



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).

On September 24, 2014, a Waiver of the Service of Summons (“Waiver”) was sent to Bullar pursuant to Rule 4(d) of the Federal Rules of Civil Procedure (“Fed. R. Civ. P.”) by overnight UPS delivery. The Waiver was executed by Bullar on October 2, 2014 and filed with the Court on October 3, 2014. Bullar’s answer or motion under Rule 12(a)(1), Fed. R. Civ. P. was due on November 24, 2014.

Defendant Bullar has failed to appear or answer the Complaint within the time permitted by Rule 12(a)(1), Fed. R. Civ. P. Accordingly, on December 2, 2014, the Commission filed an application for entry of a clerk’s default against Defendant Bullar and on December 3, 2014, the Clerk of this Court entered a default against Defendant Bullar.

Bullar and EMA are Debtors in a Chapter 7 bankruptcy proceedings pending in the United States Court for the Southern District of Ohio captioned *In re: Executive Management Advisors, et al.*, Case No. 13-14741 and 13-14740, Jointly Administered Under Case No. 13-14741 (Bankr., S.D. Ohio 2013), which was filed on October 11, 2013 (“Bankruptcy Action”). The Bankruptcy Court consolidated and ordered the joint administration of both cases under Case No. 13-14741 on October 18, 2013. On October 22, 2013, the Bankruptcy Court approved the appointment of Richard D. Nelson, Esq., as interim Chapter 7 trustee (“Trustee”), and subsequently as permanent Trustee in the jointly administered bankruptcy cases.

Bullar is also a defendant in a related criminal action entitled *United States of America v. Bullar*, Case No. 1:14-cr-00086-MRB-1, United States District Court for the Southern District of Ohio, filed on August 20, 2014 (“Criminal Action”). In the Criminal Action, Bullar waived

indictment and on September 23, 2014 entered a guilty plea on Information to one count of Wire Fraud, 18 U.S.C. § 1343 and one count of Money Laundering, 18 U.S.C. § 1957.

The Commission has moved this Court to grant final judgment by default against Defendant Bullar, order permanent injunctive relief, and impose a restitution obligation and civil monetary penalty.

The Court has carefully considered the Complaint, the allegations of which are well-pleaded and hereby taken as true, the Commission's memorandum and Declaration of Christopher Giglio in support of its motion, the record in this case, and the Court being otherwise advised in the premises, it is hereby:

**ORDERED** that the Plaintiff's Motion for Final Judgment by Default, Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief against Defendant John R. Bullar (Doc. 12) is **GRANTED**. Accordingly, the Court enters findings of fact, conclusions of law, and an Order of Final Judgment by Default for Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief ("*Order of Final Judgment*") pursuant to Sections 6c of the Act, 7 U.S.C. § 13a-1 (2012), as set forth herein.

**I.**  
**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**A. Findings of Fact**

**The Parties to This Order**

1. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1-26 (2012), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 – 190.10 (2014).

2. 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 the sole principal of Executive Management of Greater Cincinnati, LTD (“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 Group LLC (“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. On December 29, 1997, Bullar took and failed the Series 3 National Commodities Futures Exam administered by the Financial Industry Regulatory Authority.

**Other Related Entities**

3. 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.

4. 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.

**Facts Establishing Bullar’s Violations of the Commodity Exchange Act**

5. From at least January 1, 2008 through September 2013 (“Relevant Period”), Bullar solicited potential investors (“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.

6. 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 falsely held himself out as being a successful and exempt commodity trading advisor (“CTA”).

7. 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.

8. 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.

9. Bullar 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.

10. 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 Bullar.

**Funds Traded**

11. Bullar traded a fraction of the funds he 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.

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

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

14. Bullar 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.

15. In total, Bullar 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**

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

17. Bullar failed to disclose to the EMA Pool Participants that he was misappropriating their funds.

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

19. Bullar 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.

20. 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.

