

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

CIV - LEONARD

Civil Action No. 06-61812

COMMODITY FUTURES TRADING
COMMISSION

Plaintiff,

Unsealed 12/12/06

v.

FINANCIAL RISK INTERNATIONAL, a
Florida corporation;
FINANCIAL RISK MANAGEMENT, a
Florida corporation; and
STEPHANIE ANN GALLITANO, an
individual;

~~FILED UNDER SEAL~~

Defendants.

**COMPLAINT FOR PERMANENT INJUNCTION
AND FOR CIVIL MONETARY PENALTIES AND FOR OTHER EQUITABLE RELIEF
UNDER THE COMMODITY EXCHANGE ACT, AS AMENDED, 7 U.S.C. § 1.1 ET SEQ.**

Plaintiff, Commodity Futures Trading Commission ("Commission"), by its attorneys,
alleges as follows:

I.

SUMMARY

1. Financial Risk International ("FRI") is a Florida corporation that employs telemarketers to solicit funds from retail customers for the purchase and sale of foreign currency options contracts ("forex options"). Financial Risk Management ("FRM") is a Florida corporation that acts as FRI's management company. Stephanie Gallitano ("Gallitano"), who

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has a history of engaging in fraudulent sales solicitation practices in connection with the purchase or sale of commodity options, is the controlling person of both firms.

2. Since at least March 2004 and continuing through the present (the “relevant period”), FRI employees, including Gallitano, have engaged in fraudulent solicitation of at least 257 members of the retail public to open accounts and engage in speculative forex options trading at NCCI FX Corp. (“NCCI FX”), a clearing firm not registered with the Commission as a Futures Commission Merchant (“FCM”); and then later at Worldwide Clearing, LLC (“Worldwide”) and Nations Investments, LLC (“Nations Investments”), both registered FCMs.

3. FRI and Gallitano’s fraudulent sales pitches included false representations that large profits were likely or virtually guaranteed; that risks were minimal or could be substantially eliminated; that profit opportunities were only available if investments were made quickly; that previous FRI customers had made substantial profits and new customers could expect similar profits; that any previous losses could be recouped with additional investments; and that Gallitano was an expert in trading commodity options. In fact, FRI customers sustained more than \$3,000,000 in losses during the relevant period.

4. While making these false representations, FRI and Gallitano failed to disclose material information, including the substantial risks associated with trading forex options; and FRI’s consistently losing trading track record, including that nearly 100% of FRI’s customers lost money during the relevant period.

5. FRI and Gallitano have engaged, are engaging, or are about to engage in acts and practices in violation of Section 4c(b) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 6c(b) (2002), and Commission Regulations (“Regulation”) 1.1(b), and 32.9(a) and (c), 17 C.F.R. §§ 1.1(b) and 32.9(a) and (c) (2005), by engaging in fraudulent activities in connection with trading

forex options, including false representations regarding profit potential and risks associated with trading options, and failing to disclose material facts regarding the transactions.

6. Gallitano and other FRI employees committed the acts and omissions described herein within the course and scope of their employment at FRI. Therefore, FRI is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), as principal for its agents' violations of the Act and Regulations.

7. Gallitano is liable under Section 13(b) of the Act, 7 U.S.C. § 13c(b), as a controlling person of FRI for its violations of the Act and Regulations, because she did not act in good faith or knowingly induced, directly or indirectly, the acts constituting the violations.

8. Gallitano also willfully aided and abetted the successful and fraudulent operation of FRI, and is, therefore, liable for that fraud pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a).

9. FRM willfully aided and abetted the successful and fraudulent operation of FRI, and is, therefore, liable for that fraud pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a).

10. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, the Commission brings this action to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and Regulations and to further enjoin Defendants from engaging in any commodity-related activity, including, but not limited to, soliciting new customers. In addition, the Commission seeks civil monetary penalties and remedial equitable relief including, but not limited to, disgorgement of the Defendants' ill-gotten gains, restitution to customers for losses proximately caused by Defendants' fraud, pre-judgment and post-judgment interest, and such other equitable relief as the court may deem necessary and appropriate.

11. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II.

JURISDICTION AND VENUE

12. Section 2(c)(2)(B) and (C) of the Act, 7 U.S.C. § 2(c)(2)(B) and (C), provide that the Commission has jurisdiction, including anti-fraud jurisdiction, over certain retail forex options and retail foreign currency futures contracts. Section 6c of the Act, 7 U.S.C. § 13a-1, authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order promulgated thereunder.

13. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because Defendants are found in, inhabit, or transact business in this District, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this District, among other places.

III.

