

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

UNITED STATES COMMODITY
FUTURES TRADING COMMISSION,

Plaintiff,

v.

IB CAPITAL FX, LLC (A/K/A IB CAPITAL FX (NZ)
LLP) DBA IB CAPITAL, MICHEL GEURKINK, AND
EMAD ECHADI,

Defendants.

CASE NO.:

**COMPLAINT FOR INJUNCTIVE RELIEF, CIVIL MONETARY PENALTIES, AND
OTHER EQUITABLE RELIEF**

Plaintiff, the United States Commodity Futures Trading Commission (“Commission” or
“CFTC”), by its attorneys, alleges as follows:

I. SUMMARY

1. From at least January 1, 2012 through September 18, 2012 (the “relevant
period”), Defendants Michel Geurkink (“Geurkink”) and Emad Echadi (“Echadi”), individually
and as the agents of IB Capital FX, LLC (a/k/a IB Capital FX (NZ) LLP) dba IB Capital (“IB
Capital”), engaged in the offering of agreements, contracts or transactions in off-exchange

margined retail foreign currency (“forex”) to retail customers who were not eligible contract participants (“ECPs”). Defendants have never been registered as required with the Commission.

2. By virtue of this conduct and the conduct further described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices that violate the registration provisions of the Commodity Exchange Act (“Act”) and Commission Regulations (“Regulation”), namely Section 2(c)(2)(C)(iii)(I)(aa) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012); and Regulations 5.3(a)(6)(i) and 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(i), and § 5.3(a)(6)(ii) (2012).

3. During the relevant period, Geurkink, Echadi, and other agents or employees of IB Capital committed the acts described in this Complaint within the scope of their agency, employment or office with IB Capital; therefore IB Capital is liable pursuant Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012) and Regulation 1.2, 17 C.F.R. § 1.2 (2012), as a principal for Geurkink’s and Echadi’s violations of the Act and/or Regulations.

4. Accordingly, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1 (2012), and Section 2(c)(2)(C) of the Act, 7 U.S.C. § 2(c)(2)(C) (2012), the Commission brings this action to enjoin Defendants’ unlawful acts and practices, to compel their compliance with the Act and the Regulations thereunder, and to enjoin them from engaging in any commodity related activity, as set forth below. In addition, Plaintiff seeks civil monetary penalties for each violation of the Act and Regulations, and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

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

6. This Court has jurisdiction over this matter pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), which provides that whenever it shall appear to the Commission that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder, the Commission may bring an action in the proper district court of the United States to enjoin such act or practice, or to enforce compliance with the Act.

7. The Commission possesses jurisdiction over the forex solicitations and transactions at issue in this case pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), and Section 2(c)(2)(C) of the Act, 7 U.S.C. § 2 (c)(2)(C) (2012).

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

III. THE PARTIES

9. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency charged by Congress with the responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. §§1 *et seq.* (2012), and the Regulations promulgated under it, 17 C.F.R. §§1.1 *et seq.* (2014). The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

10. Defendant **IB Capital FX, LLC (a/k/a IB Capital FX (NZ) LLP) dba** IB Capital of Wellington, NZ is a corporation with its principal place of business located at IBCAP Office, Level 5, 22 the Terrace 6011 Wellington, New Zealand, which does business in the Netherlands. IB Capital has never been registered with the Commission in any capacity. IB Capital is not a United States financial institution, registered broker dealer, insurance company, financial holding company, or investment bank holding company, or an associated person of such entities.

11. Defendant **Emad Echadi** is a resident of the Netherlands and is IB Capital's sole director. Echadi has never been registered with the Commission in any capacity, nor has he sought or does he qualify for exemption from registration. Echadi is not a United States financial institution, registered broker dealer, insurance company, financial holding company, or investment banking holding company, or an associated person ("AP") of any such entity.

12. Defendant **Michel Geurkink** is a resident of the Netherlands. Geurkink has never been registered with the Commission in any capacity, nor has he sought or does he qualify for exemption from registration. He was an employee of IB Capital who served in a customer service function. Geurkink is not a United States financial institution, registered broker dealer, insurance company, financial holding company, or investment banking holding company, or an AP of any such entity.

