

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 05-80313-CIV-DIMITROULEAS

COMMODITY FUTURES TRADING  
COMMISSION,

Magistrate Judge Seltzer

Plaintiff,

vs.

G7 ADVISORY SERVICES, LLC, and  
MICHEL GERAUD a/k/a MIKE JERAUX,

Defendants.

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**ORDER APPROVING CONSENTED PERMANENT INJUNCTION  
AND CLOSING CASE**

THIS CAUSE is before the Court upon the Notice of Filing Consent Order of Permanent Injunction and Other Equitable Relief. [DE-96]. The Court has carefully considered the Notice and the Consent Order of Permanent Injunction and Other Equitable Relief and being otherwise fully advised in the premises, it is **ORDERED AND ADJUDGED** as follows:

1. The parties's Consent Order of Permanent Injunction and Other Equitable Relief [DE-96] is hereby **APPROVED** and its terms are incorporated within this Order.
2. The Clerk shall close this case and deny all pending motions as moot.

**DONE AND ORDERED** in Chambers at Fort Lauderdale, Broward County, Florida, this 31st day of October, 2006.

  
WILLIAM P. DIMITROULEAS  
United States District Judge

Copies furnished to:

Rachel Entman, Esq.

Francisco O. Sanchez, Esq.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Civil Action No. 05-80313 (CIV-DIMITROULEAS/SELTZER)

COMMODITY FUTURES TRADING COMMISSION,

Plaintiff,

v.

G7 ADVISORY SERVICES, LLC, and MICHEL  
GERAUD a/k/a MIKE JERAUX ,

Defendants.

**CONSENT ORDER OF PERMANENT INJUNCTION  
AND OTHER EQUITABLE RELIEF**

**I. BACKGROUND**

On April 12, 2005, the Commission filed its Complaint against G7 Advisory Services, LLC (“G7 Advisory”) and Michel Geraud a/k/a Mike Jeraux (“Geraud”) (collectively the “Defendants”). Also on April 12, 2005, the Court entered an *Ex Parte* Statutory Restraining Order, Order Permitting Expedited Discovery and Order to Show Cause Re: Preliminary Injunction (“Statutory Restraining Order”). On July 25, 2005, the Court entered a Consent Order Granting Preliminary Injunction and Other Equitable Relief (“Consent Preliminary Injunction”) that, among other things, enjoined Defendants from violating Section 4c(b) of the Commodity Exchange Act as amended (the “Act”), 7 U.S.C. § 6c(b) (2002) and Commission Regulations 1.1(b)(1) and (3), 17 C.F.R. §§ 1.1(b)(1) and (3) (2004) and 32.9(a) and (c), 17 C.F.R. § 32.9(a) and (c)(2002). On March 2, 2006, the Commission filed its First Amended Complaint (“Complaint” refers collectively to the original Complaint and the First Amended Complaint),

adding a charge against Geraud alleging that he is liable as the controlling person of G7 Advisory for the fraud committed by G7 Advisory, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) of the Act (2002).

## **II. CONSENT AND AGREEMENT**

Solely to effect settlement of the matters alleged in the Complaint in this action without a trial on the merits or any further judicial proceedings or presentation of additional evidence, Defendants:

1. Consent to the entry of this Consent Order of Permanent Injunction and Other Equitable Relief ("Order").
2. Affirm that they have read and agreed to this Order voluntarily and that no threat or promise has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Order, other than as set forth specifically herein.
3. Acknowledge service of the Summons and Complaint.
4. Admit that this Court has jurisdiction over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002).
5. Admit that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002).
6. Waive:
  - a. All claims which may be available under the Equal Access to Justice Act, 5 U.S.C. § 504 (2002) and 28 U.S.C. § 2412 (2002) to seek costs, fees, and other expenses relating to, or arising from, this action;

b. Any claim of double jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any relief; and

c. Any rights of appeal from this Order.

7. By consenting to the entry of this Order, Defendants neither admit nor deny the allegations of the Complaint or the Findings of Fact and Conclusions of Law contained in this Order, except as to jurisdiction and venue. Defendants consent to the entry of this Consent Order solely for the purpose of settling this case.

8. Solely with respect to any bankruptcy proceeding relating to Defendants or any proceeding to enforce this Order, Defendants agree that the allegations of the Complaint and the findings in this Order shall be taken as true and correct and be given preclusive effect, without further proof. Furthermore, Defendants agree to provide immediate notice to this Court and the Commission by certified mail of any bankruptcy proceeding filed by, on behalf of, or against them, individually or collectively.