PARTIES

The Plaintiff

14. **The Commodity Futures Trading Commission** is an independent federal regulatory agency charged with the responsibility for administering and enforcing the provisions

of the Act, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. § 1.1 *et seq.*

The Defendants

15. **Financial Risk International, Inc.** is a Florida corporation with its principal place of business at 2455 E. Sunrise Blvd, Suite 916, Ft. Lauderdale, Broward County, Florida. FRI is an Introducing Broker (“IB”) that solicits members of the general public to purchase and sell forex options.

16. **Financial Risk Management, Inc.** is a Florida corporation with its principal place of business at 2455 E. Sunrise Blvd, Suite 916, Ft. Lauderdale, Broward County, Florida. FRM purports to be a management company that is responsible for the debts of FRI, and shares offices, officers and employees with FRI.

17. **Stephanie Anne Gallitano** resides in Plantation, Florida. Gallitano is a director and incorporator of both FRI and FRM as well as their registered agent. She ran the day to day activities of FRI, supervised the telephone solicitations by FRI employees, and herself directly solicited customers to trade forex options. Gallitano is the incorporator and director of Financial Risk Investments, a registered IB offering exchange-traded commodity futures and options to the retail public. Gallitano is not currently registered with the Commission but had previously been a listed principal and registered Associated Person (“AP”) of Financial Risk Investments.

IV.

FACTS

A. **FRI and FRM's Operations**

18. Between approximately March 2004 and June 2004, FRI, and its employees, including Gallitano, solicited and accepted orders from members of the retail public to purchase and sell forex options in accounts opened at NCCI. Beginning in July 2004, FRI accounts at NCCI were transferred to Worldwide and all subsequent solicitations by FRI of prospective customers were to purchase and sell forex options in accounts opened at Worldwide. In August 2006, FRI accounts were transferred to Nations Investments.

19. Gallitano is the president, owner and controlling person of FRI. She oversees FRI's day to day operations, including hiring, firing, training and supervising employees; running the daily sales meetings; supplying FRI sales staff with leads on prospective customers and sales solicitation scripts; signing customer account opening documents on behalf of FRI; signing contractual agreements, including the Introducing Agreement between FRI and Worldwide, as the "President" of FRI; and engaging in settlements of customer complaints. Gallitano also is a signatory on FRI's business bank account.

20. FRM is a "management" company and was the vehicle used by Gallitano to exercise control over FRI. For example, Gallitano (as "President" of FRM) signed an addendum to the lease for the office space used by FRI, naming FRM as the tenant. Gallitano was the president and owner of FRM; certain FRI bills were paid from FRM accounts. As the management company, FRM was "responsible for the payment and satisfaction" of FRI's bills and debts. FRM was incorporated by Gallitano and is the tenant of record and occupies the same office space as FRI.

21. In addition to her management responsibilities, Gallitano also took an active role in soliciting prospective FRI customers. She was known to some sales staff as the “loader.” As such, FRI employees would refer customers and potential customers to Gallitano so that she could solicit additional funds. Gallitano not only knew about FRI’s fraudulent sales solicitation practices and took no steps to prevent or correct them, she personally engaged in those fraudulent practices.

22. As a result of the forex options trading done on behalf of FRI customers during the relevant period, only the smallest fraction of customers had accounts that were profitable. The vast majority of forex options customers of FRI during that same time period had accounts with FRI that lost money. Total commissions paid to FRI as a result of trading for FRI customers during that same time period was more than one million dollars.

23. To induce customers to open trading accounts, FRI, Gallitano and other FRI employees misrepresented the risks and rewards of trading forex options. FRI, by and through its employees, including Gallitano, engaged in fraudulent sales solicitations by knowingly misrepresenting and failing to disclose material facts concerning, among other things: (i) the likelihood that a customer would realize large profits from trading forex options; (ii) the risk involved in trading forex options; and (iii) FRI’s poor track record for trading forex options on behalf of customers.

B. False Representations and Material Omissions

24. In solicitations using the wires, mails and other means of interstate commerce, FRI, Gallitano and other FRI employees knowingly or recklessly made fraudulent and materially misleading statements to actual and potential FRI customers that exaggerated the likelihood of profits and minimized the risk of loss from trading forex options.

