FILED

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. COMMODITY FUTURES TRADING COMMISSION,

Plaintiff,

v.

CTI GROUP, LLC, COOPER TRADING, STEPHEN CRAIG SYMONS, and JAMES DAVID KLINE,

Defendants,

and

SNONYS, INC. and DRAGONFYRE MAGICK INCORPORATED,

Relief Defendants.

Case No. 12 Civ. 3754 (KPF)

ECF Case

CONSENT ORDER FOR PERMANENT INJUNCTION, CIVIL MONETARY PENALTIES AND OTHER EQUITABLE RELIEF AGAINST DEFENDANTS AND RELIEF DEFENDANTS

I. INTRODUCTION

On May 11, 2012, Plaintiff U.S. Commodity Futures Trading Commission ("Commission" or "CFTC") filed a Complaint against Defendants CTI Group, LLC, Cooper Trading, Stephen Craig Symons and James David Kline (collectively, the "Defendants") and Relief Defendants Snonys, Inc. and Dragonfyre Magick Incorporated (collectively, the "Relief Defendants") seeking injunctive and other equitable relief, as well as the imposition of civil monetary penalties, for violations of the Commodity Exchange Act (the "Act), 7 U.S.C. §§ 1 *et seq.* (2012), and the Commission's Regulations ("Regulations") promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* (2013). The Court entered an *ex parte* statutory restraining order against

Defendants and Relief Defendants on May 14, 2012 and a Consent Order of Preliminary Injunction and for Other Equitable Relief against Defendants and Relief Defendants on June 20, 2012.

II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants and Relief Defendants, without a trial on the merits or any further judicial proceedings, Defendants and Relief Defendants:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalties and Other Equitable Relief Against Defendants and Relief Defendants ("Consent Order");

2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;

3. Acknowledge service of the summons and Complaint;

4. Admit the jurisdiction of this Court over them and as to the subject matter of this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1;

5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1, *et seq.*;

6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e);

7. Waive:

(a) any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2011), relating to, or arising from, this action;

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

(c) any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) any and all rights of appeal from this action;

8. Consent to the continued jurisdiction of this Court over them for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action, even if any of the Defendants or Relief Defendants now or in the future reside outside the jurisdiction of this Court;

9. Agree that they will not oppose enforcement of this Consent Order by alleging that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waive any objection based thereon;

10. Agree that neither they nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or the Findings of Fact or Conclusions of Law in this Consent Order,

or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect their: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants and Relief Defendants shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement;

11. By consenting to the entry of this Consent Order, neither admit nor deny the allegations of the Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which they admit. Further, Defendants and Relief Defendants agree and intend that the allegations contained in the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against any of the Defendants or Relief Defendants; (b) any proceeding pursuant to Section 8a of the Act, as amended, 7 U.S.C. § 12a, and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 *et seq*; and/or (c) any proceeding to enforce the terms of this Consent Order;

12. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 208 of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against any of them, whether inside or outside the United States; and

13. Agree that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendants or Relief Defendants in any other proceeding.

III. FINDINGS AND CONCLUSIONS

14. The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

1. Summary

15. Since at least in or around August 2009 and continuing through in or around May 2012, Defendants CTI Group, LLC and Cooper Trading (together acting as a common enterprise referred to herein as "CTI"), and James David Kline ("Kline"), have engaged in the fraudulent promotion of two automated trading systems ("Trading Systems" or "Systems") to be used for the trading of E-mini Standard and Poor's 500 Stock Price Index ("E-mini S&P") futures contracts on or subject to the rules of the Chicago Mercantile Exchange, Inc., a designated contract market, in managed accounts.

16. To carry out their fraud, CTI and Kline have engaged in a systematic pattern of material false statements and omissions in connection with the marketing of CTI's Trading Systems to clients and prospective clients (referred to herein collectively as "Clients"). Each and every material false misrepresentation and omission made by CTI (by and through its employees and agents) and Kline to Clients, were made with the knowledge that, or made with reckless disregard for the fact that, they were false and misleading.

17. CTI sold subscriptions to its Trading Systems for $5,000 to $6,000. During the Relevant Period, CTI has sold subscriptions to its Trading Systems to well over 1000 Clients, has received at least $11 million from the sale of its Trading Systems.

18. To sell subscriptions to its Trading Systems, CTI, by and through its employees and agents including but not limited to Defendant Kline, has made material false and misleading statements, and has omitted material information, when soliciting Clients to purchase subscriptions to its Systems. CTI's misrepresentations and omissions concern how long CTI has been in business; CTI's experience developing and marketing Trading Systems; the identities and professional experience of CTI's personnel (who used fictitious names when communicating with Clients); the track record of CTI's Trading Systems; the past profitability of CTI's Trading Systems; the transaction costs associated with trading via CTI's Trading Systems; and the risks associated with trading futures contracts via CTI's Trading Systems.

19. Moreover, at the very same time that CTI (by and through its employees and agents) and Kline were touting the profitability of one of CTI's Systems, that System had in fact been consistently operating at a net loss for Clients.

20. CTI also purported to offer a money-back guarantee if its Trading Systems were not profitable. CTI (by and through its employees and agents) and Kline knowingly or recklessly made false and misleading statements about CTI's guarantee, including statements to Clients that CTI has never had to pay a refund to a Client and that the company never received a request for a refund from a Client. In fact, numerous Clients have requested refunds from CTI, and although CTI has ignored or denied many of those requests, CTI has paid refunds to some Clients.

21. In addition, CTI has engaged in high-pressure sales tactics, in an effort to induce Clients to subscribe to its Trading Systems without affording Clients an opportunity to conduct

due diligence. Because these high-pressure sales tactics included material false statements to Clients about CTI's Trading Systems, these sales tactics operated as a fraud on CTI's Clients.

2. The Parties To This Consent Order

22. Plaintiff U.S. Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act and the Regulations promulgated thereunder.

23. Defendant CTI Group, LLC is a suspended California limited liability company that filed articles of organization with the California Secretary of State on or around August 6, 2009.

24. Defendant Cooper Trading is a suspended California corporation.

25. As described in more detail below, Defendants CTI Group, LLC and Cooper Trading have engaged in a common enterprise for the purpose of soliciting Clients to subscribe to two Trading Systems. The common enterprise is referred to herein as "CTI." CTI began doing business in or around July 2009.

26. At all relevant times, CTI has conducted business at 5120 West Goldleaf Circle, Suite 240, Los Angeles, CA 90056 and 3990 Westerly Place, Suite 210, Newport Beach, CA 92660.

27. Neither Cooper Trading nor CTI Group, LLC has ever been registered with the Commission in any capacity.

28. Defendant Stephen Craig Symons ("Symons") is a resident of Corona del Mar, California. Symons has used numerous fictitious names since 2000, including the fictitious name he used at CTI, "Burt Monroe." Although Symons was at one time registered with the Commission as a floor broker, that registration was withdrawn in 1982. Symons is not currently registered in any capacity with the Commission.

29. Defendant James David Kline ("Kline") was a resident of Van Nuys, California. Kline held himself out to the public as CTI's General Manager and Chief Compliance Officer (or Compliance Officer). In addition, Kline supervised the sales staff in CTI's Los Angeles office. Kline has used numerous fictitious names since 2000, including the fictitious name he used at CTI when communicating with Clients, "Mark Bishop." Kline has never been registered in any capacity with the Commission.

30. Relief Defendant Snonys, Inc. ("Snonys") is a California corporation, which is owned or operated by Defendant Symons.

31. Relief Defendant Dragonfyre Magick Incorporated ("Dragonfyre") is a California corporation, which is owned or operated by Defendant Kline.