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

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

**Misappropriation and Embezzlement of the EMA Pool Participants' Funds**

23. Bullar solicited and received at least \$8,348,604 from Pool Participants, of which Bullar misappropriated and embezzled \$6,209,185. Only \$786,941.21 was transferred to EMA Trading Accounts for trading commodity futures and commodity options.

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

25. In a manner typical of a Ponzi scheme, Bullar 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 Investor Accounts**

26. Throughout the 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.

27. 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.

28. Similarly, the EMA Account Statements showed fictitious values for the “Total Account Ending Balance.” For example, the account statement for an EMA Pool Participant 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.

29. 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 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.

30. EMA Pool Participants relied on the false information in the EMA Account Statements and as a result made decisions to deposit funds with Bullar, decided not to withdraw their investments, and/or made additional investments with Bullar. 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**

31. On March 7, 2013, an EMA Pool Participant made an \$800,000 withdrawal. To partially fund this request, Bullar 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).

32. 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.”

33. 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.

34. On September 17, 2013, Bullar 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, Bullar accepted an \$80,000 deposit from another EMA Pool Participant (“Participant 2”). In both instances, Bullar failed to disclose to Participant 1 and Participant 2 that the EMA Trading Accounts were no longer trading. Further, Bullar failed to transfer their deposits to the EMA Trading Accounts.

35. Bullar 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.

36. 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. 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.

### **Bullar Failed to Register as CPO and CTA**

37. During the Relevant Period, without registering as a commodity pool operator ("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. Moreover, the mails or any means of interstate commerce were used in connection with EMA's business as a CPO.

38. During the 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. Further, the mails or any means of interstate commerce were used in connection with Bullar's business as a CTA.

### **Criminal Action**

39. Among other admissions in the Criminal Action, Bullar admitted that he "perpetrated a scheme to defraud investors by soliciting millions of dollars under false pretenses, failing to invest investors' funds as promised, and misappropriating and converting investors' funds to [his] own benefit without the knowledge or authorization of the investors, using

interstate wire communications to execute the scheme to defraud.” Bullar also admitted that he used EMA Pool Participant funds to “pay for the mortgage on his home, home renovations, the purchase of property adjoining his residence, a swimming pool, professional landscaping, outdoor entertaining spaces, vacations, country club dues, boats, jet skis, sports tickets, and vehicles, among other things.” Bullar further admitted that built an image as a “successful trading advisor” by showcasing his “expansive five-bedroom, five-bathroom house” with “professional landscaping, which was paid for with investor funds.” Moreover, Bullar admitted that his scheme went back as far as 2003.

## **B. Conclusions of Law**

### **Jurisdiction and Venue**

41. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), which provides that whenever it shall appear to the Commission that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

42. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), because the Defendant Bullar resides or transacts business in this jurisdiction and the acts and practices in violation of the Act and Regulations occurred, are occurring or are about to occur within this District, among other places.

**Embezzlement, Stealing, Purloining and Converting of EMA Pool Participants' Funds in Violation of Section 9(a)(1) of the Act**

43. By the conduct described in paragraphs 1 through 42 above, 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 a value in excess of \$100, which was received from any customer, client, or pool participant in connection with the business of Bullar in violation of Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (2006 & Supp. II 2009).

**Fraud by Omissions, Misrepresentations, False Account Statements and Misappropriation of EMA Pool Participants' Funds**

44. By the conduct described in paragraphs 1 through 43 above, Bullar cheated or defrauded or attempted to cheat or defraud other persons, willfully made or caused to be made to other persons any false report 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 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 Sections 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).

**Commodity Options Fraud**

45. By the conduct described in paragraphs 1 through 44 above, Bullar 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, or willfully deceived or attempted to deceive other persons 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, 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 4c(b) of the Act, 7 U.S. C. § 6c(b) (2006), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2013).

