional investments with Defendants. Further, Bullar sent, or caused to be sent, the EMA Account Statements and EMA Deposit forms to Pool Participants knowing they contained false information.

Collapse of EMA

50. On March 7, 2013, an EMA Pool Participant made an \$800,000 withdrawal. To partially fund this request, Defendants withdrew \$150,000 from one of the EMA Trading Accounts at RJO. This withdrawal left this EMA Trading Account with a negative total balance of (\$103,366.24).

51. On July 1, 2013, Bullar emailed the EMA Trading Account manager at RJO stating that he was “in need of \$35k from my accounts and I need that wired asap.”

52. On July 3, 2013, RJO wired \$30,081.50 to one of the EMA-EMG Bank Accounts, leaving four trading accounts with a zero balance, one account with a negative (\$5.00) balance, and one remaining trading account with only \$75.

53. On September 17, 2013, Defendants accepted a \$427,293.57 deposit from an EMA Pool Participant (“Participant 1”) for the purpose of trading futures and commodity option contracts. Three days later, on September 20, 2013, Defendants accepted an \$80,000 deposit from another EMA Pool Participant (“Participant 2”). In both instances, Defendants failed to disclose to Participant 1 and Participant 2 that the EMA Trading Accounts were no longer trading. Further, Defendants failed to transfer their deposits to the EMA Trading Accounts.

54. Defendants had also agreed to wire \$1.5 million to an EMA Pool Participant (“Participant 3”) from his EMA Trading Account to close on a real estate transaction by on or about September 25, 2013. Bullar failed to send these funds to Participant 3.

55. On or about September 27, 2013, Bullar admitted to Participant 3 that he had been running a fraudulent investment scheme. Bullar admitted to Participant 3 that the trading system had not performed the way he had hoped, and that he had gotten used to spending the money of EMA’s Pooled Participants. Bullar also admitted that the EMA Account Statements were false and that he had simply made up the numbers in the 1099 statements he sent to EMA Pool Participants.

56. On September 28, 2013, Bullar admitted to Participant 2 that his EMA investment business had started to go bad in 2009 and that he knew he would be going to prison for what he did to [EMA] Investors. Bullar further admitted to Participant 2 that the information that he was

putting on his clients' EMA statements was "numbers that he thought he [Bullar] should have been able to return with his `system'" and that he had done the wrong thing because of his fear of failure and letting everyone around him down.

Defendants Failed to Register as a CPO and a CTA

57. During the EMA Relevant Period, without registering as a CPO, EMA acted as a CPO by engaging in a business that was of the nature of a commodity pool, an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicited, accepted, or received from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodities for future delivery and commodity options, making it a commodity pool operator under Section 1a(11) of the Act, 7 U.S.C. §1a(11) (2006 & Supp. IV 2011). Moreover, the mails or any means of interstate commerce were used in connection with EMA's business as a CPO.

58. During the EMA Relevant Period, without registering as a CTA, EMA also engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery and advisability of trading in any commodity options for compensation or profit, making it a commodity trading advisor under Section 1a (12) of the Act, 7 U.S.C. §1a(12) (2006 & Supp. IV 2011). Further, the mails or any means of interstate commerce were used in connection with Bullar's business as a CTA.

59. EMA was not exempt from registration as a CPO under Regulation 4.13, or as a CTA under Regulation 4.14.

60. EMA was required to be registered as a CPO and a CTA and its failure to do so was a violation of Section 4m(1) of the Act.

61. During the Bullar Relevant Period, without registering as a CPO, Bullar acted as a CPO by engaging in a business that was of the nature of a commodity pool, an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicited, accepted, or received from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodities for future delivery and commodity options, making him a commodity pool operator under Section 1a(11) of the Act, 7 U.S.C. §1a(11) (2006 & Supp. IV 2011). Moreover, the mails or any means of interstate commerce were used in connection with EMA's business as a CPO.