9. Defendants agree that neither they nor any of their agents, servants, employees, contractors or attorneys shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or contained in this Order or creating, or tending to create, the impression that the Complaint or this Order is without a factual basis; provided, however, that nothing in this provision shall affect defendants' (a) testimonial obligations; or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants shall take all necessary steps to ensure that all of their agents, servants, employees, contractors and attorneys understand and comply with this agreement.

10. Defendants consent to the continued jurisdiction of this Court in order to implement and carry out the terms of all orders and decrees that may be entered herein, to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and to assure compliance with the Order.

### **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, without presentation of additional evidence, the entry of findings of fact, conclusions of law, and a permanent injunction and ancillary equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), as set forth herein.

#### **A. Findings of Fact**

##### **Solicitation Fraud of G7 Advisory and Geraud**

1. From at least May 2004 to at least January 2005 (the "relevant period"), G7 Advisory, by and through its employees, including, but not limited to Geraud, solicited members of the retail public to buy and sell off-exchange options on foreign currency.
2. Geraud was in charge of the day-to-day operations of G7 Advisory during the relevant time period.
3. G7 Advisory and Geraud aggressively solicited prospective customers through cold-calling. Once contact was made, G7 Advisory and Geraud pursued the prospective customer with persistent phone calls and other high pressure sales techniques, often stressing the immediacy of their decision to open an account with G7 Advisory. In addition to cold-calling, G7 Advisory also solicited customers through its website, [www.G7options.com](http://www.G7options.com).

4. During the relevant period, G7 Advisory solicited approximately \$2.1 million from at least 136 customers.

5. Every G7 Advisory customer closed their account with G7 Advisory with a loss, while G7 Advisory generated at least \$1.3 million in commissions and fees.

6. G7 Advisory, through its employees, including but not limited to Geraud, induced customers to invest with them by making false and misleading material representations during sales solicitation telephone calls to customers and potential customers.

7. G7 Advisory and Geraud gave the G7 Advisory employees, regardless of their sales experience, a 63-page script titled *Currency Sales Success – The Complete Guide to Selling Currency Investments Around the World* (hereinafter “script”) to use when soliciting customers to invest. The script instructed G7 Advisory to portray an investment with G7 Advisory as highly rewarding, with little risk involved, and to convey the image that G7 Advisory traders are experienced and successful. In fact, many G7 Advisory employees had no sales or commodities experience before joining G7 Advisory.

8. G7 Advisory employees, including but not limited to Geraud, consistent with the sales solicitation script, knowingly or recklessly made materially false claims to customers and potential customers by: (1) misrepresenting the profit potential of foreign currency options contracts; (2) misrepresenting the risk involved in trading foreign currency options contracts; (3) misleading customers by citing well-known public information that was already factored into the options prices; and (4) misrepresenting the level of trading experience of G7 Advisory employees. While making these material misrepresentations, G7 Advisory and Geraud failed to disclose G7 Advisory’s losing performance record.

9. As examples of Geraud's misrepresentations made while soliciting prospective customers to invest in foreign currency options contracts with G7 Advisory, Geraud:

- told a potential customer that it was a wonderful time to invest in Euro currency options, G7 Advisory would make him "big money", and that the way currencies were priced, he would make a ratio of 10 to 1 on his investment in a very short time;
- told a potential customer that based on the current world events the customer had the potential to experience large rates of return, and that it was a "win-win" situation because he could hedge trades in a way that limited the usual risks involved in trading currency options;
- told a potential customer that numerous clients had tripled or quadrupled their money or even better; and
- transferred a customer's account to an inexperienced broker while telling the customer that the broker was a trustworthy experienced professional with extensive success that would make him a great manager of the account.

