

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

ACJ CAPITAL, INC.,
SOLID VIEW CAPITAL LLC,
ANGEL FERNANDO COLLAZO,
FELGI INVESTMENTS CORP. and
FERNANDO CLEMENTE,

Defendants.

CASE NO. 3:12-cv-1083 (JAF)

~~PROPOSED~~ CONSENT ORDER OF PERMANENT INJUNCTION,
CIVIL MONETARY PENALTY AND FOR OTHER EQUITABLE RELIEF
AGAINST DEFENDANTS FELGI INVESTMENTS CORP. AND
FERNANDO CLEMENTE

On February 8, 2012, U.S. Commodity Futures Trading Commission (the "Plaintiff" or "Commission") filed a *Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief* against ACJ Capital, Inc. ("ACJ"), Solid View Capital LLC ("Solid View") and Angel Fernando Collazo ("Collazo"). On July 3, 2012, Plaintiff filed its *First Amended Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief* ("Amended Complaint"). The Amended Complaint named two additional defendants, Felgi Investments Corp. ("Felgi") and Fernando Clemente ("Clemente"). The Amended Complaint seeks injunctive and other equitable relief 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”)), 7 U.S.C. §§ 1 *et seq.* (2006 & Supp. III 2009).

I. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Amended Complaint against Felgi and Clemente without a trial on the merits or further judicial proceedings, Felgi and Clemente:

1. Consent to the entry of this Consent Order of Permanent Injunction, Civil Monetary Penalty and For Other Equitable Relief (“Consent Order”);
2. Affirm that Clemente and the authorized representative of Felgi have read and agree 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 upon them of the summons and Complaint;
4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6(c) 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 6(c) 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. §§ 148.1-30, (2012), 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 Felgi and Clemente now, or in the future, reside or conduct business 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 Amended Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Amended 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. Felgi and Clemente 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, Felgi and Clemente neither admit nor deny the allegations of the Amended Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which they admit. Further, Felgi and Clemente agree and intend that the allegations contained in the Amended 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 them; (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.* (2012); 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 2 of Part V of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against 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 Felgi and Clemente in any other proceeding.

II. FINDINGS AND CONCLUSIONS

Findings of Fact

A. The Parties

1. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, 7 U.S.C. §§ 1 *et seq.*, and the Commission Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

2. Defendant / Relief Defendant **Felgi Investments Corp.** is a corporation registered in the Commonwealth of Puerto Rico (Register No. 173773). Felgi registered with the Puerto Rico Department of State on May 31, 2007. The address of Felgi is PMB 505, 200 Ave. Rafael Cordero, Caguas, Puerto Rico 00725. Defendant Clemente serves as the president, treasurer and registered agent of Felgi. Felgi has never been registered with the Commission in any capacity.

3. Defendant / Relief Defendant **Fernando Clemente** is an individual residing in Weston, Florida. He serves as the president, treasurer and registered agent of Felgi. Clemente has never been registered with the Commission as an Associated Person ("AP") or in any other capacity.

4. Defendant **ACJ Capital, Inc.** is a corporation registered in the Commonwealth of Puerto Rico (Register No. 176089). The offices of ACJ are located at Urbanizacion Roosevelt, Calle Juan Devilla #476, San Juan, Puerto Rico. ACJ was incorporated in the state of New Jersey. According to articles of incorporation filed in 2002, Collazo served as the registered agent and sole member of ACJ's board of directors. As of August 10, 2007, ACJ was registered with the Commission as a Commodity Trading Advisor ("CTA"). On January 4, 2009, National

Futures Association (“NFA”), a registered futures association and industry self-regulatory organization to whom the Commission delegated certain registration related responsibilities, withdrew ACJ’s CTA registration for failure to file a timely renewal. On February 3, 2010, after ACJ and Collazo failed to respond to a complaint lodged by the NFA’s business conduct committee, the NFA permanently barred ACJ from NFA membership and from acting as a principal of an NFA member. The NFA found that ACJ and Collazo provided false information to customers about the performance of their accounts and provided customers with fictitious account statements that showed significant equity in their accounts, when, in fact, most, if not all, of their equity had been lost. ACJ has never been registered with the Commission as a Commodity Pool Operator (“CPO”).

