

**UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO**

<p>U.S. COMMODITY FUTURES TRADING COMMISSION,</p> <p>Plaintiff,</p> <p>v.</p> <p>BRAD L. DEMUZIO, and DEMUZIO CAPITAL MANAGEMENT, LLC,</p> <p>Defendants.</p>	<p>Case No. 4:12-cv-00183-MHW</p>
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**CONSENT ORDER FOR PERMANENT INJUNCTION,
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF
AGAINST BRAD L. DEMUZIO**

I. INTRODUCTION

On April 11, 2012, Plaintiff U.S. Commodity Futures Trading Commission (the “Commission” or “CFTC”) filed a Complaint against Defendants Brad L. Demuzio (“Demuzio”) and Demuzio Capital Management, LLC (“DCM”) (collectively “Defendants”) seeking injunctive and other equitable relief, as well as the imposition of civil penalties for violations of the Commodity Exchange Act (the “Act”), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13102, 122 Stat. 1651 (enacted June 18, 2008), and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010) and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. § 1.1 et seq. (2011).

II. CONSENTS AND AGREEMENTS

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

1. Consents to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Brad L. Demuzio (“Consent Order”);
2. Affirms that he has 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. Acknowledges service of the summons and Complaint;
4. Admits the jurisdiction of this Court over him and the subject matter of this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1;
5. Admits 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. Admits 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. Waives:
 - (a) any and all claims that he 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 he 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. Consents to the continued jurisdiction of this Court over him 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 he now or in the future resides outside the jurisdiction of this Court;

9. Agrees that he 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 waives any objection based thereon;

10. Agrees that neither he nor any of his agents or employees under his 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. Demuzio shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement; and

11. Admits to all of the findings made in this Consent Order and all of the allegations in the Complaint. Further, Demuzio agrees and intends 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 Demuzio; (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.* (2011); and/or (c) any proceeding to enforce the terms of this Consent Order.

12. Agrees to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 66 of Part VI of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against him, whether inside or outside the United States, and

13. Agrees 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 him in any other proceeding.

III. FINDINGS AND CONCLUSIONS

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. The Parties to This Consent Order

14. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, as amended, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2011).

15. At all relevant times, Defendant Demuzio was a resident of Chubbuck, Idaho.

16. Demuzio was the founder, owner, registered agent, and sole principal of DCM.

17. During the Relevant Period, Demuzio, through DCM, was engaged in the business of soliciting and accepting funds from individuals and entities (“Investors”) who were not “eligible contract participants” for a pooled investment vehicle in connection with agreements, contracts or transactions in off-exchange foreign currency that were entered into on a leveraged or margined basis and were not a security that is not a security futures product; or a contract of sale that results in actual delivery within 2 days; or creates an enforceable obligation to deliver between a seller and buyer that have the ability to deliver and accept delivery, respectively, in connection with their line of business; rather, these forex contracts purportedly remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an enforceable obligation to do so) (“Forex”).

18. Demuzio has never been registered with the Commission in any capacity.

2. The Ponzi Scheme: Demuzio’s Misrepresentations To Investors and Misappropriations of Investor Funds

19. Demuzio controlled DCM directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, DCM’s acts constituting the violations alleged in the Complaint.

20. From approximately June 2008 to November 2011, Demuzio, through DCM, solicited and received capital contributions from approximately 16 Investors, for the purpose of investing in Forex.

21. Demuzio deposited at least \$1.8 million in Investor contributions in bank accounts held in the name of DCM and controlled by Demuzio.

22. Contrary to the representations to Investors that the investment was for the purpose of investing in foreign currency markets, Demuzio through DCM, used funds contributed by Investors for other purposes.

23. Demuzio, through DCM, misappropriated a significant portion of Investor contributions to pay for his personal expenses – including home mortgage payments, retail shopping, groceries, and gas – and to repay the contributions of prior Investors.

24. Demuzio through DCM did engage in some limited Forex activity, which resulted in losses of Investor contributions.

25. To conceal and perpetuate the fraudulent scheme Demuzio through DCM provided Investors with falsified information regarding their investments.