10. As examples of G7 Advisory's other employees' misrepresentations made while soliciting prospective customers to invest (and existing customers to re-invest) in foreign currency options contracts, the G7 Advisory employees told customers that:

- because of the current trade deficit and the war in Iraq, the U.S. dollar was guaranteed to fall in price such that if the customer purchased Euro options, his account would dramatically increase in value;



- he had been in the business for years and that he was certain that he was sitting on the “opportunity of a lifetime”, that only once or twice in his career had he been so certain of an opportunity;
- Alan Greenspan was raising the interest rate, and that the Euro was bound to go up;
- Warren Buffett had made a record investment in the market, all the banks were converting all their bonds into Euros, and as a result, the Euro was doing really well;
- Warren Buffet was currently pouring money into the currency markets and was making millions;
- currencies are priced so that he could not lose money;
- the market would definitely go up and that he was going to do really well; and
- his account was making money when in reality, his account was losing money;

11. During the sales solicitations, G7 Advisory, through its employees, including but not limited to Geraud, also routinely failed to disclose adequately the risk of loss inherent in trading foreign currency options. Their occasional references to risk were nullified when Defendants urged customers to invest immediately and falsely represented that while losses on foreign currency options are theoretically possible, trading foreign currency options with G7 Advisory was highly profitable and virtually risk-free.

12. G7 Advisory and Geraud failed to disclose the firm’s losing track record when soliciting customers and misrepresenting the profit potential and risks involved in trading foreign currency options.

13. G7 Advisory employees, including but not limited to Geraud, intentionally made these material misrepresentations and omissions in order to induce individuals to invest funds for purposes of trading foreign currency options and to obtain commissions from the trading of those funds.

14. G7 Advisory customers relied on the material misrepresentations and omissions of the G7 Advisory employees in making their decision to invest with G7 Advisory.

15. The fraud by G7 Advisory employees, including but not limited to Geraud, resulted directly in substantial losses to investors and ill-gotten gains to G7 Advisory.

**Geraud Was the Controlling Person of G7 Advisory, and Failed to Act in Good Faith and Knowingly Induced the Fraud by G7 Advisory Employees**

16. Geraud was solely responsible for the day-to-day operations of G7 Advisory. He was responsible for finding the office space for G7 Advisory, purchasing the customer lead lists for the employees to use, hiring, training and supervising of employees, monitoring employees' telephone sales solicitation, supervising the management of customer accounts, handling customer complaints, and determining allocations of commission revenue to employees. As such, Geraud was a controlling person of G7 Advisory.

17. In his role as controlling person, Geraud:

- was seldom in his private office, but rather was on the floor supervising and listening to brokers' sales solicitation;
- hired the "fronters," who made the initial calls to customers, without requiring any prior commodities or trading experience;
- gave every new employee a two-hour training class;
- conducted the morning meetings with the employees at G7 Advisory;

- distributed the sales solicitation scripts to the employees at G7 Advisory and instructed the employees to use the script verbatim;
- instructed “fronters” to tell potential customers that it would be best for them to invest urgently;
- did not instruct “fronters” to advise potential customers about the risks involved in trading foreign currency options;
- did not compile or disclose information regarding the trading history of G7 Advisory customers; and
- failed to ensure that G7 employees did not make material misrepresentations to customers and potential customers and that employees disclosed G7 Advisory’s losing track record, despite monitoring these solicitations.

18. Overall, Geraud did not maintain an adequate system of supervision designed to detect or deter wrongdoing by G7 Advisory employees, including their acts of fraudulent solicitation.

19. Based on Geraud’s active involvement in the operations of and presence at G7 Advisory, along with his active participation in fraudulent solicitations, Geraud had actual or constructive knowledge of the fraudulent solicitation practices of G7 Advisory employees

20. In acting as a controlling person of G7 Advisory, Geraud either failed to act in good faith or knowingly induced, directly or indirectly, the acts constituting the violations found herein.

## **B. Conclusions of Law**

1. 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 a

commodity for future delivery (or option thereon) or an option, so long as the contract is “offered to, or entered into with, a person that is not an eligible contract participant,” and “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), including certain statutorily defined affiliates of futures commission merchants (“FCMs”), which, in turn, encompasses only those “affiliated” persons as to whom the FCMs are required under the Act and Commission Regulations to make and keep records.

2. All of the foreign currency transactions alleged herein were offered to or entered into with ordinary retail customers who did not qualify as eligible contract participants, as defined in Section 1a(12)(A)(xi) of the Act (an eligible contract participant includes an individual who has total assets in excess of: a) \$10 million; or b) \$5 million and who enters the transaction to manage risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred.)

3. During the relevant period, the counterparty to the retail foreign currency options transactions entered into by G7 Advisory customers was a subsidiary of a registered FCM. The counterparty to the relevant transactions, however, was not an affiliate of the FCM for the purposes of Section 2(c)(2)(B)(ii)(III) of the Act, in that the FCM was not required under the Act or Commission Regulations to make and keep records concerning the business or activities of the counterparty to the relevant transactions. The counterparty to the relevant transactions, therefore, was not an appropriate counterparty to the retail customer transactions.