5. Defendant **Solid View Capital LLC** is a limited liability company registered in the Commonwealth of Puerto Rico (Register No. 2399). Solid View registered with the Puerto Rico Department of State on June 30, 2010. The offices of Solid View are located at 1400 Americo Salas, Suite #1, San Juan, Puerto Rico. Defendant Collazo serves as the president and registered agent of Solid View. Solid View has never been registered with the Commission as a CPO or in any other capacity.

6. Defendant **Angel Fernando Collazo** is an individual residing in Edgefield, South Carolina. He served as President of ACJ. Collazo was registered with the Commission as an AP of ACJ as of October 25, 2007. The NFA withdrew Collazo’s registration on January 4, 2009 in conjunction with its withdrawal of ACJ’s registration. As noted above, on February 3, 2010, the NFA permanently barred Collazo from membership, associate membership and from acting as a principal of an NFA member after finding that he provided false information to customers about the performance of their accounts and provided customers with fictitious account statements that

showed significant equity in their accounts, when, in fact, most, if not all, of their equity had been lost. Since June 2010, Collazo has served as the president and registered agent of Solid View.

B. ACJ, Solid View and Collazo's Fraudulent Solicitation of Pool Participants

7. During the relevant period, Defendants ACJ and Solid View, through Collazo, fraudulently solicited and accepted approximately \$1,000,000 from at least 22 individuals or entities for the purported purpose of trading through a pooled investment vehicle managed by Defendants and in connection with agreements, contracts or transactions in off-exchange, retail foreign currency that are margined or leveraged ("forex").

8. Initially, Collazo solicited pool participants to place funds with ACJ. Later Collazo informed pool participants that their funds would be placed with Solid View. During the relevant period, Collazo deposited pool participant funds in trading accounts in the names of both ACJ and Solid View and utilized multiple bank accounts in the names of both entities. Some pool participants executed trading agreements with ACJ while others executed trading agreements with Solid View. Collazo formed and controlled both ACJ and Solid View.

9. Collazo solicited pool participants directly and also indirectly through at least one pool participant, Felgi, who solicited others to participate in the forex pool operated by ACJ/Solid View.

i. Felgi's Marketing Agreement with ACJ and Collazo

10. Of the approximately \$1,000,000 placed with ACJ and/or Solid View, Defendants ACJ and Solid View, through Collazo, received and accepted approximately \$490,000 from Felgi. As compensation for its efforts, Felgi was to receive a share of the trading profits generated by the funds provided by its customers to ACJ/Solid View. Under agreements signed

by Collazo, Felgi and each pool participant, Felgi promised to pay each pool participant a fixed rate of interest of between 8% and 12% per month. Under its arrangement with ACJ/Solid View, Felgi's compensation for bringing participants to ACJ/Solid View was supposed to vary according to the difference between monthly trading profits generated by Collazo which were attributable to each pool participant and the fixed rate of return Felgi promised. Pool participants placed their funds with Felgi, and those funds were deposited into a Felgi bank account. Felgi then transferred those funds to ACJ/Solid View.

ii. Collazo's False Representations and Omissions

11. In his solicitations, Collazo represented that he would trade foreign currency on behalf of pool participants. Collazo told pool participants that their funds would be pooled with other participant funds for purposes of trading. Collazo also told pool participants that he traded foreign currency using a computer program. Collazo falsely told at least one pool participant that others had placed more than \$7 million with ACJ.

12. As part of his solicitations, Collazo told Felgi that his trading would generate profits of between 12% and 15% per month. Collazo told at least one other pool participant that he could expect a minimum 20% monthly return. In addition, Collazo provided at least some pool participants, including Felgi, with documents purporting to show profitable trading.

13. During introductory meetings, Collazo also showed some of ACJ and/or Solid View's pool participants information on his computer purporting to show profitable trades.

14. Collazo told ACJ and/or Solid View's pool participants, including Felgi, that he was an experienced, successful forex trader, when, in fact, he had an unsuccessful trading record.