62. During the Bullar Relevant Period, without registering as a CTA, Bullar also engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery and advisability of trading in any commodity options for compensation or profit, making him a commodity trading advisor under Section 1a (12) of the Act, 7 U.S.C. §1a(12) (2006 & Supp. IV 2011). Further, the mails or any means of interstate commerce were used in connection with Bullar's business as a CTA.

63. Bullar was not exempt from registering as a CPO under Regulation 4.13, or a CTA under Regulation 4.14.

64. Bullar was required to be registered as a CPO and a CTA and his failure to do so was a violation of Section 4m(1) of the Act.

Bullar Controlled EMA and is Liable for EMA's Violations

65. Bullar controlled EMA.
66. The articles of organization of EMA identify Bullar as its incorporator and agent.
67. Bullar was the sole principal of EMA and he held himself out as the President and CEO of EMA.
68. During the EMA Relevant Period, EMA's business address and Bullar's residence in Ohio were the same.
69. Bullar solicited and accepted investments from EMA Pool Participants.
70. At least some of the EMA Investor Agreements were executed by Bullar on behalf of EMA.
71. Bullar was an authorized signature on the EMA-EMG Bank Accounts.
72. Bullar made the trading decisions for the EMA Trading Accounts.
73. Throughout the Bullar Relevant Period, on a nearly quarterly basis, using an EMA email account or by mail, Bullar sent or caused to be sent EMA Account Statements to EMA Pool Participants.
74. Since at least 2012, using an EMA email account or by mail, Bullar sent or caused to be sent EMA Deposit Forms to EMA Pool Participants.
75. As such, Bullar is liable under Section 13(b) of the Act, 7 U.S.C. §13c(b) (2006), as a controlling person of EMA, for EMA's violations of the Act and Regulations, because as described above, he controlled EMA and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting EMA's violations.

EMA is Liable as Principal for Bullar's Conduct

76. During the Bullar Relevant Period, Bullar embezzled and/or misappropriated Pool Participant funds, made material misrepresentations or omissions to Pool Participants, and issued false statements to Pool Participants. Bullar also failed to register as a CPO or CTA. Bullar committed these acts within the scope of his employment or office while acting as the sole principal, President and CEO of EMA. Therefore, during the EMA Relevant Period, EMA is liable as a principal for Bullar's violations of the Act and Regulations.

VI.

VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT I

**EMBEZZLEMENT, STEALING, PURLOINING AND
CONVERTING OF EMA POOL PARTICIPANTS' FUNDS IN VIOLATION
OF SECTION 9(a)(1) OF THE ACT**

77. Paragraphs 1 through 76 are re-alleged and incorporated herein by reference.

78. With respect to conduct occurring prior to June 18, 2008, Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (2006) makes it a felony punishable by a fine of not more than \$1,000,000 (or \$500,000 in the case of a person who is an individual), or imprisonment for not more than 5 years, or both, together with the costs of prosecution, for:

- (1) [a]ny person registered or required to be registered under the Act, or any employee or agent thereof, to embezzle, steal, purloin, or with criminal intent convert to such person's use or to the use of another, any money, securities, or property having a value in excess of \$100, which was received by such person or any employee or agent thereof to margin, guarantee, or secure the trades or contracts of any customer or accruing to such customer as a result of such trades or contracts or which otherwise was received from any customer, client, or pool participant in connection with the business of such person. The word "value" as used in this paragraph means face, par, or market value or cost price, either wholesale or retail, whichever is greater.

79. With respect to conduct occurring after June 18, 2008, Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (Supp. II 2009) was amended to increase the fine to \$1,000,000 and imprisonment to not more than 10 years, or both, together with the costs of prosecution.

80. Through the course of conduct described above, and while required to be registered under the Act as a CPO and CTA, Bullar embezzled, stole, purloined, or with criminal intent converted to his own use, money, securities, or property having value in excess of \$100 which was received from any customer, client, or pool participant in connection with the business of Bullar. Bullar's conduct violated Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (2006 & Supp. II 2009).