3. Cooper Trading and CTI Group, LLC Operated as a Common Enterprise

32. During the Relevant Period, the entities Cooper Trading and CTI Group, LLC have functioned as a common enterprise for the purpose of soliciting Clients to subscribe to two Trading Systems, known as the Boomer and Victory Trading Systems. That common enterprise is referred to herein as "CTI." Because Cooper Trading and CTI Group, LLC have operated as a common enterprise, each company is jointly and severally liable for the other's violations of the Act and Regulations. CTI initially operated under the name "Cooper Trading, Inc." or "Cooper Trading Incorporated." Shortly after commencing operations, negative information about "Cooper Trading" began to appear on the internet. In response, Defendant Symons directed that salespersons refer to the company simply as "CTI." Around that time, CTI Group, LLC was formed.

33. Since that time, and at all times during the Relevant Period, salespersons referring to their company as "CTI" or "CTI Group" in telephone calls with Clients have solicited Clients to subscribe to the Boomer and Victory Trading Systems. During the Relevant Period, CTI's

subscriber license agreements with Clients have referred to the marketer and licensor of the Boomer or Victory Systems variously as "Cooper Trading, Inc.," "CTI Group LLC," and "CTI." During the Relevant Period, salespersons soliciting Clients to subscribe to the Boomer and Victory Trading Systems have referred to themselves in written communications with Clients and in promotional materials as working variously for "CTI," "CTI Group," and "CTI Group LLC."

34. In addition to interchangeably using the names Cooper Trading, Inc., Cooper Trading Incorporated, CTI, CTI Group, and CTI Group LLC while marketing the Boomer and Victory Systems, the enterprise has since its inception consistently operated out of the same two office locations, used the same promotional materials, used a common mailing address and telephone number, and operated from a single bank account (in the name of "Cooper Trading").

35. Moreover, during the Relevant Period, CTI personnel have consistently used "autofuturestrading.com" as their email address.

36. Checks issued from the Cooper Trading bank account bear the name "Cooper Trading" or "CTI," as well as the address for CTI's Newport Beach office or the CTI mailing address routinely given to Clients in solicitation materials.

37. The Cooper Trading bank account has received multiple wires from Clients paying for their subscriptions to the Boomer or Victory Systems.

38. Funds from Clients paying for Boomer and Victory subscriptions by credit card have also been transferred into the Cooper Trading bank account.

39. The Cooper Trading account has also been used to make payments, directly or indirectly, to Defendants Symons and Kline, to salespersons responsible for soliciting Boomer and Victory Clients, and to the developer who created the Boomer and Victory Trading Systems.

40. Defendant Symons founded and maintained control over CTI's operations. For example, Symons trained salespersons and decided both what Systems will be sold to the public and how much sales personnel and CTI's System developer are paid.

4. The Trading Systems

41. Cooper Trading and CTI Group, LLC, operating as the common enterprise CTI, have marketed and licensed Trading Systems to members of the public.

42. Specifically, during the Relevant Period, CTI has solicited members of the general public to purchase subscriptions to two Trading Systems, the Boomer and Victory Systems.

43. These Trading Systems were marketed to the public as computerized systems that automatically trade the E-mini S&P futures contract on an intraday basis.

44. After a Client purchased a subscription to one of CTI's Trading Systems, CTI referred the Client to an Introducing Broker ("IB"), and the Client opened a managed trading account with that IB.

45. When a Client opened a managed trading account with one of the IBs specified by CTI, the Client completed various account opening documents, including a letter of direction, directing the IB to place trades in the Client's managed trading account as directed by the Trading System to which the Client subscribed.

46. CTI's IBs ran CTI's Trading Systems on a computerized trading platform called Trade Station, and the Systems thereby generated buy and sell signals.

47. The IBs in turn placed orders in each Client's managed trading account consistent with the buy and sell signals generated by the Trading System to which each Client subscribed.

48. CTI's IBs earned a commission on each trade placed in Clients' managed trading accounts.

49. Each of CTI's Trading Systems has been developed by applying various trading strategies to known historical trading data. This process is known as "back-testing," and it does not involve any actual trading.

50. By the use of back-testing during the development of CTI's Trading Systems, CTI's System developer was able, with knowledge of past market patterns and trends, to construct a profitable hypothetical past performance history when developing the Trading System.

5. The Sales Process

51. CTI sold its Trading Systems through a telemarketing scheme, whereby CTI's salespersons obtained telephone numbers of potential Clients from a database of leads and placed unsolicited cold calls to potential Clients.

52. CTI sold subscriptions to its Trading Systems to Clients for a one-time payment of $5,000 to $6,000, and CTI's salespersons were paid a commission of $600 to $900 per subscription sold.

53. The sales process, from the initial cold call to the time the Client subscribed to a Trading System, involved between one and three CTI salespersons and could be completed in as little as a few minutes or could extend for weeks over the course of multiple telephone calls.

54. Typically, Clients were initially contacted by what CTI referred to as an "Opener," who determined whether or not the Client had an interest in subscribing to a Trading System. CTI's Openers were expected to make a minimum of 200 to 300 calls per day.

55. If the Client expressed interest, the Client was typically passed to what CTI referred to as a "Closer," who spoke to the Client in more detail about the Trading System.

56. As part of the solicitation process, a CTI salesperson typically directed the Client to CTI's password-protected website, www.autofuturestrading.com, and provided the Client with usernames and passwords so that the Client could access information on the website.

57. Once on CTI's website, and while still speaking with a salesperson, Clients were directed to look at, among other things, a purported month-by-month, trade-by-trade track record for the Trading System being offered.

58. As part of the solicitation process, Clients were told that when they fund their trading account with the IB, they would be required to deposit $2,500 for each futures contract that the Client intended to trade pursuant to the Trading System.

59. If the Client agreed to purchase a subscription to the Trading System, the Closer completed the sale, obtained the Client's electronic signature on CTI's online subscriber license agreement, and obtained the Client's payment information (usually via credit card).

60. Clients then spoke with Defendant Kline, who, using the fictitious name "Mark Bishop," identified himself as CTI's "Chief Compliance Officer" (or "Compliance Officer") and "General Manager." During this phone call, which CTI referred to as a "compliance call," Defendant Kline, among other things, confirmed the Client's payment information and billing address, confirmed that the Client approved of the charge, charged the Client's credit card, and asked how many futures contracts the Client intended to trade pursuant to CTI's Trading System. CTI recorded these "compliance calls."

61. After the "compliance call," Defendant Kline emailed the Client's contact information and the number of contracts that the Client intended to trade to one of CTI's IBs. The IB subsequently contacted the Client to open the Client's managed trading account.

6. False Statements and Material Omissions about CTI and Its Personnel

62. During the solicitation of Clients, CTI, by and through its employees and agents, has knowingly or recklessly made material false statements to Clients about CTI's operations and personnel.

63. Specifically, in order to make it appear that CTI had an established track record researching, developing, and marketing Trading Systems, CTI (by and through its employees and agents) and Kline knowingly or recklessly made materially false statements to Clients about how long CTI had been in business, including:

a. On or around February 15, 2011, a CTI salesperson using the fictitious name "Corey Graham" sent an email to a Client falsely stating that CTI had "been in business for 10 years."

b. In or around February 2011, Defendant Kline stated to a Client during a "compliance call" that CTI was not a fraud and that CTI had been in business for ten years.

c. Similarly, during a solicitation call in or around April 2010, a CTI salesperson using the fictitious name "Mike Turner" falsely stated to a Client during a telephone conversation that CTI had been in business for seven years and "we've been successful."

d. "Turner" further falsely claimed to the Client that August 6, 2009 – a date which appears on the California Secretary of State's website and is actually the date CTI Group, LLC filed its articles of organization – was the date of CTI's last audit.

e. Defendant Kline told Clients during his "compliance calls" in 2010 and 2011 that CTI had been doing business long before 2009, stating, for example, in or

around December 2010 to one Client that the company had been doing business for almost ten years, and stating in or around October 2010 to another Client that the company had been doing business for almost nine years.

f. Defendant Kline told numerous Clients during "compliance calls" in 2010 and 2011 that he, Kline, had worked for CTI for five years.