15. In soliciting pool participants, Collazo minimized the risk of forex trading. Collazo told at least one pool participant that it was impossible to lose money using his trading program.

16. During his solicitations of prospective pool participants and throughout the life of the forex pool, Collazo failed to disclose to Felgi and at least one other participant that, as of February 3, 2010, both ACJ and Collazo had been permanently barred from membership by the NFA in connection with his trading of individual ACJ customer managed accounts. Collazo also failed to inform Felgi and at least one other pool participant that NFA found that ACJ and Collazo provided false information to managed account customers about the performance of their accounts and provided managed account customers fictitious account statements that showed significant equity in their accounts when, in fact, most, if not all, of their equity had been lost.

17. Defendants ACJ and Solid View, through Collazo, also failed to disclose that they intended to use pool participants' funds to make payments to other participants and for personal uses, as alleged below.

18. Defendants ACJ and Solid View, through Collazo, knowingly or with reckless disregard of the truth made such material misrepresentations and omissions in order to induce pool participants to invest and trade with them.

C. Defendants Were Barely Profitable In Trading and Misappropriated Funds To Pay Participants and For Personal Use

19. Of the approximately \$1,000,000 placed by pool participants with ACJ/Solid View, Collazo deposited or transferred approximately \$443,000 into six trading accounts. Collazo deposited pool participant funds into two personal trading accounts held in Collazo's name and in four proprietary forex trading accounts, one in the name of ACJ and three in the

name of Solid View. Collazo also wired approximately \$18,000 of customer funds to another, now defunct, trading entity.

20. During the relevant period, Collazo's trading in the six trading accounts, including trading in Collazo's personal accounts, yielded an overall net profit of merely approximately \$51,000. Focusing on the period of February 2010 through December 2010, after 11 months of trading, Collazo had sustained net losses across the six trading accounts totaling approximately \$95,000.

21. Of the funds not used for trading, Defendants ACJ and Solid View, through Collazo, misappropriated pool funds to make payments of purported trading profits to ACJ/Solid View pool participants. During the relevant period, despite net trading profits of approximately \$51,000, Defendants ACJ and Solid View, through Collazo, made payments of approximately \$200,000 to Felgi. In addition, Defendants ACJ and Solid View made payments to at least one non-Felgi pool participant of approximately \$128,000.

22. During the relevant period, Defendants ACJ and Solid View, through Collazo, misappropriated pool funds to pay Collazo's personal expenses.

D. Felgi's and Clemente's Misappropriation of Funds

23. In May 2011, Defendant Felgi, through Clemente, failed to transmit to ACJ and/or Solid View new funds it had recently received from at least two pool participants, and did not return those funds to the pool participants. Instead, Felgi, through Clemente, misappropriated at least \$30,000 of pool participant funds to make payments for other purposes.

24. Specifically, on or about May 13, 2011, Felgi received \$25,000 from one pool participant which was to be placed with Solid View. Felgi failed to transfer those funds to Solid View and did not return the funds to the pool participant. Felgi and Clemente did not disclose to

the pool participant that his funds were instead used for business or personal purposes of Felgi and Clemente.

25. In addition, on or about May 17, 2011, Felgi, through Clemente, received \$5,000 from one pool participant which was to be placed with Solid View. Felgi, through Clemente, failed to transfer those funds to Solid View and did not return the funds to the pool participant. Felgi and Clemente did not disclose to the pool participant that his funds were instead used for business or personal purposes of Felgi and Clemente.

E. Defendants ACJ, Solid View and Collazo Concealed Trading Results and Misappropriation through False Statements

26. Despite the actual barely profitable overall trading results and the eleven months where Collazo sustained net losses, Defendants ACJ and Solid View, through Collazo, provided monthly account statements to Felgi reflecting purported trading profits of approximately \$366,000. Defendants ACJ and Solid View, through Collazo, also provided monthly statements to at least one non-Felgi pool participant reflecting purported trading profits of approximately \$152,000. None of the statements provided by Defendants ACJ and Solid View to Felgi and at least one non-Felgi pool participant reflected any trading losses.