25. For example, during the relevant period, FRI's employees, including Gallitano, made misrepresentations about the likelihood of profits to customers and potential customers, including but not limited to:

- (a) Gallitano told a potential customer that with the smallest market move he could double his money, and that there was not much risk.
- (b) Gallitano told a customer that she had a "spread" strategy that no matter which way the market moved he would make money. She told him that unless the market did not move at all, he would make money; she told him he could not lose.
- (c) Gallitano told customers and potential customers that by using a straddle strategy she had made clients "a lot of money" even when her prediction of market direction was wrong.
- (d) Gallitano told a potential customer that her other customers had made profits using her strategy and that the customer had to act quickly.
- (e) A FRI employee promised a potential customer that over three months he would double his money; the FRI employee guaranteed that same customer that he would make money, and that the potential customer could make money "hand over fist" if he followed that FRI employee's advice.
- (f) A FRI employee assured a customer that some of their clients were "major players" who were "reaping significant gains."
- (g) A FRI employee told a potential customer that his other customers drove Bentleys, owned yachts and were doing very well.
- (h) A FRI employee told a potential customer, "it's a sure thing" and "give me a small amount of money and I'll show you how to make money real quick."
- (i) FRI employees told one potential customer: "you'll make a fortune", and "you're going to make a killing."
- (j) A FRI employee told a potential customer that profit by investing through FRI was "a sure thing."
- (k) A FRI employee told a potential customer that Gallitano was a brilliant forex trader who had made a lot of money for her clients.

26. Similarly, FRI, Gallitano and other FRI employees routinely led customers to believe that the risk of loss could be limited or was virtually non-existent. FRI's employees made misrepresentations concerning risk to customers, including but not limited to:

- (a) Gallitano told potential customers that she had a "spread" strategy as a result of which they would make money whichever way the market moved. She told one such customer that the positions would have "built in stop-loss orders to lock in profits and limit losses."
- (b) A FRI employee told potential customers that he had a certain trading strategy as a result of which "the only way" the customers "could lose money was if the market did not move either way.
- (c) A FRI employee told a potential customer that in the worst case he might lose a little but that then he would make it all back.
- (d) A FRI employee told a potential customer "you can't lose."

27. FRI, Gallitano and other FRI employees, either knowingly or recklessly misrepresented the need for potential customers to send in money immediately so as not to miss what they indicated was a fleeting opportunity to make substantial profits or to encourage existing customers to invest additional funds once their initial investment funds were lost.

28. FRI, Gallitano and other FRI employees, in light of their claims of the likelihood of profits or that prior customers had made profits and that Gallitano was a "brilliant forex trader," knowingly or recklessly failed to disclose in their solicitation of forex option customers or potential customers the material facts that:

- (a) an overwhelming majority of FRI's customers sustained large losses trading forex options through FRI;
- (b) during the relevant period, FRI's customers sustained at least \$3.2 million in losses;
- (c) during the same time period, only the smallest fraction of FRI customers had forex option accounts that showed any profit; and

(d) the lower premium for out-of-the-money options reflects the lower inherent value of out-of-the-money options.

C. Statutory Background

29. Section 2(c)(2)(B)(i) and (ii) of the Act provides that the Commission shall have jurisdiction over an agreement, contract or transaction in foreign currency that is a sale of an option, so long as: (i) the contract is “offered to, or entered into with, a person that is not an eligible contract participant,” and (ii) the counterparty, or the person offering to be the counterparty, is not one of the regulated entities enumerated in Section 2(c)(2)(B)(ii)(I-VI). 7 U.S.C. § 2(c)(2)(B)(i) and (ii).

30. Section 1a(12)(A)(xi) of the Act defines an eligible contract participant as an individual who has total assets in excess of: (a) \$10 million; or (b) \$5 million and who enters the transaction to manage the risk associated with an asset owned or a liability incurred, or reasonably likely to be owned or incurred. 7 U.S.C. § 1a(12)(A)(xi).

31. Most, if not all, of the foreign currency options transactions alleged herein were offered to or entered into with persons who did not qualify as eligible contract participants.

32. Section 2(c)(2)(B)(ii)(I-VI) identifies regulated entities that are proper counterparties to foreign currency transactions with retail customers, including registered FCMs and certain statutorily defined affiliates of registered FCMs, which encompasses only those persons “affiliated” with registered FCMs that are required under the Act and Commission Regulations to make and keep records. *See* 7 U.S.C. § 2(c)(2)(B)(ii)(II) and (III).

33. Notwithstanding subclauses (II) and (III) of subparagraph (B)(ii), Section 2(c)(2)(C) of the Act provides that agreements, contracts or transactions in retail foreign currency are subject to the anti-fraud provisions of Sections 4b and 4c(b) of the Act if they are entered into by an FCM or an affiliate of an FCM that is not also an entity described elsewhere in subparagraph (B)(ii). 7 U.S.C. § 2(c)(2)(C).