26. Demuzio concealed the fact that the majority of investor contributions had not been used for trading and the limited trading activity in which Demuzio, through DCM, did engage, resulted in significant losses and, with the intent to defraud the Investors, Demuzio sent emails falsely reporting profitable trading and growing account balances.

27. For instance, in an email dated August 3, 2010, with the subject “July Report”, Demuzio falsely stated to an investor that he had earned a 4% return that month. Contrary to the Defendant’s representations to the investor, DCM’s trading account had incurred losses of approximately 77% in July.

28. Demuzio's false representations led Investors to believe that their principal was intact and continuing to grow. The false emails helped further the scheme because they dissuaded Investors from withdrawing their principal before it was dissipated.

3. The Cover-Up: Demuzio Uses Falsified Government Documents in an Attempt to Conceal the Unraveling Fraud

29. In or about June and July, 2011, two Investors requested that Defendants return their principal.

30. Although DCM did not have sufficient funds in its accounts, Demuzio, through DCM, issued the two Investors counter checks for the funds purportedly in their accounts, which were ultimately returned due to insufficient funds.

31. Faced with demands from the Investors for the return of their capital, to conceal the fraudulent scheme, Demuzio provided Investors with three fabricated letters he created using a copy of the official CFTC seal and designed to appear to have come from the CFTC in connection with an investigation into DCM.

32. Demuzio provided Investors with a series of three fraudulent letters, purporting to come from the CFTC, first indicating that DCM's funds had been frozen in connection with an investigation and later stating that the matter had been dismissed. Demuzio created these letters using an unauthorized copy of the Commission's official seal and the unauthorized images of the signatures of a former CFTC Deputy General Counsel and Administrative Law Judge.

4. Demuzio Engaged In Forex Activity Without Required Registration

33. After October 18, 2010, Demuzio, through DCM, continued to solicit, accept and receive Investor funds for the purpose of engaging in Forex activity.

34. Defendants have never been registered with the Commission in any capacity.

5. Investors' Losses and Defendants' Gain

35. From approximately June 2008 to November 2011, Demuzio, through DCM, solicited and received approximately \$1.8 million in capital investments from approximately 16 Investors.

36. Demuzio, through DCM, lost approximately \$179,000 of Investor contributions through Forex trading.

37. Demuzio, through DCM, misappropriated at least \$626,273 of Investor contributions.

38. As a result of Demuzio's misappropriations and trading losses, the Investors lost a net total of \$805,273. This amount also represents Demuzio's gain, i.e., the portion of the \$1.8 million in Investor Contributions received by Demuzio, through DCM, which Defendants failed to return to the Investors.

B. CONCLUSIONS OF LAW

1. Jurisdiction and Venue

39. This Court has jurisdiction over this action pursuant to Section 6(c) 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 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.

40. The Commission has jurisdiction over the Forex solicitations and transactions at issue in this action pursuant to Section 2(c)(2)(C) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C) (Supp. III 2009).

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

2. Demuzio Engaged in Fraud in Violation of the Act and Regulations

42. By the conduct described in paragraphs 1 through 38 above, Defendant Demuzio cheated and defrauded, or attempted to cheat and defraud the Investors, willfully made or caused to be made to Investors false reports or statements or caused to be entered for Investors false records, and willfully deceived, or attempted to deceive, the Investors by, among other things, knowingly or recklessly making material misstatements and misappropriating Investor funds in violation of Section 4b(a)(2)(A)-(C) of the Act, as amended 7 U.S.C. §§ 6b(a)(2)(A)-(C) and Regulation 5.2(b), 17 C.F.R. §5.2(b).

3. Demuzio Failed to Register in Violation of the Act and Regulations

43. By the conduct described in paragraphs 1 through 38 above, after October 18, 2010, Demuzio acted as a Commodity Pool Operator and failed to register as such, in violation of Regulation 5.3(a)(2)(i), to be codified at 17 C.F.R. § 5.3(a)(2)(i).

44. By the conduct described in paragraphs 1 through 38 above, after October 18, 2010, Demuzio engaged in conduct requiring registration with the Commission without being so registered, in violation of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended, to be codified at 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc).