27. During the relevant period, Collazo provided to Clemente, as the representative of Felgi, pages of purported ACJ bank statements showing substantial transfers to various individuals. Collazo explained to Felgi, through Clemente, that the purported payments represented disbursements to people who placed money with ACJ. However, the purported bank statements were fabricated and false. The purported bank statements did not accurately reflect the true activity in the account or the trading results that had been achieved by ACJ.

28. During the relevant period, in addition to providing false monthly statements showing consistently profitable trading, Collazo also made false verbal representations to pool participants that his trading was making money.

29. Based on the monthly account statements showing consistently profitable trading, Felgi, through Clemente, solicited additional individuals and entities that placed funds with ACJ/Solid View through Felgi and Clemente. In addition, at least one non-Felgi pool participant placed an additional \$160,000 with Solid View based on the false verbal representations and false account statements he received from Collazo.

30. In total, the purported trading statements issued by Defendants ACJ and Solid View to pool participants did not accurately reflect the actual trading results achieved by Collazo. The trading statements also did not reflect that Defendants ACJ and Solid View were not using all the pool participants' funds for purposes of trading, but instead, were using some of the funds to make payments to pool participants and for personal uses, as alleged above.

31. Defendants ACJ, Solid View and Collazo, through Collazo, knowingly or with reckless disregard for the truth concealed their fraud and the truth of their trading results by making such material misrepresentations and omissions concerning the value and profitability of customers' accounts.

F. Felgi and Clemente Received and Retained Funds from ACJ and/or Solid View To Which They Had No Entitlement

32. During the relevant period, Felgi received approximately \$200,000 in payments from ACJ and/or Solid View as purported profits from their trading of pool participants' funds.

33. Despite total actual net trading profits of merely approximately \$51,000 over the relevant period, Felgi, through Clemente, kept approximately \$46,000 in purported profits due to it as a pool participant based on a total investment of \$25,000.

34. In addition, Felgi, through Clemente, kept approximately \$75,000 of the purported profits of the investors it solicited for ACJ and/or Solid View as purported commissions Felgi was to earn for soliciting investors, if there were actual and sufficiently profitable trading to pay Felgi commissions. Some of the funds retained by Felgi flowed to Clemente.

G. Collazo Controlled ACJ and Solid View

35. Collazo is the president and registered agent of both ACJ and Solid View. He has virtually complete authority over, and day-to-day control of, both entities. He does not report to anyone. Collazo controlled the trading of all pool participant funds, including those placed with ACJ/Solid View through Felgi, Collazo also was the authorized signatory on the bank accounts of ACJ and Solid View and was responsible for the handling and disposition of pool participant funds.

H. Clemente Controlled Felgi In Its Dealings with ACJ, Solid View and Collazo

36. Clemente is president, treasurer and registered agent of Felgi. He signed the pool participant agreements on behalf of Felgi and had virtually complete authority over, and day-to-day control of, the business conducted between Felgi and its pool participant customers.

I. The Nature of the Transactions

37. Neither Defendants ACJ, Solid View and Collazo, nor the possible counterparties to the forex transactions they conducted, were United States financial institutions, registered brokers or dealers, insurance companies, financial holding companies, investment bank holding companies, or the associated persons of financial institutions, registered brokers or dealers, insurance companies, financial holding companies, or investment bank holding companies.

38. Some or all of pool participants were not “eligible contract participants” (“ECP”) as that term is defined in Section 1a(18)(A)(xi) of the Act, as amended by the CRA and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Public L. 111-203, §§ 701-774, 124 Stat. 1376 (effective July 16, 2010)(“Dodd-Frank Act”)(to be codified at 7 U.S.C. § 1a(18)(A)(xi)). Nor were any of the pool participants ECPs as that term was defined prior to July 16, 2010. See 7 U.S.C. § 1a(12)(A)(xi) (Supp. III 2009). An ECP, as relevant here, is an individual who has total assets in an amount in excess of (i) \$10 million or (ii) \$5 million and who enters into the transaction in order to manage risk.