81. Through the course of conduct described above, and while required to be registered under the Act as a CPO and CTA, EMA embezzled, stole, purloined, or with criminal intent converted to its own use, money, securities, or property having value in excess of \$100 which was received from any customer, client, or pool participant in connection with the business of EMA. EMA's conduct violated Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (Supp. II 2009).

82. Bullar committed the acts of embezzling and stealing EMA Pool Investor funds described above, within the scope of this employment or office for EMA. Therefore, during the EMA Relevant Period, EMA is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. 2(a)(1)(B) (2006), and Regulation 1.2, 17 C.F.R. § 1.2 (2012), as principal for its agent's violations of Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (Supp. II 2009).

83. Bullar controlled EMA directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, EMA's acts constituting the violations alleged in this Count. Therefore, during the EMA Relevant Period, pursuant to Section 13(b) of the Act, 7

U.S.C. § 13c(b) (2006), Bullar is liable as a controlling person for EMA's violations of Sections 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (Supp. II 2009).

84. During the Bullar Relevant Period, each act of embezzlement and stealing of EMA Pool Participants' funds including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by Bullar of Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (2006 & Supp. II 2009).

85. During the EMA Relevant Period, each act of embezzlement and stealing of EMA Pool Participants' funds including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by EMA of Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (Supp. II 2009).

COUNT II

VIOLATIONS OF SECTION 4b(a)(2)(i)-(iii) OF THE ACT (for acts before June 18, 2008)

AND

SECTION 4b(a)(1)(A)-(C) OF THE ACT (for acts on or after June 18, 2008)

(Fraud in Connection with Commodity Futures)

86. The allegations set forth in paragraphs 1 through 85 are re-alleged and incorporated herein by reference.

87. With respect to conduct occurring prior to June 18, 2008, Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii)(2006), makes it unlawful:

for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, made, or to be made, for or on behalf of any other person if such contract for future delivery is or may be used for (A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof – (i) to cheat or defraud or attempt to cheat or defraud such other person; (ii) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; (iii) willfully to deceive or attempt to deceive

such other person by any means whatsoever in regard to any such order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for such person.

88. With respect to conduct occurring on or after June 18, 2008, Section 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009), makes it unlawful:

for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person;— (A) to cheat or defraud or attempt to cheat or defraud the other person; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; or (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for the other person.

89. By the conduct alleged herein, during the Bullar Relevant Period, Bullar cheated or defrauded or attempted to cheat or defraud other persons and willfully deceived or attempted to deceive other persons in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery by fraudulently soliciting prospective and existing EMA Pool Participants, providing them with false account statements and by misappropriating and embezzling their funds in violation of Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii) (2006) (with respect to conduct before June 18, 2008) and Section 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2008).

90. Bullar directly engaged in the acts and practices described above knowingly or with reckless disregard for the truth of his representations or omissions.

91. By the conduct alleged herein, during the EMA Relevant Period, EMA cheated or defrauded or attempted to cheat or defraud other persons and willfully deceived or attempted to

deceive other persons in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery by fraudulently soliciting prospective and existing EMA Pool Participants, providing them with false account statements and by misappropriating and embezzling their funds in violation of Section 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2008).

92. EMA directly engaged in the acts and practices described above knowingly or with reckless disregard for the truth of its representations or omissions.

93. Bullar committed the acts of fraudulent solicitation, providing false account statements, misappropriation and embezzlement described above, within the scope of his employment or office for EMA. Therefore, during the EMA Relevant Period, EMA is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. 2(a)(1)(B) (2006), and Regulation 1.2, 17 C.F.R. § 1.2 (2013), as principal for its agent's violations of Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2009).

94. Bullar controlled EMA directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, EMA's acts constituting the violations alleged in this Count. Therefore, during the EMA Relevant Period, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c (b) (2006), Bullar is liable as a controlling person for EMA's violations of Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2009).

95. During the Bullar Relevant Period, each act of fraudulent solicitation, providing false account statements, misappropriation, and embezzlement including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by Bullar of Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii)(2006) (with respect to conduct

before June 18, 2008) and 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C)(Supp. II 2009) (with respect to conduct on or after June 18, 2009).