IV. ADDITIONAL RELEVANT ENTITIES

13. **Kevin Clarke** is an American citizen who purported to operate Global Forex Management. Clarke's whereabouts are currently unknown.

14. **Bill Breame a/k/a Bill Breen** is an American citizen who purported to operate Global Forex Management. Breame's whereabouts are currently unknown.

15. **Global Forex Management** (“GFM”) is an unincorporated sole proprietorship operated by Kevin Clarke and Bill Breame which, upon information and belief, has never been incorporated in the United States.

16. **Investment Intelligence Corporation**, *dba* ProphetMax FX, (“IIC”) is an Australian corporation. Its principal place of business is Waterfront Place, Level 19, 1 Eagle Street, Brisbane, QLD, 4000, Australia. IIC’s principal is Senen Pousa (“Pousa”). On September 18, 2012, the Commission filed a related matter *CFTC v. Pousa, et al.*, Case No. 1:12-cv-00862-LY, in this District. On November 27, 2013, the Court entered a permanent injunction order requiring Pousa and IIC jointly and severally to pay restitution plus prejudgment interest totaling \$33,299,821 to customers, a \$79,500,000 civil monetary penalty, and ordering permanent trading and registration bans.

V. STATUTORY BACKGROUND

17. On October 18, 2010, the CFTC adopted new regulations implementing certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010) (“Dodd-Frank Act”), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), and the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), 7 U.S.C. §§ 1 *et seq.*, with respect to off-exchange transactions or contracts in forex.

18. Section 2(c)(2)(C)(i)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(i)(I) (2012), provides in relevant part:

- (I) This subsection shall apply to any agreement, contract or transaction in foreign currency that is-
 - (aa) offered to, or entered into with, a person that is not an eligible contract participant (except that this subparagraph shall not apply if the counterparty, or the person offering

to be the counterparty, of that person that is not an eligible contract participant is a person described in any of item (aa), (bb), (cc), or (ff) of subparagraph (B)(i)(II); and (bb) offered, or entered into, on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis.

(II) Subclause (I) of this clause shall not apply to –

(aa) a security that is not a security futures product; or

(bb) a contract of sale that –

(AA) results in actual delivery within 2 days; or

(BB) creates an enforceable obligation to deliver between a seller and buyer that have the ability to deliver and accept delivery, respectively, in connection with their line of business.

19. An “eligible contract participant” is defined by the Act, in relevant part, as an individual with total assets in excess of (i) \$10 million, or (ii) \$5 million and who enters the transaction “to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.” Section 1a of the Act, as amended, 7 U.S.C. § 1a (2012).

20. Pursuant to Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012), an entity must be registered if it solicits or accepts orders from any person that is not an ECP in connection with agreements, contracts or transaction described in Section 2(c)(2)(C)(i) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(i) (2012), with a person that is not described in Section 2(c)(2)(B)(i)(II) of the Act, as amended, 7 U.S.C. § 2(c)(2)(B)(i)(II) (2012).

21. For the purposes of trading retail forex, an Retail Foreign Exchange Dealer (“RFED”) is defined in Regulation 5.1(h)(1), 17 C.F.R. § 5.1(h)(1) (2012), as any person that is, or offers to be, the counterparty to a retail forex transaction, except for certain persons not relevant to this Complaint.

22. Pursuant to Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012), in connection with retail forex transactions, all RFEDs must be registered with the Commission during the

relevant period. Pursuant to Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012), in connection with retail forex transactions, all APs of an RFED must be registered with the Commission during the relevant period.

23. For purposes of trading forex, an AP of a retail foreign exchange dealer is defined in Regulation 5.1(h)(2), 17 C.F.R. § 5.1(h)(2) (2012), as any natural person associated with an RFED as a partner, officer or employee (or any natural person occupying a similar status or performing similar functions), in any capacity which involves: (i) the solicitation or acceptance of retail forex customers' orders (other than in a clerical capacity); or (ii) the supervision of any person or persons so engaged.