39. The forex transactions Defendants ACJ, Solid View and Collazo purportedly conducted on behalf of the pool participants were entered into on a leveraged or margined basis. Accordingly, Defendants ACJ, Solid View and Collazo were required to provide only a percentage of the value of the forex contracts that they purchased. The forex transactions Defendants purportedly conducted neither resulted in the delivery of actual currency within two days nor created an enforceable obligation to deliver actual currency between a seller and a buyer that had the ability to deliver and accept delivery, respectively, in connection with their lines 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).

J. Defendants ACJ and Solid View Each Acted as Unregistered Forex Commodity Pool Operators, and Defendant Clemente Acted as an Unregistered Associated Person

40. Pursuant to Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) (Supp. III 2009), any person must be registered pursuant to a

Commission Regulation or Rule in order to operate or solicit funds for any pooled investment vehicle that is not an ECP in connection with forex transactions.

41. Pursuant to Commission Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2011), effective on October 18, 2010, any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP, as defined in Section 1a(18)(iv) of the Act, as amended by the CRA and the Dodd-Frank Act (to be codified at 7 U.S.C. § 1a(18)(iv)), and that engages in retail forex transactions is defined as a CPO.

42. Section 1a(18)(iv) of the Act, as amended by the CRA and the Dodd-Frank Act (to be codified at 7 U.S.C. § 1a(18)(iv)), defines an ECP as, “a commodity pool that (I) has total assets exceeding \$5,000,000; and (II) is formed and operated by a person subject to regulation under [the] Act ... provided, however, that for purposes of section 2(c)(2)(B)(iv) and section 2(c)(2)(C)(vii), the term ‘eligible contract participant’ shall not include a commodity pool in which any participant is not otherwise an eligible contract participant.”

43. The forex pool operated by Defendants ACJ and Solid View is not an ECP.

44. Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011), requires any person or entity acting as a CPO, as defined by Commission Regulation 5.1(d)(1), to be registered as such.

45. Throughout the relevant period, ACJ and Solid View each acted as a CPO as defined by Commission Regulation 5.1(d)(1), relating to off-exchange foreign currency transactions, because they operated or solicited funds for a pooled investment vehicle that is not an ECP, as defined in Section 1a(18)(iv) of the Act, as amended by the CRA and the Dodd-Frank Act (to be codified at 7 U.S.C. § 1a(18)(iv)), and engaged in retail forex transactions. ACJ and Solid View failed to register as CPOs in violation of Section 2(c)(2)(C)(iii)(I)(cc), as amended

by the CRA, 7 U.S.C. § 2(c)(2)(c)(iii)(I)(cc) (Supp. III 2009), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i)(2011).

46. Commission Regulation 5.1(d)(2) defines an AP of a CPO as “any natural person associated with a commodity pool operator ... as a partner, officer, employee, consultant or agent ... in any capacity which involves: (i) [t]he solicitation of funds, securities or property for a participation in a pooled investment vehicle.” 17 C.F.R. § 5.1(d)(2) (2011).

47. Section 2(c)(2)(C)(iii)(I)(cc), 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) (Supp. III 2009), and Commission Regulation 5.3(a)(2)(ii), require that any person who acts as an AP of a CPO must be registered with the Commission as such. 17 C.F.R. § 5.3(a)(2)(ii) (2011).

48. During the relevant period, Clemente acted as an AP of CPOs as defined by Commission Regulation 5.1(d)(2), relating to off-exchange foreign currency transactions, because he were associated with CPOs in a capacity involving the solicitation of funds for participation in a pooled investment vehicle. During the relevant period, Clemente was not registered as an AP of ACJ or Solid View.

Conclusions of Law

49. This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2)(C) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C) (Supp. III 2009).

50. Section 6c(a) authorizes the Commission to seek injunctive relief in district court against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of the Act or any rule, regulation, or order thereunder. In addition, this section authorizes the Commission to bring

a civil action in district court to enforce compliance with the Act or any rule, regulation or order thereunder.

51. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), because Felgi and Clemente are found, inhabit, reside and/or transact business in the District of Puerto Rico, and certain of the transactions, acts, practices, and courses of business alleged to have violated the Act occurred, are occurring, and/or are about to occur within this District.