4. This Court also has jurisdiction over the subject matter of this action and all parties hereto pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive relief against any person whenever it shall appear 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 thereunder.

5. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, in that the 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.

6. This Court has personal jurisdiction over defendants, who acknowledge service of the Complaint and consent to the Court's jurisdiction over them.

7. The Commission and defendants have agreed to this Court's continuing jurisdiction over each of them for the purpose of enforcing the terms of this Order.

8. By the conduct described in Section III.A above, Geraud and G7 Advisory committed fraudulent acts and thereby violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Commission Regulations 1.1(b)(1) and (3), 17 C.F.R. §§ 1.1(b)(1) and (3) and 32.9(a) and (c), 17 C.F.R. §§ 32.9(a) and (c).

9. By the conduct described in Section III.A above, Geraud directly or indirectly controlled G7 Advisory, and failed to act in good faith or knowingly induced, directly or indirectly, the violations of G7 Advisory. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2002), Geraud is liable for G7Advisory's violations of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Commission Regulations 1.1(b)(1) and (3), 17 C.F.R. §§ 1.1(b)(1) and (3) and 32.9(a) and (c), 17 C.F.R. §§ 32.9(a) and (c).

**IV. ORDER FOR PERMANENT INJUNCTION**

**NOW THEREFORE, IT IS ORDERED THAT:**

1. Defendants are permanently restrained, enjoined and prohibited from directly or indirectly:

a. Offering to enter into, entering into, executing, confirming the execution of, or conducting business for the purpose of soliciting, accepting any order for, or otherwise dealing in any transaction in, or in connection with, a commodity option 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, in violation of Section 4c(b) of the Act; and

b. In or in connection with an offer to enter into, the entry into, or the confirmation of the execution of any commodity option transaction, including options transactions in foreign currency subject to the Commission's jurisdiction set forth herein, cheating or defrauding or attempting to cheat or defraud any persons; or deceiving or attempting to deceive any person by any means whatsoever, in violation of Section 4c(b) of the Act and Commission Regulations 1.1(b)(1) and (3) and 32.9(a) and (c).

2. Defendants are 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(29) of the Act, 7 U.S.C. § 1a(29);

b. Soliciting, receiving, or accepting any funds in connection with the purchase or sale of any futures contract or option on a futures contract;

c. Engaging in, controlling or directing the trading for any commodity futures, security futures, options on futures, foreign currency futures, options on foreign currency futures or options on foreign currency accounts for or on behalf of any other person or entity, whether by power of attorney or otherwise; and

d. 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) (2004), or acting as a principal, agent or any other officer or employee of any person 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) (2004). This includes, but is not limited to, soliciting, accepting or receiving any funds, revenue or other property from any person, giving commodity trading advice for compensation, except as provided for in Regulation 4.14 (a)(9), 17 C.F.R. § 4.14(a)(9) (2004), or soliciting prospective customers, related to the purchase or sale of any commodity futures, security futures, options on futures, foreign currency futures, options on foreign currency futures or options on foreign currency;

3. The injunctive provisions of this Order shall be binding on defendants, upon any person insofar as he or she is acting in the capacity of officer, agent, servant, employee or attorney of defendants, and upon any person who receives actual notice of this Order by personal service or otherwise insofar as he or she is acting in active concert or participation with defendants.

V. **RESTITUTION, CIVIL MONETARY PENALTY, AND ANCILLARY RELIEF**

**NOW THEREFORE, IT IS ORDERED THAT:**

Defendants shall comply fully with the following terms, conditions and obligations relating to the payment of restitution, the payment of a civil monetary penalty, and the submission of financial information. The equitable relief provisions of this Consent Order shall be binding upon Defendants and any person who is acting in the capacity of officer, agent, employee, servant, or attorney of Defendants, and any person acting in active concert or participation with Defendants and those equitable relief provisions that relate to restitution shall be binding on any financial institutions listed herein or holding frozen funds or assets of the Defendants, who receives actual notice of this Consent Order by personal service or otherwise.