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

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

- a. cheating or defrauding or attempting to cheat or defraud other persons, willfully making or causing to be made false reports or statements such other persons, or willfully entering or causing to be entered for such other persons any false record, and/or willfully deceiving or attempting to deceive such other persons by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed with respect to any order or contract for or with such other persons, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g), that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market, in violation of Section 4b(a)(2) of the Act, as amended, to be codified at 7 U.S.C. §6b(a)(2).
- b. cheating or defrauding or attempting to cheat or defraud other persons, willfully making or causing to be made to such other persons false reports or statements or causing to be entered for such persons any false record, and/or willfully deceiving or attempting to deceive such other persons, by any means whatsoever, in connection with retail Forex transactions in violation of Regulation 5.2(b), 17 C.F.R. §5.2(b).
- c. operating or soliciting funds, securities, or property for any pooled investment vehicle that is not an eligible contract participant in connection with agreements, contracts, or transactions in foreign currency without registering

with the Commission, in violation of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) (Supp. III 2009); and

- d. operating or soliciting funds, securities or property for a pooled investment vehicle that is not an eligible contract participant and that engages in retail forex transactions without registering with the Commission as a Commodity Pool Operator, in violation of Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011).

46. Demuzio 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 of the Act), as amended, 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 (2011)) (“commodity options”), security futures products, foreign currency (as described in 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i) (“forex contracts”)), or any swap (as that term is defined in section 1a(47) of the Commodity Exchange Act and as further defined by Commission regulation 1.3(xxx) (“swap”)), for his own personal account or for any account in which he has a direct interest;
- c. Having any commodity futures, options on commodity futures, commodity options, security futures products, forex contracts, and/or swaps 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 futures, options on commodity futures, commodity options, security futures products, forex contracts, and/or swaps;
- e. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling commodity futures, options on commodity futures, commodity options, security futures products, forex contracts, and/or swaps;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring registration or exemption from registration with the CFTC, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011); and/or
- g. Acting as a principal (as defined in 17 C.F.R. § 3.1(a) (2011)), agent or any other officer or employee of any person (as defined in 7 U.S.C. § 1a) registered, exempted from registration or required to be registered with the CFTC, except for 17 C.F.R. § 4.14(a)(9) (2011).

V. RESTITUTION AND CIVIL MONETARY PENALTY

A. Restitution

47. Demuzio shall be obligated to pay restitution, jointly and severally with any other Defendant ordered to pay restitution in this action, for Investor losses in the amount of \$805,273 (Eight Hundred and Five Thousand Two Hundred Seventy-Three Dollars) (the “Restitution Obligation”), plus post-judgment interest, within ten (10) days of the date of entry of this Consent Order, provided that Demuzio’s joint and several liability for restitution is capped at \$ 805,273.

48. Post-judgment interest shall accrue on the Restitution 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 the entry of this Consent Order pursuant to 28 U.S.C. § 1961.

49. To the extent Defendant Demuzio makes payments in satisfaction of the restitution requirements imposed in connection with *United States of America v. Brad Lee Demuzio*, 4:12-cr-00099-BLW, such payments shall be offset against the Restitution Obligation.

50. To effect payment of the Restitution Obligation and the distribution of any restitution payments to the Investors, the Court hereby appoints the National Futures Association (“NFA”) as Monitor. The Monitor shall collect restitution payments from Demuzio and make distributions as set forth below. Because the Monitor is acting as an officer of the Court in performing these services, the NFA shall not be liable for any action or inaction arising from the NFA’s appointment as Monitor, other than actions involving fraud.

51. Demuzio shall make Restitution Obligation payments under this Consent Order to the Monitor in the name of “Demuzio 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 check, or bank money order, to the Office of the Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, IL 60606 under a cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Demuzio 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, DC 20581.

52. 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 the Investors 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 Investors is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary payments, which the Monitor shall forward to the Commission following the instructions for civil monetary payments set forth in Part B below.

53. Demuzio shall cooperate with the Monitor as appropriate to provide such information as the NFA deems necessary and appropriate to identify Defendants' Investors to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Demuzio 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.