52. By the conduct described in Section II.B through II.J above, Felgi and Clemente violated Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, 7 U.S.C. §§ 6b(a)(2)(A)-(C) (Supp. III 2009), and Commission Regulations 5.2(b) and 5.3(a)(2)(i), 17 C.F.R. §§ 5.2(b) and 5.3(a)(2)(i)(2011).

53. As of October 18, 2010, Defendants ACJ and Solid View failed to register with the Commission as CPOs in violation of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) (Supp. III 2009), and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2011).

54. As of October 18, 2010, Defendant Clemente failed to register with the Commission as an AP of a CPO in violation of Section 2(c)(2)(C)(iii)(I)(cc) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc)(Supp. III 2009), and Commission Regulation § 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2011).

55. By the conduct described in Section II.B through II.J above, Felgi and Clemente received funds as the result of the fraudulent conduct of Defendants ACJ, Solid View and Collazo and have been unjustly enriched thereby.

56. Felgi and Clemente had no legitimate entitlement to or interest in the funds received as a result of the fraudulent conduct of Defendants ACJ, Solid View and Collazo.

57. The acts, misrepresentations, omissions, and failures of Clemente described in Section II.B through II.J above occurred within the scope of his employment, office or agency with Felgi. Therefore, Felgi is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006) and Regulation 1.2, 17 C.F.R. § 1.2 (2011), for violations committed by Clemente.

58. Clemente is a controlling person of Felgi and failed to act in good faith or knowingly induced, directly or indirectly, the acts constituting Felgi's violations of the Act and Regulations as found above. Therefore, Collazo is liable for ACJ's and Solid View's violations of Act and Regulations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2006).

III. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

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

- (a) cheating or defrauding or attempting to cheat or defraud the other person;

(b) willfully making or causing to be made to the other person any false report or statement or willfully entering or causing to be entered for the other person any false record; or

(c) willfully deceiving or attempting to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for or, in the case of paragraph (2) of Section 5a(g) of the Act, with the other person

in violation of Section 4b(a)(2)(A) of the Act, as amended by 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), to be codified at 7 U.S.C. § 6b(a)(2)(A) and Commission Regulation 5.2(b), 17 C.F.R. § 5.2(b) (2012);

2. Felgi and Clemente are also permanently restrained, enjoined, and prohibited from, directly or indirectly, operating or soliciting funds, securities or property for any pooled investment vehicle that is not an ECP in connection with agreements, contracts, or transactions described in clause (i) of Section 2(c)(2)(C) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(i)(Supp. III 2009), entered into with or to be entered into with a person who is not described in item (aa), (bb), (dd), (ee) or (ff) of Section 2(c)(2)(B)(i)(II) of the Act, 7 U.S.C. § 2(c)(2)(B)(i)(II)(Supp. III 2009), without being registered to do so by the Commission, in violation of Section 2(c)(2)(C)(iii)(I)(cc), 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc)(Supp. III 2009) and Commission Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2012).

3. Clemente is also permanently restrained, enjoined, and prohibited from directly or indirectly operating or soliciting funds, securities or property for any pooled investment vehicle that is not an ECP in connection with agreements, contracts, or transactions described in clause (i) of Section 2(c)(2)(C) of the Act, as amended by the CRA, 7 U.S.C. § 2(c)(2)(C)(i)(Supp. III 2009), entered into with or to be entered into with a person who is not described in item (aa), (bb), (dd), (ee) or (ff) of Section 2(c)(2)(B)(i)(II) of the Act, 7 U.S.C. § 2(c)(2)(B)(i)(II)(Supp. III 2009), without being registered to do so by the Commission, in violation of Section 2(c)(2)(C)(iii)(I)(cc), 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc)(Supp. III 2009) and Commission Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2012).

4. Felgi and Clemente 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;
- (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) (2012)) (“commodity options”), security futures products, swaps (as that term is defined in Section 1a(47) of the Act, as amended, and as further defined by Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx)), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, 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) (2012); and/or

(g) acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2012)), agent, officer or employee of any person (as that term is defined in Section 1a of the Act, 7 U.S.C. § 1(a)) 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) (2012).