**A. RESTITUTION**

1. **IT IS HEREBY ORDERED THAT** G7 Advisory shall make restitution in the amount of \$2,100,000.00, plus pre-judgment interest and post-judgment interest. Geraud shall be jointly and severally liable for the restitution of G7 Advisory in the amount of \$500,000.00, plus pre-judgment interest and post judgment interest. The \$3,605.59 currently frozen and held at Wachovia Bank, N.A. and Bank of America pursuant to the Statutory Restraining Order shall be applied to the restitution obligations of Defendants. Restitution shall be paid within ten days of entry of this Order. Pre-judgment interest from April 2005 to the date of this Order shall be determined by using the underpayment rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 662(a)(2). Post-judgment interest shall accrue beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of this Order pursuant to 28 U.S.C. § 1961.



2. The amount of restitution assessed against G7 Advisory represents the amount of funds invested by customers of G7 Advisory as identified in Exhibit A, attached hereto and filed under seal. Omission of any investor from Exhibit A shall in no way limit the ability of such investor from seeking recovery. Further, the amounts payable to each investor identified in Exhibit A shall not limit the ability of any investor from proving that a greater amount is owed from defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any investor that exist under state or common law.

3. Appointment of Monitor: To effect payment by Defendants and distribution of restitution to Defendants' customers, the Court appoints Daniel Driscoll of the National Futures Association as Monitor ("Monitor"). The Monitor shall collect restitution payments from Defendants, compute pro rata allocations to injured customers identified in Exhibit A to this Consent Order, and make distributions as set forth below. Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, he shall not be liable for any action or inaction arising from his appointment as Monitor, other than actions involving fraud.

4. Restitution payments under this Order shall be made to the National Futures Association ("NFA") by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the G7 Advisory Settlement Fund and sent to Daniel Driscoll, Monitor, National Futures Association, 200 W. Madison St., #1600, Chicago, IL 60606-3447 under a cover letter that identifies the paying defendant and the name and docket number of the proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Director and the Office of Cooperative Enforcement, Division of Enforcement, Commodity Futures Trading Commission, at the following address:

Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581. The NFA shall oversee Defendants' restitution obligation and shall make periodic distributions of funds to investors as appropriate. Based upon the amount of funds available, the NFA may defer distribution until such time as it deems appropriate. Restitution payments shall be made in an equitable fashion as determined by the NFA to the persons identified on Exhibit A.

**B. CIVIL MONETARY PENALTY**

G7 Advisory shall pay to the Commission a civil monetary penalty in the amount of \$1,500,000.00, plus post-judgment interest pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1. Geraud shall pay to the Commission a civil monetary penalty in the amount of \$250,000.00, plus post-judgment interest pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1. The civil monetary penalties shall be paid within ten days of entry of this Order. All payments by Defendants shall be applied to their respective restitution obligations under this Order until all respective restitution obligations have been paid in full. Upon full payment of their respective restitution obligations, all payments by Defendants will be applied to their respective civil monetary penalty obligations under this Order. Defendants shall pay this penalty by making electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order made payable to the CFTC and sent to the attention of the Office of Cooperative Enforcement, Division of Enforcement, CFTC, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581. Defendants shall accompany payment of the penalty with a cover letter that identifies the paying defendant, and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Director and the Office of Cooperative Enforcement, Division of Enforcement, CFTC, 1155 21<sup>st</sup> N.W., Washington, D.C. 20581.

**VI. MISCELLANEOUS PROVISIONS**

1. NOTIFICATION OF FINANCIAL INSTITUTIONS. Within thirty (30) days of receiving this Consent Order, each financial institution listed below shall liquidate and release any and all funds held by G7 Advisory and Geraud, and convey the funds, by wire transfer, to an account designated by the Monitor, less any bank wire or administrative fees. The transfer of such funds held by G7 Advisory represents an offset to the restitution amounts owed both by G7 Advisory and Geraud pursuant to this Order. At no time during the release, liquidation or wire of the funds shall Defendants be given access to, or be provided with, any funds from these accounts. Defendants and the financial institutions listed below shall cooperate fully and expeditiously with the Commission and Restitution Monitor in the liquidation and transfer of funds. The accounts to be liquidated, released, and transferred are:

Bank of America Accounts: 0037660555820 and 003771310084

Wachovia Accounts: 1010114046716 and 1010073400422

2. ASSET FREEZE. Upon entry of this Consent Order and liquidation and release of funds described in paragraph VI(1) above, the restriction against transfer, dissipation, and disposal of assets detailed in the Statutory Restraining Order and Consent Preliminary Injunction shall no longer be in effect.