24. A "retail forex transaction" is defined in Regulation 5.1(m), 17 C.F.R. § 5.1(m) (2012), as any account, agreement, contract, or transaction described in Section 2(c)(2)(B) or 2(c)(2)(C) of the Act. A retail forex transaction does not include an account, agreement, contract or transaction in foreign currency that is a contract of sale of a commodity for future delivery (or an option thereon) that is executed, traded on or otherwise subject to the rules of a contract market designated pursuant to Section 5(a) of the Act.

VI. FACTS

A. Defendants' Solicitation and Acceptance of Customers

25. During the relevant period, Geurkink and Echadi, individually and as the agents of IB Capital, solicited or accepted retail forex customers' orders and accepted at least fifty million dollars (\$50,000,000) from at least nine hundred sixty (960) customers in the United States and worldwide.

26. Retail forex customers were required to agree in writing to an IB Capital FX Trading Agreement (“IB Capital Trading Agreement”) and other account opening documents which controlled the relationship between customers and IB Capital as their counterparty.

27. The IB Capital Trading Agreement states, in pertinent part, in the section entitled: “4. Risk acknowledgement” that “[c]ustomer understands that because of the low margin/high leverage normally available in foreign currency trading, price changes in foreign contracts may result in significant losses. Such losses may substantially exceed Customer’s investment and margin deposit.”

28. Further, the IB Capital Trading Agreement states, in pertinent part, in the section entitled “9. Trading” that “All customer accounts will have margin requirements established by IB CAPITAL FX (NZ), LLP dealing desk.” The margin requirement is explained in more detail, in pertinent part, in the section entitled “10. Margin Requirements” of the IB Capital Trading Agreement: “Customer shall provide to and maintain with IB CAPITAL FX (NZ), LLP, margin in such amounts and in such forms, and within such limits as IB CAPITAL FX (NZ), LLP, in its sole discretion, may from time to time require.”

29. The IB Capital Trading Agreement in the section entitled “IB Capital FX (NZ) LLP risk disclosure statement,” states, in pertinent part: “THE FOREIGN CURRENCY TRADING YOU ARE ENTERING INTO IS NOT CONDUCTED ON AN EXCHANGE. IB CAPITAL FX (NZ), LLP IS ACTING AS A COUNTERPARTY TO THESE TRANSACTIONS AND THEREFORE ACTS AS THE BUYER WHEN YOU SELL AND THE SELLER WHEN YOU BUY. AS A RESULT, IB CAPITAL FX (NZ), LLP’S INTERESTS MAY BE IN CONFLICT WITH YOURS.” (Emphasis in the original).

30. After completing the IB Capital Trading Agreement and other account opening documents, throughout the relevant period, customers directly wired funds into bank accounts in the name of IB Capital at ING Bank, N.V. in the Netherlands. All told, customers wired at least fifty million dollars (\$50,000,000) to IB Capital.

31. The IB Capital bank accounts at ING Bank, N.V. in the Netherlands were opened by Echadi in his capacity as director of IB Capital. Echadi submitted to ING, as part of the process to open accounts at ING, a “Company Extract” and “Partnership Agreement of IB Capital FX LLP” which represented that Echadi is the director of IB Capital. Echadi opened three accounts in the name of IB Capital – a Euro account, a British Pound account, and a US Dollar account. Echadi was the sole signatory to these accounts and had sole check writing and check card privileges on the accounts.

32. IB Capital’s three ING Bank, N.V. bank accounts in the Netherlands were: ING IB CAPITAL FX LLP (EUR) xxxxx4309; IB CAPITAL FX LLP (GBP) xxxxx1730; and IB CAPITAL FX LLP (USD) xxxxx1064.

33. During the relevant period, various third parties, including but not limited to IIC and its principal, Pousa, directly and indirectly solicited actual and prospective clients worldwide, including in the United States, to open margined retail forex leveraged trading accounts at IB Capital. IIC acted as an introducing broker to IB Capital.