34. Worldwide and Nations Investments are registered with the Commission as FCMs. Thus, they both may be proper counterparties under Section 2(c)(2)(B)(ii)(II) and (III) of the Act. Nonetheless, the agreements, contracts or transactions in retail foreign currency described in this Complaint are subject to the anti-fraud provisions of the Act, Sections 4b and 4c(b), pursuant to Section 2(c)(2)(C) of the Act.

35. NCCI FX is not registered with the Commission as an FCM and is not a proper counterparty under Section (2)(c)(2)(B)(ii) to the forex transactions at issue here, and thus the Commission retains complete jurisdiction, without limitation, over these option contracts, including under Section 4c(b) of the Act.

36. Since the Complaint alleges that defendants violated Section 4c(b) of the Act, the Commission has jurisdiction over all the options contracts that are the subject of this action.

V.

COUNT ONE

**VIOLATIONS OF SECTION 4c(b) OF THE ACT,
AND REGULATIONS 1.1(b) AND 32.9(a) and (c)
(7 U.S.C. § 6c(b) AND 17 C.F.R. §§ 1.1(b), AND 32.9(a) and (c))
FOREX OPTIONS FRAUD**

(FRI, FRM AND GALLITANO)

37. Paragraphs 1 through 36 are re-alleged and incorporated herein by reference.

38. Section 4c(b) of the Act, 7 U.S.C. § 6c(b), makes it unlawful to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity regulated under the Act which is of the character of, or is commonly known to the trade as, an "option," "privilege," "indemnity," "bid," "offer," "put," "call," "advance guaranty," or "decline guaranty," contrary to any rule, regulation, or order of the Commission prohibiting any such transaction or

allowing any such transaction under such terms and conditions as the Commission shall prescribe.

39. Regulation 32.9(a) and (c), 17 C.F.R. § 32.9(a) and (c), make it unlawful for any person, directly or indirectly, (a) to cheat or defraud or attempt to cheat or defraud any person; and (c) to deceive or attempt to deceive any other person by any means whatsoever, in or in connection with an offer to enter into, the entry into, or the confirmation of the execution of, any commodity option transaction.

40. During the relevant period, FRI, Gallitano and other FRI employees, violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Section 32.9(a) and (c) of the Regulations, 17 C.F.R. § 32.9(a) and (c), in that, in connection with offers to enter into, the entry of, or the confirmation of the execution of, commodity options transactions, their agents and employees cheated, defrauded, or deceived, or attempted to cheat, defraud or deceive, other persons, by making false, deceptive or misleading representations of material facts and by failing to disclose material facts.

41. Regulation 1.1(b), 17 C.F.R. § 1.1(b), makes it unlawful in connection with forex transactions for any person not described in Section 2(c)(2)(B)(ii)(II) and (III) to, “directly or indirectly, or in connection with any account, agreement, contract or transaction . . . (1) To cheat or defraud or attempt to cheat or defraud any person; . . . or (3) Willfully to deceive or attempt to deceive any person by any means whatsoever.”

42. During the period from at least March 2004 through approximately July 2004, *i.e.*, during the period that NCCI FX operated as an improper counterparty to the forex options transactions at issue here, FRI, Gallitano and other FRI employees, violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Section 1.1(b) of the Regulations, 17 C.F.R. § 1.1(b), in that, in

connection with forex option transactions, their agents and employees cheated, defrauded, or deceived, or attempted to cheat, defraud or deceive, other persons, by making false, deceptive or misleading representations of material facts and by failing to disclose material facts.

43. The foregoing acts, misrepresentations, omissions, and failures of FRI's agents and employees, including Gallitano, occurred within the scope of their employment with FRI. FRI is liable for its agents' and employees' unlawful conduct pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Section 1.2 of the Regulations, 17 C.F.R. § 1.2.

44. Gallitano directly or indirectly controlled FRI and did not act in good faith or knowingly induced, directly or indirectly, FRI's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulations 1.1(b), and 32.9(a) and (c), 17 C.F.R. §§ 1.1(b) and 32.9(a) and (c). Gallitano therefore is a controlling person and is liable for these violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

45. Gallitano knowingly associated and participated in FRI's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Sections 1.1(b), and 32.9(a) and (c) of the Commission's Regulations, 17 C.F.R. §§ 1.1(b) and 32.9(a) and(c), and committed numerous overt acts, as set forth in paragraphs 18-29, above, all in furtherance of FRI's violations and thus willfully aided and abetted FRI in its fraud and is therefore liable for such fraud pursuant to Section 13(a) of the Act, 7 U.S.C. §13c(a).