64. These statements are false because CTI did not begin to conduct business until in or around July 2009.

65. CTI, by and through its employees and agents, also knowingly or recklessly misstated to Clients that it was a well-established company with a long track record of researching, developing, and marketing Trading Systems by falsely claiming to Clients, both during telephone solicitations and on CTI's website, that CTI had offered numerous Trading Systems prior to Boomer and Victory.

66. For example, CTI, by and through its employees and agents, knowingly or recklessly falsely stated to Clients, both in telephone solicitations and on CTI's website, that three earlier Trading Systems – Jaguar, Tiger, and Lion – had been subscribed to capacity, and in the words of CTI salesperson "Mike Turner" to a Client during a telephone call in or around April 2010, had been "closed out" but were "doing just fine."

67. Similarly, in or around March 2011, a CTI salesperson misstated during a telephone solicitation that the Victory Trading System was, in the words of one of CTI's Openers, "one out of five different trading systems that we make available."

68. In or around February 2011, Defendant Kline knowingly or recklessly falsely told a Client during a "compliance call" that he, Kline, subscribed to three of CTI's Trading Systems, including Jaguar.

69. In fact, CTI never offered Jaguar, Tiger, or Lion to members of the public, and CTI never had any Clients that traded pursuant to any Trading Systems called Jaguar, Tiger, or Lion. CTI has never offered the public any Trading Systems other than the Boomer and Victory Systems.

70. CTI, by and through its employees and agents knowingly or recklessly made material misrepresentations about salespeople's identities, their role at CTI, and their professional experience.

71. In conversations or communications with Clients, CTI's salespersons knowingly or recklessly falsely referred to themselves as being an "owner," "founder," "Senior Partner," or "President" of CTI. For example:

a. CTI routinely identified Closers to Clients as "Senior Partners" of CTI, notwithstanding that CTI's Closers did not have any ownership or equity interest in the business; and

b. CTI salespersons conducted what one CTI salesperson has described as an "owner call," in which CTI salespeople (at Defendant Symons' direction) falsely identified themselves as an owner or founder of CTI in communications with Clients, who purchased a subscription to a Trading System but who were having second thoughts about the purchase, in order to lull the Clients into believing that they should not be concerned.

72. CTI, by and through its employees and agents, also knowingly or recklessly falsely claimed that its owners, managers, employees, or agents had substantial experience either trading futures contracts or researching and developing the technology underlying CTI's Trading Systems.

73. For example, on or around February 15, 2011, CTI salesperson "Corey Graham" falsely stated in an email to a Client that CTI's partners "were trader's [sic] on the floor of the Mercantile Exchange for over 40 years…." (which was not the case).

74. Moreover, certain of CTI's promotional material described "CTI's Senior Officer" "Burt Monroe" as a "veteran trader" and "Jack Logan" as CTI's "Senior Technology Director" and a "[w]ell-known Designer and Senior Programmer."

75. Additionally, in or around July 2010, "Jack Logan" falsely described himself in a telephone call with a Client as an owner of CTI and stated that he, Logan, spent nearly 13 years developing the technology behind CTI's Trading Systems.

76. "Mark Bishop" has stated to Clients during "compliance calls" in 2010 that he was the "Chief Compliance Officer" (or "Compliance Officer") of CTI, that he earned an economics degree, that he had been "in the industry about 25 years," and that he had a "long history of business management."

77. These statements about "Burt Monroe," "Jack Logan," and "Mark Bishop" are false because there were no individuals associated with CTI who were actually named Burt Monroe, Jack Logan, or Mark Bishop. Rather, "Burt Monroe" was a fictitious name used by Defendant Symons, "Jack Logan" was a fictitious name used by one of CTI's Closers, and "Mark Bishop" was a fictitious name used by Defendant Kline.

78. Prior to working at CTI, the person at CTI who used the fictitious name "Jack Logan" used at least five other aliases.

79. Far from being an owner, Senior Technology Director, designer, or programmer for CTI, as he has described himself to Clients, the person at CTI who used the fictitious name "Jack Logan" has never had any ownership interest in CTI, has no education or experience in computer programming, has never been involved in the research or development of CTI's Trading Systems, and has testified under oath that he does not even know what a futures contract is.

80. Most, if not all of CTI's personnel, used fictitious names when communicating with Clients.

81. By using fictitious names, CTI, by and through its employees and agents, knowingly or recklessly misled Clients about the true identity of CTI salespeople, their professional and educational backgrounds, and avoided disclosing material negative information, including the criminal convictions of key CTI personnel.

82. For example, by referring to Defendant Symons falsely as "Burt Monroe," Defendants concealed from CTI's Clients that Symons was convicted of grand theft and material misrepresentation in connection with the sale of securities and served more than 43 months in prison.

83. By virtue of one of CTI's Closer's use of the fictitious name "Jack Logan," Defendants concealed from CTI's Clients that for most of the time since in or around 2000, rather than working on the technology behind CTI's Systems, as he claimed to a Client, that Closer has either been in prison following his conviction for sex with a child under the age of 16, or working as a telemarketer selling, among other things, cemetery plots and sushi makers.

84. Similarly, by using the fictitious name "Mark Bishop" for Defendant Kline, Defendants knowingly or recklessly concealed from CTI's Clients that Kline never earned a degree in economics, as "Mark Bishop" (i.e., Kline) claimed to Clients, and that from in or around 1995 until in or around 2008, Kline (CTI's purported Chief Compliance Officer or Compliance Officer) held a string of non-finance related jobs, including telemarketing and sales (for, among other things, discount coupon books, sports betting advice, and real estate time shares) and provided psychic readings over the phone using the pseudonym "Ivan."

7. False Statements and Material Omissions about the Hypothetical Past Performance of CTI's Systems

85. During the solicitation process, CTI, by and through its employees and agents, has knowingly or recklessly made numerous false statements to Clients about the track record of CTI's Trading Systems.

86. CTI provided Clients during the solicitation process and thereafter with access to CTI's website, which purported to show month-by-month, trade-by-trade results for the Boomer and Victory Systems, dating from 2003.

87. CTI, by and through its employees and agents, knowingly or recklessly routinely stated to Clients that the Boomer and Victory Trading Systems had been trading "live" since 2007 or earlier and that the performance history on CTI's website for each System since 2007 or earlier reflected actual trading in managed accounts pursuant to the buy and sell signals generated by CTI's Systems.

88. For example, in or around April 2010, CTI salesperson "Mike Turner" told a Client during a telephone call that the Boomer Trading System "started trading in 2003 but it didn't start trading live until January of 2007."

89. Defendant Kline has knowingly or recklessly stated to Clients the Victory System began trading live in or around October 2007 (including, for example, during a "compliance call" in or around January 2011 and in an email to a Client in or around September 2010).

90. Defendant Kline (referring to the Victory Trading System) knowingly or recklessly falsely stated to a Client, during a "compliance call" in or around December 2010, that "the version of the System that you are buying began trading live in October 2003 and those [the data on CTI's website for trades from October 2003] are real trades" and falsely stated that only a "small portion" of the historical trade data for CTI's Systems is back-tested, no more than "7 to 18 months."

91. Defendant Kline testified under oath that any statement that the Victory System had been "live trading with profits" since October 2003 "without using a hypothetical or indicating there was back-testing, yes, that would be misleading."

92. Although CTI represented to Clients that its Trading Systems had traded live and performed profitably since 2007 or earlier, in fact CTI's System developer did not create the Boomer and Victory Trading Systems until July 2009 and May 2010, respectively.