3. NOTICES. All notices required by this Consent Order shall be sent by certified mail, return receipt requested, as follows:

- a. Notice to Plaintiff Commission:  
Division of Enforcement  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

- b. Notice to the Restitution Monitor:  
Daniel Driscoll  
National Futures Association  
200 West Madison Street  
Chicago, IL 60606
  
- c. Notice to Defendants G7 Advisory and Geraud  
c/o Homer & Bonner, P.A.  
1441 Brickell Avenue  
12<sup>th</sup> Floor  
Miami, FL 33131

4. ENTIRE AGREEMENT, AMENDMENTS AND SEVERABILITY. This Order incorporates all of the terms and conditions of the settlement among the parties. Nothing shall serve to amend or modify this Order in any respect whatsoever, unless: (1) reduced to writing, (2) signed by all parties, and (3) approved by order of the Court. If any provision of this Order or the application of any provision or circumstance is held invalid, the remainder of this Order shall not be affected by the holding.

5. SUCCESSORS AND ASSIGNS. This Order shall inure to the benefit of and be binding on the parties' successors, assigns, heirs, beneficiaries and administrators.

6. COUNTERPARTS. This Order may be executed by the parties in counterparts and by facsimile.

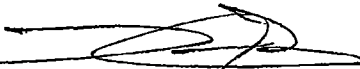
7. JURISDICTION. This Court shall retain jurisdiction of this cause to assure compliance with this Order and for all other purposes related to this action.

8. AUTHORITY: Tara Dean hereby warrants that she is the Member Manager of G7 Advisory and that this Consent Order has been duly authorized by G7 Advisory and she has been duly empowered to sign and submit it on behalf of G7 Advisory.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order of Permanent Injunction and Other Equitable Relief.

Consented to and approved for entry by:

Dated: September 20, 2006

  
\_\_\_\_\_  
Francisco O. Sanchez, Esq.  
Homer & Bonner, P.A.  
The Four Seasons Tower  
1441 Brickell Avenue, Suite 1200  
Miami, FL 33131  
Attorneys for Defendants


Dated: September \_\_\_\_\_, 2006

\_\_\_\_\_  
Michel Geraud

Dated: September \_\_\_\_\_, 2006

\_\_\_\_\_  
Tara Dean on behalf of G7 Advisory

Dated: <sup>October</sup> September 30, 2006

  
\_\_\_\_\_  
Rachel Entman, DC Bar No. 483719  
Michael J. Otten, VA Bar No. 42371  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
Attorneys for Plaintiff

Done and ordered on this \_\_\_\_ day of \_\_\_\_\_, 2006, at Ft. Lauderdale, Florida

\_\_\_\_\_  
WILLIAM P. DIMITROULEAS  
United States District Judge  
Southern District of Florida

Dated: September \_\_\_\_, 2006

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Francisco O. Sanchez, Esq.  
Homer & Bonner, P.A.  
The Four Seasons Tower  
1441 Brickell Avenue, Suite 1200  
Miami, FL 33131  
Attorneys for Defendants

Dated: September 18, 2006



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Michel Geraud

Dated: September \_\_\_\_, 2006

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Tara Dean on behalf of G7 Advisory

Dated: September \_\_\_\_, 2006

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Rachel Entman, DC Bar No. 483719  
Michael J. Otten, VA Bar No. 42371  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
Attorneys for Plaintiff

Done and ordered on this \_\_\_\_ day of \_\_\_\_\_, 2006, at Ft. Lauderdale, Florida

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WILLIAM P. DIMITROULEAS  
United States District Judge  
Southern District of Florida

Dated: September \_\_\_\_, 2006

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Francisco O. Sanchez, Esq.  
Homer & Bonner, P.A.  
The Four Seasons Tower  
1441 Brickell Avenue, Suite 1200  
Miami, FL 33131  
Attorneys for Defendants

Dated: September \_\_\_\_, 2006

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Michel Geraud

Dated: September 14, 2006

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*Tara Dean*  
Tara Dean on behalf of G7 Advisory

Dated: September \_\_\_\_, 2006

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Rachel Entman, DC Bar No. 483719  
Michael J. Otten, VA Bar No. 42371  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
Attorneys for Plaintiff

Done and ordered on this \_\_\_\_ day of \_\_\_\_\_, 2006, at Ft. Lauderdale, Florida

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WILLIAM P. DIMITROULEAS  
United States District Judge  
Southern District of Florida