96. During the EMA Relevant Period, each act of fraudulent solicitation, providing false account statements, misappropriation, and embezzlement including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by EMA of Section 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C)(Supp. II 2009) (with respect to conduct on or after June 18, 2009).

COUNT III

VIOLATIONS OF SECTION 4c(b) OF THE ACT AND REGULATION 33.10 (Options Fraud)

97. The allegations set forth in paragraphs 1 through 96 are re-alleged and incorporated herein by reference.

98. Section 4c(b) of the Act 7 U.S. C. § 6c(b) (2006), makes it unlawful to offer to enter into, enter into or confirm the execution of commodity option transactions contrary to any rule or regulation of the Commission prohibiting such transaction or allowing any such transaction under such terms and conditions as the Commission shall prescribe.

99. Regulation 33.10, 17 C.F.R. § 33.10 (2013), makes it unlawful for any person, in or in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of, any commodity option transaction, directly or indirectly to: (a) cheat or defraud or attempt to cheat or defraud; (b) make or cause to be made to any other person any false report or statement thereof or cause to be entered for any person any false record thereof; or (c) to deceive or attempt to deceive any other person by any means whatsoever.

100. During the Bullar Relevant Period, Bullar violated Section 4c(b) of the Act, 7 U.S. C. § 6c(b) (2006), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013) in that he

cheated or defrauded or attempted to cheat or defraud other persons, made or caused to be made to any other person any false report or statement thereof, and willfully deceived or attempted to deceive other persons in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of, any commodity option transaction by fraudulently soliciting prospective and existing EMA Pool Participants, providing them with false account statements and by misappropriating and embezzling their funds.

101. During the EMA Relevant Period, EMA violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2006), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013) in that it cheated or defrauded or attempted to cheat or defraud other persons, made or caused to be made to any other person any false report or statement thereof, and willfully deceived or attempted to deceive other persons in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of, any commodity option transaction by fraudulently soliciting prospective and existing EMA Pool Participants, providing them with false account statements and by misappropriating and embezzling their funds.

102. Bullar committed the acts of fraudulent solicitation, providing false account statements, misappropriation and embezzlement, described above, within the scope of his employment or office for EMA. Therefore, during the EMA Period, EMA is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. 2(a)(1)(B) (2006), and Regulation 1.2, 17 C.F.R. § 1.2 (2013), as principal for its agent's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2006) and Regulation 33.10.

103. Bullar controlled EMA directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, EMA's acts constituting the violations alleged in this Count. Therefore, during the EMA Relevant Period, pursuant to Section 13(b) of the Act, 7

U.S.C. § 13c (b) (2006), Bullar is liable as a controlling person for EMA's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) and Regulation 33.10.

104. Each act of fraudulent solicitation, providing of false statements, misappropriation and embezzlement including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by Bullar (during the Bullar Relevant Period) and by EMA (during the EMA Relevant Period) of Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2006) and Regulation 33.10.

COUNT IV

VIOLATIONS OF SECTION 4o(1) OF THE ACT (Fraud by a Commodity Pool Operator and Commodity Trading Advisor)

105. The allegations set forth in paragraphs 1 through 104 are re-alleged and incorporated herein by reference.

106. Section 4o(1) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006), in relevant part, makes it unlawful for a CPO or ..., a CTA ..., by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly (A) to employ any device, scheme or artifice to defraud any client or participant or prospective client or participant; or (B) to engage 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.

107. During the Bullar Relevant Period, Bullar violated Section 4o(1)(A) and (B), 7 U.S.C. § 6o(1)(A) and (B) (2006) of the Act in that, while acting as a CPO and as a CTA, he directly or indirectly employed a device, scheme, or artifice to defraud investors or engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon EMA Pool Participants by, among other things fraudulently soliciting prospective and existing EMA

Pool Participants, providing them with false EMA Account Statements and EMA Deposit Forms and by misappropriating and embezzling their funds.