93. In addition, notwithstanding Defendant Kline's statement to a Client that CTI's historical track records contained no more than 7 to 18 months of back-tested data, in fact, all of the data provided to Clients for the Boomer and Victory Trading Systems prior to their creation in July 2009 and May 2010, respectively, going back to 2003, was back-tested data (i.e., approximately 69 months of back-tested data for Boomer and 79 months of back-tested data for Victory).

94. CTI, by and through its employees and agents, knowingly or recklessly did not disclose and concealed from Clients that the Systems' purported track records prior to 2009 for

Boomer and prior to 2010 for Victory did not reflect actual trades, but rather were based on hypothetical, back-tested results.

95. CTI (by and through its employees and agent) knowingly or recklessly stated to Clients that its Trading Systems performed particularly well in 2008, when the stock market was experiencing large losses, when in fact the Systems had not actually been trading in 2008.

96. For example, in or around April 2010, during a telephone solicitation, CTI salesperson "Mike Turner" directed a Client to the Boomer System's purported profit of $2,137.50 for the month of October 2008 and falsely stated "that's real" and "that was during one of the worst months in the history of the stock market."

97. By this misrepresentation, CTI concealed from Clients that CTI's Systems were not trading in 2008, and that the 2008 trading results posted on CTI's website and solicitation materials were hypothetical performance records concocted after 2008.

98. By claiming that CTI's Trading Systems had been trading live and profitably since 2007 or earlier, CTI, by and through its employees and agents, knowingly or recklessly provided materially false or misleading information to Clients.

99. Moreover, although the performance histories on CTI's website and solicitation materials contained both back-tested hypothetical results and results generated since CTI's Clients actually started trading CTI's Systems, those promotional materials did not disclose which of the Boomer and Victory performance data were hypothetical and which of the performance data were generated after CTI's Clients actually began to trade.

100. In addition, although CTI ostensibly included on its website a "disclosure statement," containing, among other things, disclosures regarding hypothetical performance, CTI downplayed and negated the significance of those disclosures in CTI's oral solicitations.

101. For example, during a telephone call with a Client in or around April 2010, CTI salesperson "Mike Turner," in his explanation of the disclosures contained on CTI's website, did not discuss the hypothetical nature of CTI's past performance results, but instead stated that the disclosure section "just means that you would only use risk capital to trade with" and "that's why we have this disclosure and if you understand that you can scroll down to the bottom and click on 'I agree.'"

102. CTI also failed to provide a legible, prominent disclosure regarding the limitations of hypothetical past performance data in immediate proximity to hypothetical performance results provided to Clients in certain of CTI's promotional material.

103. For example, although CTI provided a disclaimer regarding hypothetical trading data in certain of CTI's promotional material, the disclaimer was presented in small, illegible type.

8. False and Misleading Statements and Omissions of Material Facts about Slippage

104. In soliciting Clients, CTI, by and through its employees and agents, knowingly or recklessly misled Clients about the transaction costs associated with trading using its Trading Systems.

105. Slippage is the difference in the market price at the time a buy or sell signal is generated by a Trading System and the actual price of the trade executed by the IB.

106. Slippage can be a significant transaction cost associated with trading pursuant to an automated trading system.

107. As CTI personnel, including Defendant Symons, have admitted in sworn testimony, slippage usually has a negative impact on the profitability of trades.

108. Defendant Symons has also testified that he instructed all CTI salespersons to advise Clients about slippage costs associated with trading CTI's Systems.

109. Nevertheless, although discussing with Clients the purported past and future profitability of CTI's Systems, CTI (by and through its employees and agents) and Kline, knowingly or recklessly routinely either failed to mention the impact of slippage on System returns in communications with Clients, or knowingly or recklessly misrepresented the effects of slippage on potential profitability.

110. By doing so, CTI (by and through its employees and agents) and Kline knowingly or recklessly misled Clients about the past and potential profitability of trading via CTI's Trading Systems.

111. For example, in or around October 2010, Defendant Kline, referring to the Victory Trading System, stated in an email to a Client that "slippage should work out to about a point per trade [*i.e.*, $12.50] *worst case scenario*, and slippage should go both positive and negative, so *it should be 'a wash.*'" (Emphasis added.)

112. One day before Defendant Kline stated to a Client that slippage "should be a wash," Defendant Symons stated in an email to one of CTI's IBs that CTI had switched from selling the Boomer System to the Victory System "[b]ecaise [sic] of the slippgae [sic] on the Boomer. [The developer] told me with a new system we wouldny [sic] have the issue[.] Obviously that is not the case…I have sent [the developer] an email asking him for another system."

113. Moreover, at around the same time, one of CTI's IBs notified CTI by email that "[g]oing forward I'm going to have to start telling clients that there is going to be approx. $55 they should include for commission and slippage….This will be for [V]ictory going forward…."

114. Defendant Kline also knowingly or recklessly misstated the effects of slippage in numerous "compliance calls" with Clients, for example, stating in or around March 2011 that slippage is a "rare occurrence," stating in or around November 2010 that slippage is "infrequent" and that it "does go both ways," and stating in or around January 2011 that "usually it's nominal" and is "both positive and negative" for the Client.

115. Defendant Kline knew, based on prior Client complaints regarding the Boomer System, that slippage could -- and did – cause significant trading losses.

9. False Statements and Omissions of Material Facts about the Past Profitability of CTI's Trading Systems

116. In soliciting Clients, CTI, by and through its employees and agents, knowingly or recklessly made numerous false statements to Clients about Boomer and Victory's past profitability since 2007 or earlier, including:

a. On or around February 15, 2011, CTI salesperson "Corey Graham" stated in an email to a Client that Victory "has been *consistently* bringing in a MONTHLY profit averaging **7-11%** net-monthly" since 2007 (bold and italics in the original) (when in fact CTI (by and through its employees and agents) knew or recklessly disregarded the fact that Victory did not begin trading until the summer of 2010 and had not consistently earned a monthly net profit of 7-11%);

b. Similarly, Defendant Kline knowingly or recklessly misstated in emails to multiple Clients that "this version" of Victory had been trading since 2007 and had "averaged a return of $525 per $2500 traded per month" (including, for example, an email to a Client in or around September 2010);

c. In or around April 2010, in a telephone solicitation, CTI salesperson "Mike Turner" told a Client that the Boomer System had been trading live since 2007, was "very profitable," that the Client would have "actually made" approximately $400 per month on a $2,500 investment if the Client had been trading since 2007, that the System "is a great way to put your money to work," was a "very good trading system," and would "definitely help pay for the college tuition, that's for sure" (when in fact CTI (by and through its employees and agents) knew or recklessly disregarded the fact that Boomer did not begin trading until 2009, and had not earned an average of $400 per month).

117. CTI's claims about Boomer and Victory's profitability since 2007 or earlier are false and misleading because, among other things, neither Boomer nor Victory was actually trading in 2007 or earlier.

118. Referring to the Victory Trading System, during a telephone solicitation, a CTI salesperson falsely stated to a Client in or around March 2011 that the "average client with us has been averaging, we've been averaging just over $500 to somewhere between $1000 per month, actually over that, per month" on a $2,500 trading account, when in fact CTI (by and through its employees and agents) knew or recklessly disregarded the fact that Victory Clients had not been averaging $500 to $1000 in profits per month on a $2,500 trading account.