54. Within thirty (30) days of receiving this Consent Order, any financial institution, including any Futures Commission Merchant ("FCM"), holding funds in the name of Brad Demuzio is specifically directed to liquidate and release all funds, whether the funds are held in a single or joint account, or any other capacity, and to convey by wire transfer to an account designated by the Monitor, all funds in these accounts, less any amounts required to cover the financial institutions' outstanding administrative or wire transfer fees. At no time during the liquidation, release, and/or wire transfer of these funds pursuant to this Consent Order shall Demuzio be afforded any access to, or be provided with, any funds from these accounts. Demuzio and all banks and financial institutions subject to this Consent Order shall cooperate

fully and expeditiously with the CFTC and the Monitor in the liquidation, release, and wire transfer of these funds.

55. The Monitor shall provide the CFTC at the beginning of each calendar year with a report detailing the disbursement of funds to Investors during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and case number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Square, 1155 21st Street, NW, Washington, DC 20581 and copies to the Regional Counsel, Commodity Futures Trading Commission, 140 Broadway, 19th Floor, New York, NY 10005.

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

57. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each Investor 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 against Demuzio to obtain satisfaction of any portion of the restitution that has not been paid by Demuzio, to ensure continued compliance with any provision of this Consent Order and to hold Demuzio in contempt for any violation of any provision of this Consent Order.

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

B. Civil Monetary Penalty

59. Demuzio shall pay a civil monetary penalty, jointly and severally with any other Defendant ordered to pay a civil monetary penalty in this action, of One Million Dollars (\$1,000,000), plus post judgment interest within ten (10) days of the date of entry of this Consent Order (the “CMP Obligation”), provided that Demuzio’s joint and several liability for the civil monetary penalty is capped at \$1,000,000.

60. Post-judgment interest shall accrue on 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.

61. Demuzio shall pay this 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, 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 Receivable – AMZ 340
E-mail Box: 9-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd
Oklahoma, OK 73169
Telephone: (405) 954-5644

62. If payment by electronic transfer is chosen, Demuzio shall contact Linda Zurhorst at the address above or her successor for instructions and shall fully comply with those instructions. Demuzio shall accompany payment of the CMP Obligation with a cover letter that identifies Demuzio and the name and case number of this proceeding. The Demuzio 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 DC 20581.

C. Provisions Related to Monetary Sanctions

63. All payments by Demuzio pursuant to this Consent Order shall first be applied to satisfaction of his restitution obligation, consistent with the authority granted the Monitor, above. After satisfaction of his restitution obligation, payments by Demuzio pursuant to this Consent Order shall be applied to satisfy his CMP obligation.

64. Partial Satisfaction: Any acceptance by the Commission or the Monitor of partial payment of Demuzio's Restitution Obligation or CMP Obligation shall not be deemed a waiver of Demuzio's 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

65. Demuzio shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto.

VI. MISCELLANEOUS PROVISIONS

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

Notice to the Commission:
Regional Counsel/Associate Director
Commodity Futures Trading Commission
Division of Enforcement
140 Broadway, 19th Floor
New York, NY 10005
Facsimile: (646) 746-9940

Notice to Demuzio:
Brad L. Demuzio
433 Roanoke
Chubbuck, ID 83202

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

67. Change of Address/Telephone: Until such time as Demuzio satisfies the Restitution Obligation and CMP Obligation as set forth in this Consent Order, Demuzio shall provide written notice of his new telephone numbers and mailing addresses within ten (10) calendar days of the change.

68. 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.

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

70. Waiver: The failure of any party to this Consent Order or any Investor at any time or times to require performance of any provision hereof shall in no manner affect the right of such party or Investor 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.

71. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this cause to assure compliance with this Consent Order and for all other purposes related to this

action, including any motion by Demuzio to modify, or for relief, from the terms of this Consent Order.

72. Injunctive and Equitable Relief Provision: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Demuzio, upon any person under his 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 in active concert or participation with Demuzio.

73. 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.

74. Demuzio understands that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings he may not challenge the validity of this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Brad L. Demuzio.

IT IS SO ORDERED on this 19 day of October, 2012.

B. Lynn Winmill

CONSENTED TO AND APPROVED BY:

Brad L. Demuzio
Brad L. Demuzio, individually
433 Roanoke
Chubbuck, ID 83202
Date: 10/10/12

Lara Turcik

Lara Turcik
Trial Attorney

Manal Sultan
Chief Trial Attorney

U.S. Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, New York 10005
(646) 746-9761
(646) 746-9940 (facsimile)

Dated 10/12/12