108. Bullar engaged in such acts by use of the mails or other means or instrumentalities of interstate commerce.

109. During the EMA Relevant Period, EMA violated Section 4o(1)(A) and (B), 7 U.S.C. § 6o(1)(A) and (B) (2006) of the Act in that, while acting as a CPO and as a CTA, it directly or indirectly employed a device, scheme, or artifice to defraud investors or engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon EMA Pool Participants by, among other things, fraudulently soliciting prospective and existing EMA Pool Participants, providing them with false EMA Account Statements and EMA Deposit Forms and by misappropriating and embezzling their funds.

110. EMA engaged in such acts by use of the mails or other means or instrumentalities of interstate commerce.

111. Bullar committed the acts of fraudulent solicitation, providing false account statements, misappropriation and embezzlement described above, within the scope of his employment, office, or agency with EMA. Therefore, during the EMA Relevant Period, EMA is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2013), as principal for its agent's acts, omissions, or failures in violation of the Act and Commission Regulations.

112. Bullar controlled EMA directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, EMA's acts constituting the violations alleged in this Count. Therefore, during the EMA Relevant Period, pursuant to Section 13(b) of the Act, 7

U.S.C. § 13c(b) (2006), Bullar is liable as a controlling person for EMA's violations of Sections 4o(1) (A) and (B) of the Act.

113. Each act of fraudulent solicitation, providing false account statements, misappropriation, and embezzlement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation by Bullar (during the Bullar Relevant Period) and of EMA (during the EMA Relevant Period) of Section 4o(1) of the Act.

COUNT V

VIOLATIONS OF SECTION 4m(1) OF THE ACT (Failure to Register as a CPO and a CTA)

114. Paragraphs 1 through 113 are re-alleged and incorporated herein by reference.

115. During the Bullar Relevant Period, Bullar engaged in a business that was of the nature of a commodity pool, an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicited, accepted, or received from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading any commodity for future delivery or commodity options, thus making it a CPO as defined by Sections 1a(5) of the Act, 7 U.S.C. § 1a(5) (2006) and 1a(11) of the Act, 7 U.S.C. §1a(11) (2006 & Supp. IV 2011).

116. During the Bullar Relevant Period, Bullar was not exempt from registering as a CPO.

117. During the Bullar Relevant Period, Bullar also engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery and advisability of trading in any commodity options for compensation or profit, thus making

him a CTA as defined by Sections 1a(6), 7 U.S.C. § 1a(6) (2006) and 1a(12) (2006 & Supp. IV 2011).1).

118. During the Bullar Relevant Period, Bullar was not exempt from registering as a CTA.

119. During the Bullar relevant period, Bullar made use of the mails or any means of interstate commerce in connection with his business as a CPO and/or CTA, while failing to register with the Commission as a CPO and/ or CTA, in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006).

120. During the EMA Relevant Period, EMA engaged in a business that was of the nature of a commodity pool, an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicited, accepted, or received from others, funds, securities, or property, either directly or indirectly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading any commodity for future delivery or commodity options, thus making it a CPO as defined by Sections 1a(5) of the Act, 7 U.S.C. § 1a(5) (2006) and 1a(11) of the Act, 7 U.S.C. §1a(11) (2006 & Supp. IV 2011).

121. During the EMA Relevant Period, EMA was not exempt from registering as a CPO.

122. During the EMA Relevant Period, EMA also engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery and advisability of trading in any commodity options for compensation or profit, thus making it a CTA as defined by Sections 1a(6), 7 U.S.C. § 1a(6) (2006) and 1a(12) (2006 & Supp. IV 2011).

123. During the EMA Relevant Period, EMA was not exempt from registering as a CTA.

124. During the EMA Relevant period, EMA made use of the mails or any means of interstate commerce in connection with its business as a CPO and/or CTA, while failing to register with the Commission as a CPO and/ or CTA, in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006).

125. Bullar committed the acts of failure to register as a CPO and a CTA within the scope of his employment, office, or agency with EMA. Therefore, during the EMA Relevant Period, EMA is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2013), as principal for its agent's acts, omissions, or failures in violation of the Act and Commission Regulations.