119. Defendant Kline knowingly or recklessly falsely stated to Clients in numerous "compliance calls" that he, Kline, personally traded CTI's Systems and that those Systems had been profitable:

a. In or around August 2010, Defendant Kline told a Client that he, Kline, had been trading the Boomer System "just about three and a half years," that the System had "done very well," and that the System provided "good, strong, consistent income, which I, which I like." (In fact, Defendant Kline knew that he, Kline, had never traded the Boomer System. Moreover, Kline knew or recklessly disregarded the fact that as of July 2010, the Boomer System had actually generated a net loss for Clients who had traded Boomer since August 2009.)

b. In or around February 2011, Defendant Kline falsely stated to a Client that he, Kline, owned three of CTI's Systems (Jaguar, Boomer, and Victory) and specifically noted that he had owned Victory for "about three years" and that as a result, he would not have to use his retirement or savings to help support his two children who were going to college. In fact, Kline knew that he had never personally traded any of CTI's Systems, much less used System profits to help put his children through college.

c. At around the same time, Defendant Kline told another Client that he, Kline, had owned the Victory System for "nearly three years now," that he was "very happy with it," that it was a "very steady consistent strong System," and that he was "actually pretty grateful for the little System because it's helping pay some tuition bills." As Kline knew, he never actually traded the Victory System, much less paid tuition bills with System profits.

d. Around the same time, Defendant Kline told another Client that he, Kline, owned several of CTI's Systems, including Victory (which Kline claimed to

have traded for three years). Defendant Kline stated that the System was "very very good" and that it "historically has done very very well" and "generates a very consistent profit." These statements were false and misleading because Kline never traded any of CTI's Systems.

120. CTI, by and through its employees and agents, also knowingly or recklessly inflated purported trading results for its Trading Systems, both in its promotional materials and on CTI's website, by describing past profits as "net" profits, notwithstanding that those posted "profits" did not include transaction costs.

121. CTI (by and through its employees and agents including Kline and Symons) knew that CTI's Trading Systems were not earning the profits touted by CTI's salespersons and posted on CTI's website. For example, in a May 11, 2010 email from Defendant Symons to CTI's System developer, Symons stated:

> The [B]oomer is taking to [sic] many lose [sic] that are big and the winners [sic] are small. I have had an account with [CTI's IB] that I opened up October 1st 2009. I opened with 2500 and as of today incliding [sic] the loss with commissions and[ ]slippage [sic] I am at 2180. So in essence I am down 14% in 7 and a half months. Not good !

122. Moreover, an account owned by CTI's Newport Beach office manager (Defendant Symons' brother), which was trading the Boomer System, was down from $2,500 to less than $2,000, a loss of more than 20%, for the period October 2009 to July 2010.

123. Nevertheless, CTI, by and through its employees and agents, knowingly or recklessly continued to sell the Boomer Trading System and to make false statements to Clients as to the System's performance. For example, a CTI salesperson stated to one Client in a telephone solicitation in or around August 2010 that the Client could expect to earn back the Boomer System subscription purchase price of $6,000 in six months.

124. Soliciting another Client to purchase a subscription to the Boomer System, CTI salesperson "Jack Logan" sent an email to the Client in or around August 2010, which contained purported past performance information for the Boomer System touting a "Net Profit" of $2,525 for the period October 1, 2009 to August 1, 2010, which was false because the System actually traded at a net loss over that period.

125. CTI's Systems have not earned Clients the extravagant profits touted by CTI's salespersons. Rather, many if not most, of CTI's Clients have earned little or no net profit or incurred losses.

10. False Statements about CTI's Guarantee

126. CTI purported to offer all Clients a money-back guarantee if its Trading Systems were not profitable.

127. CTI has described its guarantee in promotional materials as "our promise of quality and performance" and that "[i]f our system fails to perform, then we must refund your cost for the program in full."

128. CTI (by and through its employees and agents) and Kline have knowingly or recklessly made false statements or omitted material information with respect to CTI's guarantee, including falsely stating to Clients that CTI has never had a Client request a refund and that CTI has never had to pay a refund to a Client.

129. For example:

a. In or around September 2010, Defendant Kline stated to a Client during a "compliance call" that "in almost nine years of doing business, we've never had to pay out a refund."

b. In or around December 2010, Defendant Kline stated to a Client during a "compliance call" that "in almost ten years of doing business, we have not had

to pay a refund back," and that in the event that "you only made $100 in a year, we're obviously going to give your purchase price back, we've never been through anything like that before, but we would deem that certainly as fair."

c. During a "compliance call" in or around December 2010, Defendant Kline responded to a Client's question concerning how many people had received refunds and stated "not really anybody" in "almost ten years." Defendant Kline further stated that he, Kline, had "been here for five [years], and I know we've never had to refund anybody in that time period."

d. During a "compliance call" in or around February 2011, Defendant Kline told another Client that "we haven't had to pay out on a guarantee at least in the five years I've been here so we're in good shape."

e. In or around February 2011, Defendant Kline told another Client during a "compliance call" that in "close to ten years of doing business we've never had to issue a refund."

f. In or around March 2011, Defendant Kline told another Client during a "compliance call" that "we've never had to issue a refund on one of the Systems."

g. During a telephone call in or around January 2011, CTI salesperson "Jack Logan" told a Client that "I never have had a Client send [a request for a refund] because of the returns we're making" and that if the Client is "worried that you only made $1 or $100 or $500 or $1000…I'm going to refund your money…because no one ever makes just that amount" and "if it comes to the

point and I'll state it again where you only made a dollar or $50 or $100 or $500 at the end of 12 months, I'm not going to have someone disgruntled, I will honor guaranteeing the refund to you."

h. During a telephone call in or around May 2011, in response to a question from a Client regarding CTI's refund policy, "Jack Logan" stated "put the request in writing if you are canceling out, we need a letter, a FedEx, a fax or an email, that says look you guys are dogs, you lied to me, you're horrible, I hate you, and you know give me my money back. Okay, I have yet to have it happen with anyone, it hasn't occurred. You'll be fine."

130. Notwithstanding CTI's assurances to Clients that CTI never had to pay a refund and that CTI had never received a request for a refund, in fact Clients had requested refunds from CTI. Moreover, although CTI ignored or denied many of those requests, CTI has given refunds to some of its Clients since in or around at least May 2010.

131. CTI statements that it never had to issue a refund in five, nine, or ten years of doing business are also false and misleading because CTI did not begin conducting business until in or about July 2009.

11. Misrepresentations Regarding the Risks Inherent in Trading Futures Contracts

132. CTI (by and through its employees and agents) and Kline also knowingly or recklessly engaged in sales practices that misrepresented the risks associated with trading futures contracts.

133. For example, CTI stated in certain of its promotional material that its Trading Systems had "a Max-Loss of $337.50 per contract" or a "max loss of 350.00 per contract."

134. Defendant Kline has stated to numerous Clients (during "compliance calls") that there is a "hard-wired fixed stop" in CTI's Systems and that the most that a Client could lose on a given trade is $337.50.

135. However, Defendant Kline knowingly or recklessly did not disclose in his conversations with Clients that this "fixed stop" does not necessarily limit losses to the intended amount, since market conditions may make it impossible to execute a stop-loss or stop-limit order.

136. In or around April 2010, CTI's salesperson "Mike Turner" misled a Client during a telephone call concerning the risks of trading futures contracts by misrepresenting that the Boomer System was a "very good way to limit your risk."

137. On or around February 15, 2011, CTI salesperson "Corey Graham" stated in an email to a Client that the Victory Trading System is a "conservative, consistent, low risk program."

138. CTI (by and through its employees and agents) also knowingly or recklessly misrepresented the risks associated with trading futures contracts by purporting to offer a money-back performance guarantee to Clients while at the same time touting the past and potential profitability of CTI's Systems.