**Fraud by a Commodity Pool Operator and Commodity Trading Advisor**

46. By the conduct described in paragraphs 1 through 45 above, Bullar, by use of the mails or other means or instrumentalities of interstate commerce, while acting as a CPO and a CTA, 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 in violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2006).

**Failure to Register as a CPO and a CTA**

47. By the conduct described in paragraphs 1 through 46 above, Bullar, without being exempt from registering as a CPO, 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 him a CPO as defined by Section 1a(11) of the Act, 7 U.S.C. § 1a(11) (2006 & Supp. IV 2011).

48. By the conduct described in paragraphs 1 through 47 above, Bullar, without being exempt from registering as a CTA, 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 Section 1a(12) (2006 & Supp. IV 2011).

49. During the 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).

50. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Bullar will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

## **II. ORDER FOR RELIEF**

### **IT IS HEREBY ORDERED THAT:**

51. The Commission's Motion for Final Judgment by Default, Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief against Defendant Bullar is GRANTED.

### **IT IS HEREBY ORDERED THAT:**

#### **A. Permanent Injunction**

52. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), Bullar is permanently restrained, enjoined and prohibited from directly or indirectly:

- a. embezzling, stealing, purloining, or with criminal intent converting to his own use or to the use of another, while registered or required to be registered under the Act, money, securities, or property having a value in excess of \$100, which was received from any customer, client, or pool participant in connection with the business of Bullar in violation of Section 9(a)(1) of the Act, 7 U.S.C. § 13(a)(1) (2012).
- b. cheating or defrauding or attempting to cheat or defraud other persons, willfully making or causing to be made to other persons any false report or statement or willfully entering or causing to be entered for another person any false record, or willfully deceiving or attempting 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 in violation of Sections 4b(a)(1)(A)-(C) of the Act 7 U.S.C. §§ 6b(a)(1)(A)-(C)(2012).
- c. cheating or defrauding or attempting to cheat or defraud any other person, making or causing to be made to any other person any false report or statement thereof or cause to be entered for any other person any false record thereof, or deceiving or attempting to deceive any other person by any means whatsoever 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 in violation of Section 4c(b) of the Act, 7 U.S. C. § 6c(b) (2012), and Commission Regulation 33.10, 17 C.F.R. § 33.10 (2014).
- d. by use of the mails or any means or instrumentality of interstate commerce, while acting as a CTA, associated person of a CTA, CPO or associated person of a

CPO, employing a device, scheme, or artifice to defraud any client or participant or prospective client or participant or engaging in any transaction, practice, or a course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant in violation of Sections 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

- e. making use of the mails or any means or instrumentality of interstate commerce in connection with his business as a CTA or CPO, while failing to register with the Commission as a CTA and/ or a CPO, in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012).

53. Bullar is also permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40) (2012));
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy) (2014) for his own personal account or for any account in which he has a direct or indirect interest;
- c. Having any commodity interests traded on his behalf;
- d. 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 interests;
- e. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;

- f. 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) (2014); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2014)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38) (2012)) 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) (2014).

**B. Restitution**

54. Defendant Bullar shall pay restitution in the amount of six million two hundred and nine thousand one hundred and eighty five dollars (\$6,209,185) (“Restitution Obligation”), plus post-judgment interest. Post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012). The redacted names of the EMA Pool Participants and the amount owed to each are attached as Exhibit G to the Declaration of Christopher Giglio (“Giglio Declaration”) filed in support of this Order, which is hereby incorporated by reference as if fully set forth herein (the “List”). An unredacted List has also been provided to Chambers for an in camera review, to the parties in this case, and to the Court Appointed Monitor. The unredacted List is also incorporated by reference as if fully set forth herein.

55. To effect payment of the Restitution Obligation and the distribution of any restitution payments to EMA Pool Participants, the Court appoints the National Futures

Association (“NFA”) as Monitor (“Monitor”). The Monitor shall collect restitution payments from Bullar and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA’s appointment as Monitor, other than actions involving fraud.