126. Bullar controlled EMA directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, EMA's acts constituting the violations alleged in this Count. Therefore, during the EMA Relevant Period, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006), Bullar is liable as a controlling person for EMA's violations of Sections 4m(1) of the Act.

VII.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and pursuant to its equitable powers, enter:

a) An order finding that during the Bullar Relevant Period, Bullar violated Sections 4b(a)(2)(i)-(iii), 4b(a)(1)(A)-(C), 4c(b), 4o(1), 4m(1), and 9(a)(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006) (with respect to conduct prior to June 18, 2008), 6b(a)(1)(A)-(C) (Supp. II

2009) (with respect to conduct on or after June 18, 2008), 6c(b) (2006), 6o(1) (2006), 6m(1) (2006), and 13(a)(1) (2006) (with respect to conduct prior to June 18, 2008), 13(a)(1) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013);

b) An order finding that during the EMA Relevant Period, EMA violated Sections 4b(a)(1)(A)-(C), 4c(b), 4o(1), 4m(1), and 9(a)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), 6c(b) (2006), 6o(1) (2006), 6m(1), (2006), and 13(a)(1) (Supp. II 2009) (with respect to conduct on or after June 18, 2008), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013);

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

(i) engaging in conduct in violation of Sections 4b(a)(1)(A)-(C), 4c(b), 4o(1), 4m(1), and 9(a)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (Supp. II 2009), 6c(b) (2006), 6o(1) (2006), 6m(1) (2006), and 13(a)(1) (Supp. II 2009), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013) ;

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

- (i) trading on or subject to the rules of any registered entity (as that term is defined in § 1a of the Act, as amended, 7 U.S.C. § 1a), including, but not limited to, trading for themselves or others;
 - (ii) entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. §1.3(hh) (2013)) (“commodity options”), swaps (as that term is defined in Section 1a(47) of the Act, as amended, and as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. 1.3(xxx)), securities futures products and/or foreign currency (as described in §§ 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act as amended, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”), for their own personal account or for any account in which they have a direct or indirect interest;
 - (iii) having any commodity futures, options on commodity futures, commodity options, swaps, securities futures products and/or forex contracts traded on their behalf;
 - (iv) controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, swaps, securities futures products, and/or forex contracts;
 - (v) soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, securities futures products and/or forex contracts;
 - (vi) applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013); and/or
 - (vii) acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a) registered, exempted from registration, or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013);
- e) An order directing Defendants, and any third-party transferees or successors thereof, to disgorge to any officer appointed or directed by the Court, or directly to investors, all

benefits received, including, but not limited to, salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from acts or practices which constitute violations of the Act as described herein, including post-judgment interest;

f) An order requiring Defendants to make restitution by making whole each and every Pool Participant whose funds were received or utilized by them in violation of the Act as described herein including post-judgment interest;

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

h) An order directing that Defendants, and any successors or agents thereof, provide the Commission immediate and continuing access to their books and records, make an accounting to the Court of all of Defendants' assets and liabilities, together with all funds they received from and paid to EMA Pool Participants, and other persons in connection with commodity futures transactions or purported commodity futures transactions, including the names, addresses and telephone numbers of any such persons from whom they received such funds from January 1, 2008 to the date of such accounting, and all disbursements for any purpose whatsoever of funds received from EMA Investors, including salaries, commissions, fees, loans and other disbursements of money and property of any kind, from January 1, 2008 to and including the date of such accounting;

i) Enter an order directing each Defendant to pay a civil monetary penalty for each violation of the Act described herein, plus post-judgment interest, in the amount of the greater of

(1) triple the monetary gain to Defendants for each violation of the Act; or (2) \$130,000 for each violation from January 1, 2008 through October 22, 2008, and (3) \$140,000 for each violation of the Act on or after October 23, 2008;

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

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

VIII.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial.

Dated: September 23, 2014

Respectfully submitted,

ATTORNEYS FOR PLAINTIFF U.S. COMMODITY
FUTURES TRADING COMMISSION

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