IV. RESTITUTION, DISGORGEMENT AND CIVIL MONETARY PENALTY

IT IS HEREBY FURTHER ORDERED THAT:

A. Restitution

1. Felgi and Clemente shall pay, jointly and severally, restitution in the amount of Thirty Thousand Dollars (\$30,000) (the "Restitution Obligation"), plus post-judgment interest. Post-judgment interest on the Restitution Obligation shall accrue commencing on the date of the entry of this Consent Order and shall be determined using the Treasury Bill rate prevailing on the date of the entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2006).

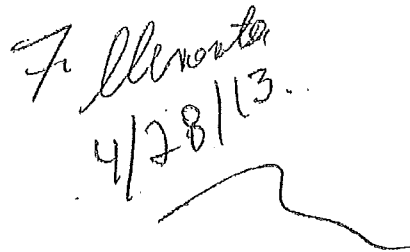
2. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants' pool participants, the Court appoints the NFA as Monitor ("Monitor"). The Monitor shall collect restitution payments from Felgi and/or Clemente and make distributions as set forth below to those participants identified in Attachment A hereto. Because the Monitor is acting as an officer of this Court in performing these services, the Monitor shall not be liable for any action or inaction arising from NFA's appointment as Monitor, other than actions involving fraud.

3. Felgi and Clemente shall make Restitution Obligation payments under this Consent Order to the Monitor in the name "Felgi/Clemente Settlement/Restitution Fund" and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's 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 Defendant and the name and docket number of this proceeding. The paying Defendant 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.

4. The Monitor shall oversee the Restitution Obligation herein and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Felgi and Clemente's pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. However, any pro rata share due to purported pool participant Clemron Properties, Inc. pursuant to the this Court's consent order of permanent injunction dated February 13, 2013 (Docket No. 67) shall be applied to satisfy the restitution obligation of as set forth in the February 13, 2013 Order. No participant identified herein shall receive in restitution more than the amount set forth in Attachment A to the February 13, 2013 Order. 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 pool participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in below.

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

F. Clemente
4/28/13


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

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

8. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each pool participant of Felgi and/or Clemente 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 Restitution Obligation that has not been paid by Felgi and/or Clemente to ensure continued compliance with any provision of this Consent Order and to hold Felgi and Clemente in contempt for any violations of any provision of this Consent Order.

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

B. Disgorgement

10. Felgi and Clemente shall, jointly and severally, pay disgorgement in the amount of One Hundred, Twenty Thousand, Nine Hundred, Thirty-three dollars and Sixty-two cents (\$120,933.62) ("Disgorgement Obligation"), plus post-judgment interest. Post-judgment interest

on the Disgorgement Obligation shall accrue commencing on the date of the entry of this Consent Order and shall be determined using the Treasury Bill rate prevailing on the date of the entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2006).

11. To effect payment of the Disgorgement Obligation and the distribution of any disgorgement payments to Defendants' pool participants, the Court appoints the NFA as Monitor. The Monitor shall collect disgorgement payments from Felgi and/or Clemente and make distributions as set forth below to those participants identified in this Court's *Consent Order of Permanent Injunction, Civil Monetary Penalty and For Other Equitable Relief Against Defendants ACJ Capital, Inc., Solid View Capital LLC and Angel Fernando Collazo* (entered on February 13, 2013). Because the Monitor is acting as an officer of this Court in performing these services, the Monitor shall not be liable for any action or inaction arising from NFA's appointment as Monitor, other than actions involving fraud.

12. Felgi and Clemente shall make Disgorgement Obligation payments under this Consent Order to the Monitor in the name "Felgi/Clemente Settlement/Restitution 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 Defendant and the name and docket number of this proceeding. The paying Defendant 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.

13. 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 Felgi

and Clemente's pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of 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 pool participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in below.

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

C. Civil Monetary Penalty

15. Felgi and Clemente shall, jointly and severally, pay a civil monetary penalty in the amount of One Hundred Twenty Thousand dollars (\$120,000) ("CMP Obligation"), plus post-judgment interest. 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 (2006).