56. Bullar shall make Restitution Obligation payments under this Order to the Monitor in the name “Bullar SETTLEMENT/ RESTITUTION Fund” and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier’s, or bank money order, to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606 under cover letter that identifies the paying Bullar and the name and docket number of this proceeding. Bullar shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

57. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to EMA Pool Participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible EMA Pool Participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part C below.

58. Bullar shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify EMA Pool Participants to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Bullar shall execute any documents necessary to release funds that he has in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

59. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to EMA Pool Participants during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

55. Defendant Bullar is currently the defendant in the Criminal Action and the Debtor in the Bankruptcy Action referenced above. For amounts disbursed to the EMA Pool Participants as a result of satisfaction of any restitution ordered in the Criminal Action and/or amounts disbursed to EMA Pool Participants in the Bankruptcy Action, Bullar shall receive a dollar-for-dollar credit against his Restitution Obligation only if those disbursements made in the Criminal Action and/or in the Bankruptcy Action were for amounts owed to the same EMA Pool Participants and for the Relevant Period identified in paragraph 5 of this Order. Restitution payments made by Bullar for amounts owed to EMA Pool Participants prior to the Relevant Period will not receive any credit against the Restitution Obligation. Within ten (10) days of disbursement in the Criminal Action to the EMA Pool Participants, Bullar shall, under a cover letter that identifies the name and docket number of this proceeding, transmit to the Chief

Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, copies of the form of payment to those pool participants.

56. The amounts payable to each pool participant shall not limit the ability of any pool participant to prove that a greater amount is owed from Bullar or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any pool participant that exist under state or common law.

57. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each pool participant of Bullar who suffered a loss is explicitly made an intended third-party beneficiary of this Order and may seek to enforce obedience of this Order to obtain satisfaction of any portion of the restitution that has not been paid by Bullar to ensure continued compliance with any provision of this Order and to hold Bullar in contempt for any violations of any provision of this Order.

58. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Bullar's Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

### **C. Civil Monetary Penalty**

59. Bullar shall pay a civil monetary penalty in the amount of eighteen million, six hundred and twenty seven thousand, five hundred and fifty five dollars \$18,627,555 ("CMP Obligation"), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).

60. Bullar shall pay his CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be

made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables  
DOT/FAA/MMAC/AMZ-341  
CFTC/CPSC/SEC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
(405) 954-7262 office  
(405) 954-1620 fax  
nikki.gibson@faa.gov

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

**D. Provisions Related to Monetary Sanctions**

61. Partial Satisfaction: Acceptance by the Commission or the Monitor of any partial payment of Bullar's Restitution Obligation, or CMP Obligation shall not be deemed a waiver of his obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

**E. Miscellaneous Provisions**

62. Notice: All notices required to be given by any provision in this Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Manal M. Sultan, Deputy Director  
Division of Enforcement  
U.S. Commodity Futures Trading Commission  
140 Broadway, 19<sup>th</sup> Floor  
New York, NY 10005

Notice to NFA:

Daniel Driscoll, Executive Vice President, COO  
National Futures Association  
300 S. Riverside Plaza, Suite 1800  
Chicago, IL 60606-3447

All such notices to the Commission or the NFA shall reference the name and docket number of this action.

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

64. Invalidation: If any provision of this Order or if the application of any provision or circumstance is held invalid, then the remainder of this Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

65. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Order and for all other purposes related to this action, including any motion by Bullar to modify, or for relief from, the terms of this Order.

66. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Order shall be binding upon Bullar, upon any person under the authority or control of Bullar, and upon any person who receives actual notice of this Order, by personal service,

e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Bullar.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Order for Final Judgment by Default, Permanent Injunction, Civil Monetary Penalties, and Other Statutory and Equitable Relief against Defendant John R. Bullar* forthwith and without further notice.

**IT IS SO ORDERED** on this 29th day of September, 2015.

s/ Michael R. Barrett  

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**UNITED STATES DISTRICT JUDGE**