46. FRM through its agents and employees, including Gallitano, knowingly associated and participated in FRI's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Sections 1.1(b), and 32.9(a) and (c) of the Regulations, 17 C.F.R. §§ 1.1(b) and 32.9(a) and (c), and committed numerous overt acts, as set forth in paragraph 20, above, all in furtherance of

FRI's violations and thus willfully aided and abetted FRI in its fraud and is therefore liable for such fraud pursuant to Section 13(a) of the Act, 7 U.S.C. §13c(a).

47. Each material misrepresentation, omission, actual or attempted act to cheat, defraud, or deceive, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulations 1.1(b), and 32.9(a) and (c), 17 C.F.R. §§ 1.1(b) and 32.9(a) and (c).

48. Each occasion upon which FRM or Gallitano willfully aided and abetted FRI in its scheme to defraud is alleged herein as a separate and distinct violation pursuant to Section 13(a) of the Act, 7 U.S.C. § 13c(a)(a).

VI.

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and its own equitable powers, enter an Order:

A. Restraining and enjoining Defendants, all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of Defendants, and all persons insofar as they are acting in active concert or participation with Defendants, who receive actual notice of the order, by personal service or otherwise, from directly or indirectly:

1. cheating or defrauding or attempting to cheat or defraud other persons, or deceiving or attempting to deceive any other person in or in connection with an offer to enter into, the entry into or the confirmation of the execution of, any commodity option transaction, in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Sections 1.1(b), and 32.9(a) and (c) of the Regulations, 17 C.F.R. §§ 1.1(b), 32.9(a) and (c); and
2. engaging in any commodity-related activity, including, but not limited to soliciting new customers.

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

C. Requiring FRI, FRM, and Gallitano, jointly and severally, to make restitution to every customer of FRI for harm caused by Defendants' violations of the provisions of the Act and the Regulations, as described herein, including pre-judgment and post-judgment interest;

D. Requiring Defendants to pay civil monetary penalties under Section 6c of the Act, 7 U.S.C. § 9a, to be assessed by the Court separately against each of them, in amounts not more than the higher of \$120,000, for violations committed prior to October 23, 2004, and \$130,000 for violations committed on or after October 24, 2004, or triple the monetary gain to Defendants for each violation of the Act; and

F. Such other equitable relief as the Court may deem necessary or appropriate under the circumstances.

Dated: 12/4/06

Respectfully submitted,

ATTORNEYS FOR PLAINTIFF
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COMMISSION
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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.) **NOTICE: Attorneys MUST Indicate All Re-filed Cases Below.**

I. (a) PLAINTIFFS

COMMODITY FUTURES TRADING COMMISSION

DEFENDANTS

FINANCIAL RISK INTERNATIONAL, INC. ET AL.

(b) County of Residence of First Listed Plaintiff Washington, DC
 (EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant Broward
 (IN U.S. PLAINTIFF CASES ONLY)

(c) Attorney's (Firm Name, Address, and Telephone Number)

TORRES
 Kathleen Banar, Matthew Elkan, Commodity Futures Trading Com'n,
 1155 21st St. NW, Washington, DC 20581; (202) 418-5335 (Banar)
 (202) 418-5398 (Elkan)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT LAND INVOLVED.

Attorneys (If Known)

06-61812

(d) Check County Where Action Arose: MIAMI-DADE MONROE BROWARD PALM BEACH MARTIN ST. LUCIE INDIAN RIVER OKEECHOBEE HIGHLANDS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
 2 U.S. Government Defendant
 3 Federal Question (U.S. Government Not a Party)
 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	LABOR	SOCIAL SECURITY	
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	

V. ORIGIN

- (Place an "X" in One Box Only)
- 1 Original Proceeding
 2 Removed from State Court
 3 Re-filed- (see VI below)
 4 Reinstated or Reopened
 5 Transferred from another district (specify)
 6 Multidistrict Litigation
 7 Appeal to District Judge from Magistrate Judgment

VI. RELATED/RE-FILED CASE(S).

(See instructions second page):
 a) Re-filed Case YES NO
 b) Related Cases YES NO
 JUDGE _____ DOCKET NUMBER _____

VII. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing and Write a Brief Statement of Cause (Do not cite jurisdictional statutes unless diversity):
 7 U.S.C. sec. 6c(b). Action to enjoin fraudulent solicitation of retail customers to purchase foreign currency options. seeking, inter alia, restitution, disgorgement and civil penalties.
 LENGTH OF TRIAL via two days estimated (for both sides to try entire case)

VIII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 **DEMANDS**
 CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

ABOVE INFORMATION IS TRUE & CORRECT TO THE BEST OF MY KNOWLEDGE

SIGNATURE OF ATTORNEY OF RECORD _____ DATE _____

FOR OFFICE USE ONLY
 AMOUNT COU RECEIPT # _____ IFP _____