139. Kline also knowingly or recklessly misrepresented the risks associated with trading futures contracts by making baseless claims about the future profitability of CTI's Trading Systems. For example:

a. Referring to the Victory Trading System, Defendant Kline stated to Clients during "compliance calls" (for example in calls with two Clients in September 2010 and December 2010, respectively) that they could expect a one-year

profitability of $4,000 to $7,000, trading one contract (which is a return of 160% to 280%). These statements were baseless because Victory had actually been trading just a few months when those statements were made.

b. Referring to the Victory Trading System, Defendant Kline told a Client during a "compliance call" in or around March 2011 that "we've had a lot of success with this System over the years," that "you're probably looking at making anywhere from say 5 to 12% a month" trading one contract, that there are "stop gaps" and "protective features" built into the System, that the System is "pretty safe," and that the System is "relatively very very safe." These statements were baseless because, among other reasons, Victory had actually been trading for approximately only seven months when the statements were made, not a number of years.

c. During another "compliance call," after a Client told Defendant Kline that the Client would be investing retirement funds, Kline told the Client in or around May 2011 that the Victory Trading System was a "very very good System" and that it was a "good, steady, conservative System that per contract is probably going to pick you up about three to five hundred [dollars] a month for…I mean it goes on in perpetuity, 25 to 30 years." This statement was made in reckless disregard of the fact that Victory Clients had not actually been making $300-500 per month since the System actually began trading.

d. Kline made these statements knowing that previous Clients, who had traded the Boomer System, had actually suffered net losses.

140. By these and similar statements, CTI, by and through its employees and agents, has knowingly or recklessly misrepresented, or misled Clients, regarding the risks associated with trading futures contracts and misrepresented the profit potential from trading via its Systems.

12. Fraudulent Sales Tactics

141. CTI, by and through its employees and agents, has also knowingly or recklessly made to Clients as part of the solicitation process.

142. CTI salespersons have falsely stated to Clients that they are being offered one of the final remaining slots to trade CTI's Systems or that CTI is "closing the program today." By making these false statements to Clients, CTI's salespersons pressured Clients to purchase subscriptions to CTI's Trading Systems immediately and without affording Clients an opportunity to conduct due diligence.

143. For example, in or around May 2011, a CTI salesperson falsely stated to a Client during a telephone solicitation that the Victory Trading System would no longer be accepting additional subscribers as of that evening and would no longer be available for purchase.

144. In fact, the Victory Trading System did not close in May 2011; rather, CTI continued to solicit Clients to purchase subscriptions to the Victory Trading System.

145. Similarly, CTI salesperson "Mike Turner" stated to a Client in or around April 2010 during a telephone solicitation that the Boomer Trading System was limited to "300 traders" and had only a "couple of openings left."

146. CTI also stated to Clients that its Trading Systems normally sell for $7,500 plus a monthly fee of $199, but that the System was being offered at a "discount" for a one-time fee of $5,000 or $6,000. Sometimes the CTI salespersons stated to Clients that the "discount" pricing may not be available if the Client delays.

147. In or around April 2010, CTI salesperson "Mike Turner" falsely stated in a sales call that the "actual cost of the [Boomer] Trading System" and the price "most of our clients are paying" is $7,500 with an additional $199 monthly maintenance charge, and that "no one has complained about" the maintenance charge because "the System's been doing very well obviously." He further stated that "if you do this today, I can get you a broker's discount" price of $6,000.

148. CTI's statements about "discounts" are false statements intended to pressure Clients into purchasing subscriptions to CTI's Systems. In reality, the reduction in price from $7,500 to $5,000 or $6,000 is not a discount because CTI never charges more than $6,000 for its Systems. In addition, CTI has never charged a Client a monthly fee of $199.

149. Moreover, by virtue of "Turner's" falsely stating that other Clients have paid a $7,500 licensing fee and a $199 per month maintenance charge and that no one has complained about those charges because "the System's been doing very well obviously," CTI (by and through its employees and agents) knowingly or recklessly misled Clients about the past and potential profitability of CTI's Systems.

13. Defendants Symons and Kline Controlled CTI and Participated in Its Wrongful Conduct

150. Defendants Symons and Kline controlled CTI.

151. Symons made the decision to start CTI and contributed $50,000 of his own capital to do so.

152. Symons hired Defendant Kline as a sales manager for CTI.

153. Symons established CTI's relationship with at least two of CTI's IBs.

154. Symons decided how much to pay CTI's salespersons.

155. Symons was responsible for decisions regarding the development of CTI's Trading Systems.

156. Symons chose CTI's System developer and negotiated the amount CTI would pay the developer per System sold.

157. Symons also had the title "Director of Education" at CTI and was responsible for training CTI's sales staff, including but not limited to telling staff what to say to Clients about how long each of CTI's Systems had been trading "live" and what to tell Clients about slippage.

158. Although Symons knew that the Boomer System was incurring net trading losses for the period October 2009 through August 2010, Symons did not take steps sufficient to ensure that CTI's salespeople disclosed that information to Clients.

159. Similarly, although Symons was aware that slippage costs have a material impact on the performance of CTI's Systems, Symons did not take steps sufficient to ensure that CTI's salespeople did not misrepresent the impact of slippage on the past and potential profitability of CTI's Systems.

160. Similarly, although Symons knew that Boomer and Victory did not begin trading live until 2009 and 2010, respectively, he directed CTI's salespeople to tell Clients that the Systems began trading live in 2007 or earlier.

161. Defendant Kline held himself out to the public as CTI's Chief Compliance Officer (or Compliance Officer) and General Manager.

162. Kline has stated to Clients that he was responsible for ensuring that CTI abides by Commission rules and regulations.

163. Kline controlled the day-to-day operations of CTI's Los Angeles office, including the hiring of CTI's salespersons at the Los Angeles office.

164. Kline communicated on a regular basis with CTI's IBs.

165. Kline participated in the decision making process regarding Client refunds, and he was responsible for handling Client complaints.

166. Symons and Kline actively participated in the conduct described in this Complaint by personally engaging in the conduct, or by directing, condoning, approving, or facilitating CTI's employees and agents (including salespeople) who engaged in the conduct.

167. Symons and Kline controlled CTI and knowingly induced, directly or indirectly, the acts described above.

B. Conclusions of Law

1. Jurisdiction and Venue

168. This Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, 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.

169. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e), because Defendants transacted business within this District, and acts and practices in violation of the Act and Regulations occurred within this District.

2. Violations of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. § 6*o*(1)(A) and (B), and Commission Regulation 4.41(a)

170. By the conduct described in paragraphs 1 through 169 above, Defendants acted as a commodity trading advisor ("CTA") or associated person ("AP") of a CTA in that each of

them, for compensation or profit, 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 contracts of sale of a commodity for future delivery or were associated with a CTA as a partner, officer, employee, or agent and were involved in the solicitation of Clients' discretionary accounts or supervised persons engaged in the solicitation of Clients' discretionary accounts. While acting as CTAs or APs of a CTA(s) and by use of the mails or other means or instrumentalities of interstate commerce, Defendants directly or indirectly employed a device, scheme, or artifice to defraud investors and engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon investors by making false statements to Clients regarding, among other things, CTI and its personnel; the track record and past profitability of CTI's Systems; transaction costs and risks associated with trading via CTI's Systems; CTI's refund history; and false statements in connection with CTI's high-pressure sales tactics, in violation of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. § 6*o*(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a).

171. Each and every material misrepresentation and omission by CTI (by and through its employees and agents) and Kline to Clients described herein were made with the knowledge that, or made with reckless disregard for the fact that, they were false and misleading.

172. In addition, because Defendant Symons trained CTI's salespeople (including directing CTI's salespeople as to what to tell Clients about how long CTI's Systems had been trading live and what to tell Clients about slippage), Symons' knowledge as to the falsity of statements made by CTI's salespeople may be attributed to CTI.

173. The foregoing acts, omissions and failures of Kline, as well as other CTI employees and agents, occurred within the scope of their employment, office, or agency with

CTI; therefore, CTI is liable for these acts, omissions and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2.

174. Symons and Kline directly or indirectly controlled CTI, did not act in good faith, or knowingly induced, directly or indirectly, the acts constituting CTI's violations, and are thus liable, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), for CTI's violations of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. §§ 6*o*(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a).

175. Each material misrepresentation or omission made by Defendants described herein constitutes a separate and distinct violation of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. §§ 6*o*(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a).