34. On or about January 17, 2012, IB Capital opened four trading accounts with CFH Markets Ltd (“CFH”) of the United Kingdom. Echadi, on behalf of IB Capital as its Director, completed and signed CFH’s corporate account application form. On the CFH corporate account application form, Echadi represented in the section entitled “Type of Business Conduct” that IB

Capital was “investing its own assets.” Echadi was the sole authorized signatory for these accounts.

35. The four accounts opened at CFH by IB Capital were: IB CAPITAL FX NZ LLP EUR xxxxxxxx3686; IB CAPITAL FX NZ PLUG EUR xxxxxxxx3693; IB CAPITAL FX NZ PLUG GBP xxxxxxxx3771; and IB CAPITAL FX NZ PLUG USD xxxxxxxx3691.

36. During the period January 30, 2012 to May 2, 2012, approximately €2,781,000, £3,700,000, and \$39,300,000 of customer funds were deposited into the IB Capital accounts at CFH. Using exchange rates of €1.235 = £1 and \$1.62 = £1, approximately, a total of approximately forty eight million nine hundred thousand dollars (\$48.9 million) of customer funds was deposited into the IB Capital accounts at CFH.

37. During the period May 30, 2012 to August 2, 2012, approximately €1,202,500, £2,855,527 and \$45,393,299.95 were withdrawn from the IB Capital accounts at CFH. Using the same exchange rates of €1.235 = £1 and \$1.62 = £1, as above, IB Capital withdrew approximately a total of fifty one million six hundred thousand dollars (\$51.6 million) from CFH.

B. Defendants Failed to Register with the Commission

38. During the relevant period, IB Capital was acting as an RFED because IB Capital solicited or accepted retail forex customers’ orders and offered to be the counterparty to all of the customers’ purported margined retail forex transactions.

39. IB Capital has never been registered in any capacity with the Commission, nor is it one of the enumerated exempt entities including a United States financial institution, registered broker or dealer, financial holding company, or investment bank holding company or associated person of such entities as defined by the Act.

40. Accordingly, IB Capital was either required to be registered as an RFED or required to obtain an exemption from such registration. As of the date of the filing of this Complaint, IB Capital failed to do either.

41. Defendants failed to disclose to customers that IB Capital, the counterparty to customers' margined retail forex transactions, was not registered and therefore IB Capital is not a proper counterparty to forex transactions.

42. During the relevant period, Geurkink was an employee of IB Capital who served in a customer service function where he solicited or accepted retail forex customers' orders.

43. During the relevant period, Echadi was the director of IB Capital who supervised Geurkink and other employees of IB Capital.

44. As such, throughout the relevant period, Geurkink and Echadi have been associated with IB Capital as a partner, officer or employee, in a capacity that involves the solicitation or acceptance of retail forex customers' orders, or the supervision of any person or persons so engaged.

45. As of the date of the filing of this Complaint, Geurkink and Echadi have not registered with the Commission as APs of an RFED, IB Capital, in violation of Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

46. Defendants failed to disclose this fact to actual and prospective customers that Geurkink and Echadi were acting as APs of an RFED, without the benefit of registration with the Commission and without claiming a valid exemption from registration.

VII. VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT ONE

**VIOLATION OF SECTION 2(c)(2)(C)(iii)(I)(aa) OF THE ACT, AS AMENDED, AND
REGULATION 5.3(a)(6)(i):
FAILURE TO REGISTER AS AN RFED
(AGAINST IB CAPITAL)**

47. The allegations set forth in paragraphs 1 through 46 are re-alleged and incorporated herein by reference.

48. For the purposes of trading retail forex, an RFED is defined in Regulation 5.1(h)(1), 17 C.F.R. § 5.1(h)(1) (2012), as any person that is, or offers to be, the counterparty to a retail forex transaction, except for certain persons not relevant to this Complaint.

49. Pursuant to Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012), in connection with retail forex transactions, all RFEDs must be registered with the Commission during the relevant period.