16. Felgi and Clemente 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, Felgi and Clemente shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Felgi and Clemente shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Defendants and the name and docket number of this proceeding. The Felgi and Clemente shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

D. Provisions Related to Monetary Sanctions

17. Partial Satisfaction: Any acceptance by the Commission or the Monitor of partial payment of Felgi and Clemente's Restitution Obligation, Disgorgement Obligation or CMP Obligation shall not be deemed a waiver of their 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.

18. Total payments to any pool participants identified in Attachment A to this Order or identified in this Court's *Consent Order of Permanent Injunction, Civil Monetary Penalty and For Other Equitable Relief Against Defendants ACJ Capital, Inc., Solid View Capital LLC and*

Angel Fernando Collazo (entered on February 13, 2013) shall not exceed the amounts noted in the Order dated February 13, 2013.

E. Cooperation

15. Felgi and Clemente 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.

V. MISCELLANEOUS PROVISIONS

1. 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:

Gretchen Lowe
Associate Director
Division of Enforcement
United States Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Notice to Felgi and Clemente:

Luis Rafael Rivera
Luis Rafael Rivera Law Office
Capital Center Building, Suite 401
Arterial Hostos Avenue
Hato Rey, PR 00918

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

2. Change of Address/Phone: Until such time as Felgi and Clemente satisfy in full their Restitution Obligation and Obligation, and CMP Obligation as set forth in this Consent Order, Felgi and Clemente shall provide written notice to the Commission by certified mail of

any change to their telephone number(s) and mailing address(es) within ten (10) calendar days of the change.

3. 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.

4. 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.

5. Waiver: The failure of any party to this Consent Order or of any pool participant at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or pool participant 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.

6. Acknowledgements: Upon being served with copies of this Consent Order after entry by the Court, Felgi and Clemente shall sign acknowledgements of such service and serve such acknowledgements on the Court and the Commission within 30 calendar days.

7. 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 Felgi and/or Clemente to modify or for relief from the terms of this Consent Order.

8. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Felgi and Clemente, 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 Felgi and Clemente.

9. Authority: Clemente hereby warrants that he is President of Felgi, that this Consent Order has been duly authorized by Felgi, and that he has been duly empowered to sign and submit this Consent Order on behalf of Felgi.

10. 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 parties of this Consent Order.

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

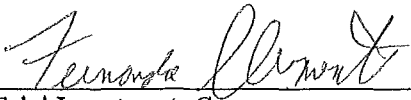
There being no just reason for delay, the Clerk of the Court is hereby directed to enter this *Consent Order for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief Against Defendants Felgi Investments Corp. and Fernando Clemente.*

IT IS SO ORDERED on this 10th day of June, 2013.

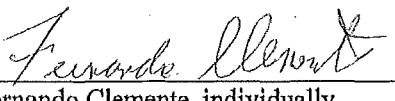
S/ JOSE A. FUSTE

JOSE A. FUSTE
UNITED STATES DISTRICT JUDGE


CONSENTED TO AND APPROVED BY:



Felgi Investments Corp.
By: Fernando Clemente
Dated: April 10/2013.



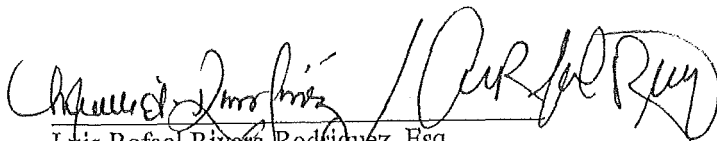
Fernando Clemente, individually
Dated: April 10/2013.



James A. Garcia
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581
(202) 418-5362
jgarcia@cftc.gov

Dated 06/05/13

APPROVED AS TO FORM BY:



Luis Rafael Rivera-Rodriguez, Esq.
Michelle Annet Ramos-Jimenez, Esq.
Luis Rafael Rivera Law Office
Capital Center Building, Suite 401
Arterial Hostos Avenue
Hato Rey, PR 00918

Counsel for Felgi Investments Corp. and
Fernando Clemente

Dated: April 12-2013

ATTACHMENT A

Pool Participant Name	Restitution Amount
Juan Alemany	\$25,000
Javier Salgado	\$5,000
Total Restitution Amount	\$30,000