3. Violation of Commission Regulation 4.41(b)(2)

176. By the conduct described in paragraphs 1 through 169 above, Cooper Trading and CTI Group, LLC, acting as CTAs, failed prominently to display the required disclosure statement in immediate proximity to the simulated or hypothetical past performance results provided to Clients by CTI in certain of CTI's promotional material in violation of Commission Regulation 4.41(b)(2), 17 C.F.R. § 4.41(b)(2).

177. Each failure by the employees and agents of Cooper Trading and/or CTI Group, LLC (operating as the common enterprise referred to above as CTI), prominently to disclose the required disclosure statement in proximity to simulated or hypothetical performance results, occurred within the scope of their employment, office, or agency with CTI; therefore, CTI is liable for these acts, omissions and failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2.

178. Symons and Kline directly or indirectly controlled CTI, did not act in good faith, or knowingly induced, directly or indirectly, the acts constituting CTI's violations, and are thus

liable, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), for CTI's violations of Commission Regulation 4.41(b)(2), 17 C.F.R. § 4.41(b)(2).

179. Each failure prominently to disclose the required disclosure statement in proximity to simulated or hypothetical performance results constitutes a separate and distinct violation of Commission Regulation 4.41(b)(2), 17 C.F.R. § 4.41(b)(2).

4. Disgorgement of Funds from the Relief Defendants

180. Client funds were transferred from CTI to Relief Defendants Snonys and Dragonfyre. Snonys and Dragonfyre are owned or operated by Defendants Symons and Kline, respectively. Funds transferred to those companies from CTI are the fruits of CTI, Symons and Kline's violations of the Act and Regulations.

181. Consequently, Snonys and Dragonfyre have been unjustly enriched by the illegal conduct of CTI, Symons, and Kline, and therefore do not have a legitimate claim to or interest in those funds.

182. Moreover, to the extent that Snonys and Dragonfyre provided any purported services to CTI, Snonys and Dragonfyre received Client funds as a result of the Defendants' fraudulent conduct beyond which they would have any legitimate entitlement to or interest.

183. Relief Defendants Snonys and Dragonfyre should be required to disgorge those funds or the value of those funds that they received from the acts and practices of Defendants that constitute violations of the Act and Regulations.

5. Injunctive Relief

184. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Defendants 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.

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

185. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, Defendants are permanently restrained, enjoined and prohibited from directly or indirectly:

a. as a commodity trading advisor, associated person of a commodity trading advisor, commodity pool operator, or associated person of a commodity pool operator, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly employing any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or engaging 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, in violation of Sections 4*o*(1)(A) and (B) of the Act, 7 U.S.C. §§ 6*o*(1)(A) and (B) or Regulation 4.41(a), 17 C.F.R. § 4.41(a);

b. as a commodity trading advisor, associated person of a commodity trading advisor, commodity pool operator, or associated person of a commodity pool operator, presenting the performance of any simulated or hypothetical commodity interest account, unless a prescribed statement (stating, among other things, the inherent limitations of hypothetical performance data) is disclosed prominently and in immediate proximity to the simulated or hypothetical performance being presented, as required by Regulation 4.41(b)(2).

186. Defendants are 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 of the Act, 7 U.S.C. § 1a);

b. 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)) ("commodity options"), security futures products, swaps (as that term is defined in Section 1a(47) of the Act and as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. 1.3(xxx)) ("swaps"), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, 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;

c. Having any commodity futures, options on commodity futures, commodity options, security futures products, swaps, and/or forex contracts traded on their 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 futures, options on commodity futures, commodity options, security futures products, swaps, and/or forex contracts;

e. 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, security futures products, swaps, and/or forex contracts;

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); and/or

g. 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, 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).

V. DISGORGEMENT AND CIVIL MONETARY PENALTIES

A. Disgorgement

187. Defendants CTI Group, LLC and Cooper Trading shall pay disgorgement in the amount of ten million one hundred seventy five thousand three hundred and ninety three dollars ($10,175,393) ("CTI Disgorgement Obligation"), plus post-judgment interest.

188. Defendant Symons shall pay disgorgement in the amount of three million one hundred fifty thousand one hundred and thirty dollars ($3,150,130) ("Symons Disgorgement Obligation"), plus post-judgment interest.

189. Defendant Kline shall pay disgorgement in the amount of two hundred seventy five thousand four hundred and seventy one dollars ($275, 471) ("Kline Disgorgement Obligation"), plus post-judgment interest.

190. Post-judgment interest shall accrue on the CTI Disgorgement Obligation, the Symons Disgorgement Obligation, and the Kline Disgorgement Obligation (collectively, the "Disgorgement Obligation") beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order

pursuant to 28 U.S.C. § 1961. Post-judgment interest shall not accrue on any amount of the Disgorgement Obligation satisfied pursuant to paragraph 193.

191. To effect payment of the Disgorgement Obligation and the distribution of any disgorgement payments to Defendants' Clients, the Court appoints the National Futures Association ("NFA") as Monitor ("Monitor"). The Monitor shall collect disgorgement payments from Defendants 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.

192. Defendants shall make Disgorgement Obligation payments under this Consent Order to the Monitor in the name "**CTI– SETTLEMENT/DISGORGEMENT FUND**" and shall send such Disgorgement Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, 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 Defendants and the name and docket number of this proceeding. Defendants 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.

193. Accounts identified in this paragraph have been frozen pursuant to this Court's May 14, 2012 *ex* parte statutory restraining order against the Defendants and Relief Defendants. Within thirty (30) days of receiving a copy of this Consent Order, each of the financial institutions identified in this paragraph as having possession of certain assets and/or funds belonging to Defendants are specifically directed to liquidate and release any and all funds held in any account identified below and to convey by wire transfer pursuant to paragraph 192 any

and all funds contained in those accounts, less any amounts required to cover the financial institutions' outstanding administrative or wire transfer fees. Such funds and assets shall be applied to the Disgorgement Obligation as set forth below. At no time during the liquidation, release and/or wire transfer of these funds pursuant to this Consent Order shall Defendants or Relief Defendants be afforded any access to, or be provided with, any funds or assets from these accounts. Defendants, Relief Defendants, as well as all financial institutions listed in this paragraph of the Consent Order, shall cooperate fully and expeditiously with the Commission and the Monitor in the liquidation, release and wire. The accounts to be liquidated, released and transferred are:

	Financial Institution	**Acct. No.**	**Account Name**	**Disgorgement Obligation to be Credited**
a.	Bank of America	xxxx8814	Cooper Trading	CTI Disgorgement Obligation
b.	Bank of America	xxxx8819	Cooper Trading	CTI Disgorgement Obligation
c.	Bank of America	xxxx0692	Cooper Trading	CTI Disgorgement Obligation
d.	Bank of America	xxxx7034	Stephen Symons	Symons Disgorgement Obligation
e.	Bank of America	xxxx6600	Snonys, Inc.	Symons Disgorgement Obligation
f.	Bank of America	xxxx0785	Snonys, Inc.	Symons Disgorgement Obligation
g.	Bank of America	xxxx0784	Snonys, Inc.	Symons Disgorgement Obligation
h.	Wells Fargo	xxxx9586	Dragonfyre Magick Inc.	Kline Disgorgement Obligation
i.	Wells Fargo	xxxx7980	Dragonfyre Magick Inc.	Kline Disgorgement Obligation
j.	Wells Fargo	xxxx4425	James Kline	Kline Disgorgement Obligation

	Financial Institution	Acct. No.	Account Name	Disgorgement Obligation to be Credited
k.	Wells Fargo	xxxx7714	James Kline	Kline Disgorgement Obligation

194. Any financial institution transmitting funds pursuant to paragraph 193 shall transmit copies of any cover letters and the form of payment of any Disgorgement Obligation to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

195. The Monitor shall oversee the Disgorgement Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' Clients identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Disgorgement 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 Clients is impractical, the Monitor may, in its discretion, treat such disgorgement 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 V.B. below.

196. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' Clients to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Disgorgement Obligation payments. In order to make partial or total payment toward the Disgorgement Obligation, Defendants shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located.

197. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' Clients 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.

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

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

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

B. Civil Monetary Penalties

201. Defendants CTI Group, LLC and Cooper Trading shall, jointly and severally, pay a civil monetary penalty in the amount of ten million dollars ($10,000,000) ("CTI CMP Obligation"), plus post-judgment interest.

202. Defendant Symons shall pay a civil monetary penalty in the amount of four million five hundred thousand dollars ($4,500,000) ("Symons CMP Obligation"), plus post-judgment interest.

203. Defendant Kline shall pay a civil monetary penalty in the amount of one million dollars $1,000,000 ("Kline CMP Obligation"), plus post-judgment interest.

204. Post-judgment interest shall accrue on the CTI CMP Obligation, the Symons CMP Obligation and the Kline CMP Obligation (collectively, the "CMP Obligation") beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2006).

205. Defendants shall pay their 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 – AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: (405) 954-5644

If payment by electronic funds transfer is chosen, Defendants shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies the payor and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial

Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

C. Provisions Related to Monetary Sanctions

206. Partial Satisfaction: Any acceptance by the Commission or the Monitor of partial payment of Defendants' Disgorgement Obligation or CMP Obligation shall not be deemed a waiver of Defendants' obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

D. Cooperation

207. Defendants shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in any investigation, civil litigation, or administrative matter related to the subject matter of this action.

VI. MISCELLANEOUS PROVISIONS

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

Notice to Commission:

Director, Division of Enforcement
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, DC 20581

Manal Sultan
Deputy Director
Division of Enforcement
Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005
Telephone: (646) 746-9700
Fax: (646) 746-9940

Notice to Defendants CTI Group, LLC, Cooper Trading, Stephen Craig Symons, and James David Kline and Relief Defendants Snonys, Inc. and Dragonfyre Magick Incorporated:

Brooks P. Marshall
Law Offices of Brooks P. Marshall
1500 Rosencrans Avenue, Suite 500
Manhattan Beach, CA 90266

Evan Mandel
Mandel Bhandari LLP
11 Broadway, Suite 615
New York, NY 10004

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

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

210. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

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

212. Waiver: The failure of any party to this Consent Order or of any Client at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or Client at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in

this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

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

214. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

215. Authority: CTI Group, LLC hereby warrants that Stephen Symons is Director of Education of CTI Group, LLC, and that this Consent Order has been duly authorized by CTI Group, LLC and Stephen Symons has been duly empowered to sign and submit this Consent Order on behalf of CTI Group, LLC.

216. Cooper Trading hereby warrants that Stephen Symonds is Director of Education of Cooper Trading and that this Consent Order has been duly authorized by Cooper Trading and Stephen Symons has been duly empowered to sign and submit this Consent Order on behalf of Cooper Trading.

217. Snonys, Inc. hereby warrants that Stephen Symons is President of Snonys, Inc. and that this Consent Order has been duly authorized by Snonys, Inc. and Stephen Symons has been duly empowered to sign and submit this Consent Order on behalf of Snonys, Inc.

218. Dragonfyre Magick Incorporated hereby warrants that JAMES KLINE is OWNER of Dragonfyre Magick Incorporated and that this Consent Order has been duly authorized by Dragonfyre Magick Incorporated and JAMES KLINE has been duly empowered to sign and submit this Consent Order on behalf of Dragonfyre Magick Incorporated.

219. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

220. Defendants understand that the terms of this Consent Order are enforceable through contempt proceedings, and that in any such proceedings they may not challenge the validity of this Consent Order.

The Clerk of the Court is hereby directed to enter this Consent Order.

The Clerk of Court is further directed to mark this case closed.

IT IS SO ORDERED on this 22nd day of January, 2014.

Katherine Polk Failla

KATHERINE POLK FAILLA
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

For CTI GROUP, LLC:

_____

NAME:
TITLE:

Date: _____

For Cooper Trading:

_____

NAME:
TITLE:

Date: _____

_____

STEPHEN CRAIG SYMONS, individually
Corona del Mar, California
Date: _____

_____

JAMES DAVID KLINE, individually
Van Nuys, California

Date: _____

R. Stephen Painter, Jr., Trial Attorney
Laura A. Martin, Trial Attorney
David W. MacGregor, Chief Trial Attorney
Manal Sultan, Deputy Director

U.S. Commodity Futures Trading Commission
Division of Enforcement
Eastern Regional Office
140 Broadway, 19th Floor
New York, NY 10005
Phone (646) 746-9762
Fax (646) 746-9940
spainter@cftc.gov

Dated 1/17/14

CONSENTED TO AND APPROVED BY:

For CTI GROUP, LLC:

NAME: Stephen Symons
TITLE: Director of Education

Date: 11/19/2013

For Cooper Trading:

NAME: STEPHEN SYMONS
TITLE: Director of Education

Date: 11/19/2013

STEPHEN CRAIG SYMONS, individually
Corona del Mar, California
Date: 11/19/2013

JAMES DAVID KLINE, individually
Van Nuys, California

Date: _____

R. Stephen Painter, Jr., Trial Attorney
Laura A. Martin, Trial Attorney
David W. MacGregor, Chief Trial Attorney
Stephen J. Obie, Regional Counsel and
Associate Director

U.S. Commodity Futures Trading Commission
Division of Enforcement
Eastern Regional Office
140 Broadway, 19th Floor
New York, NY 10005
Phone (646) 746-9762
Fax (646) 746-9940
spainter@cftc.gov

Dated _____

For SNONYS, INC.:

NAME: STEPHEN SPINOS
TITLE: President

Date: 11/19/2013

For DRAGONFYRE MAGICK INCORPORATED:

NAME:
TITLE:

Date:

Approved as to form:

Brooks P. Marshall
Law Offices of Brooks P. Marshall
1500 Rosecrans Avenue, Suite 500
Manhattan Beach, CA 90266

Evan Mandel
Mandel Bhandari LLP
11 Broadway, Suite 615
New York, NY 10004

Attorneys for CTI GROUP, LLC, COOPER TRADING, SNONYS, INC. and DRAGONFYRE MAGICK INCORPORATED

CONSENTED TO AND APPROVED BY:

For CTI GROUP, LLC:

_____

NAME:
TITLE:

Date: _____

For Cooper Trading:

_____

NAME:
TITLE:

Date: _____

_____

STEPHEN CRAIG SYMONS, individually
Corona del Mar, California
Date: _____

_____

JAMES DAVID KLINE, individually
Van Nuys, California

Date: NOVEMBER 29, 2013

_____

R. Stephen Painter, Jr., Trial Attorney
Laura A. Martin, Trial Attorney
David W. MacGregor, Chief Trial Attorney
Stephen J. Obie, Regional Counsel and
Associate Director

U.S. Commodity Futures Trading Commission
Division of Enforcement
Eastern Regional Office
140 Broadway, 19th Floor
New York, NY 10005
Phone (646) 746-9762
Fax (646) 746-9940
spainter@cftc.gov

Dated _____

For SNONYS, INC.:

_____

NAME:
TITLE:

Date: _____

For DRAGONFYRE MAGICK INCORPORATED:

_____

NAME: JAMES KLINE
TITLE: OWNER/PRESIDENT

Date: 11/29/13

Approved as to form:

_____

Brooks P. Marshall
Law Offices of Brooks P. Marshall
1500 Rosencrans Avenue, Suite 500
Manhattan Beach, CA 90266

Evan Mandel
Mandel Bhandari LLP
11 Broadway, Suite 615
New York, NY 10004

Attorneys for CTI GROUP, LLC, COOPER TRADING, SNONYS, INC. and DRAGONFYRE MAGICK INCORPORATED