50. During the relevant period, IB Capital solicited or accepted agreements, contracts or transactions in forex from non-ECPs in connection with leveraged, margined or financed agreements, contracts or transactions in forex as the counterparty to each agreement, contract or transaction. IB Capital, as detailed in the IB Capital Trading Agreement with customers, offered to be the counterparty to a retail forex transaction. IB Capital engaged in this conduct without being registered as an RFED, in violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012) and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012).

51. Each day that IB Capital has engaged in this conduct during the relevant period is alleged as a separate and distinct violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as

amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012) and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012).

COUNT TWO:
VIOLATION OF SECTION 2(c)(2)(C)(iii)(I)(aa) OF THE ACT AND COMMISSION
REGULATION 5.3(a)(6)(ii):
FAILURE TO REGISTER AS AN ASSOCIATED PERSON OF
A RETAIL FOREIGN EXCHANGE DEALER
(AGAINST GEURKINK AND ECHADI)

52. The allegations set forth in Paragraphs 1 through 51 are re-alleged and incorporated herein by reference.

53. Pursuant to Regulation 5.1(h)(2), 17 C.F.R. § 5.1(h)(2) (2012), an associated person of a retail foreign exchange dealer means any natural person associated with a retail foreign exchange dealer, as defined in Regulation 5.1(h)(1), as a partner, officer or employee (or any natural person occupying a similar status or performing similar functions), in any capacity which involves:

- (i) The solicitation or acceptance of retail forex customers' orders (other than in a clerical capacity); or
- (ii) The supervision of any person or persons so engaged.

54. Pursuant to Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012), and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012), all APs of an RFED must be registered with the Commission during the relevant period.

55. During the relevant period, Geurkink and Echadi acted as APs of IB Capital, an RFED, because they solicited or accepted customers' orders, but failed to register with the Commission as an associated person of retail foreign exchange dealer in violation of Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012), and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

56. Each instance that Geurkink and Echadi acted as APs of an RFED but failed to register with the Commission as APs of an RFED is alleged as a separate and distinct violation of Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(2012) and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

VIII. 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 pursuant to the Court's own equitable powers, enter:

a) An order finding that IB Capital violated Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012) and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012);

b) An order finding that Geurkink and Echadi violated Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012) and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012);

c) An order of permanent injunction prohibiting IB Capital and any of its agents, servants, employees, assigns, attorneys, and persons in active concert or participation with IB Capital, including successors thereof, from engaging in conduct in violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012) and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012);

d) An order of permanent injunction prohibiting Geurkink and Echadi and any of its agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Geurkink and Echadi, including successors thereof, from engaging in conduct in violation of Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012) and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012);

e) An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendants, including successors thereof, from directly or indirectly:

- (i) Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40) (2012));
- (ii) Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy) (2014) for their own personal account or for any account in which they have a direct or indirect interest;
- (iii) Having any commodity interests traded on their behalf;
- (iv) 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 interests;
- (v) Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- (vi) 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) (2014); and/or
- (vii) Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2014)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. §

1a(38) (2012)), 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) (2014).

f) An order requiring Defendants, as well as any of their successors, to make full restitution, pursuant to such procedure as the Court may order, to every customer or other person or entity whose funds were received or utilized by them in violation of the provisions of the Act and Regulations, as described herein, plus pre-judgment interest thereon from the date of such violations, plus post-judgment interest;

g) An order requiring Defendants, and any third party transferee and/or successors thereof, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts and practices which constitute violations of the Act, as described herein, plus pre-judgment interest thereon from the date of such violations, plus post-judgment interest;

h) An order directing Defendants and any successors thereof, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between them and any of the customers whose funds were received by Defendants as a result of the acts and practices which constitute violations of the Act and Regulations, as described herein;

i) An order directing Defendants, as well as any of their successors, to pay civil monetary penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of: (1) triple the monetary gain to Defendants for each violation of the Act; or (2) \$140,000 for each violation of the Act committed on or after October 23, 2008, plus post-judgment interest;


j) An order directing Defendants, as well as any of their successors, to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2012); and

k) An order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Date: November 9, 2015

Respectfully Submitted,

by:



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