

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

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U.S. COMMODITY FUTURES)	
TRADING COMMISSION,)	
)	
Plaintiff,)	Case No: _____
)	
v.)	
)	
BRADLEY A. MIKLOVICH,)	
)	
Defendant.)	
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**COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF AND
PENALTIES UNDER THE COMMODITY EXCHANGE ACT**

The U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”), by and through its attorneys, hereby alleges as follows:

I. SUMMARY

1. From July 23 through July 30, 2013 (the “relevant period”), Bradley A. Miklovich (“Miklovich” or “Defendant”), an associated person (“AP”) of Rice Investment Company (“Rice”), a guaranteed introducing broker (“IB”) of a registered futures commission merchant (“FCM”), engaged in trading without customer authorization, in violation of the Commodity Exchange Act (“Act”), as amended, 7 U.S.C. §§ 1 *et seq.* (2012), and Commission Regulations (“Regulations”), 17 C.F.R. §§ 1 *et seq.*, (2013). Defendant concealed his unauthorized trading in the customers’ accounts from Rice by preparing daily reconciliations (“Rice reconciliations”) for the firm that failed to account for the unauthorized transactions he effected. Similarly, Defendant falsified daily customer account summaries and caused those summaries to be sent to

one of the customers, to conceal his unauthorized trading from that customer. As a result of Defendant's unauthorized transactions, the two customers' accounts sustained losses totaling approximately \$574,323.

2. By virtue of this conduct and the conduct further described herein, Defendant has engaged, is engaging in, or is about to engage in fraud in violation of the Act, 7 U.S.C. §§ 1 *et seq.* (2012), and Regulations, 17 C.F.R. §§ 1 *et seq.*, (2013). In particular, Defendant cheated or defrauded or attempted to cheat or defraud and willfully deceived or attempted to deceive Rice's commodity customers by his unauthorized trading in their accounts and by his falsification of Rice reconciliations and daily customer account summaries, in violation of Sections 4b(a)(1)(A)-(C), 4c(b) and 6(c)(1) of the Act, 7 U.S.C. § § 6b(a)(1)(A)-(C), 6c(b), 9(1) (2012) and Regulations 33.10(a)-(c), 166.2 and 180.1, 17 C.F.R. § § 32.10(a)-(c), 166.2, 180.1 (2013).

3. Unless restrained and enjoined by this Court, Defendant is likely to continue to engage in the acts and practices alleged in this Complaint or in similar acts and practices, as described more fully below.

II. JURISDICTION AND VENUE

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

5. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. §13a-1(e), because Defendant is found in, inhabits, or transacts business in this District, or the acts and practices in violation of the Act occurred, are occurring, or are about to occur within this District.

III. PARTIES

6. The U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) 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 Commission’s Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2013).

7. Bradley A. Miklovich is 29 years old and resides in Stow, Ohio. He was registered with the Commission as an AP of Rice, which is located in Maumee, Ohio, from February 2008 through August 2013, when he was terminated by Rice for the acts and practices complained of herein. While at Rice, Miklovich held a position as a senior commodities analyst.

IV. FACTS

A. Statutory Background

8. A futures commission merchant (“FCM”) is defined in Section 1a(28) of the Act, 7 U.S.C. § 1a(28) (2012), and Regulation 1.3(p), 17 C.F.R. § 1.3(p) (2013), with certain qualifications, as an individual, association, partnership, corporation, or trust that is engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery or commodity option on or subject to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

9. An introducing broker is defined in Section 1a(31) of the Act, 7 U.S.C. § 1a(31) (2012), with certain qualifications, as any person, other than an AP of a FCM, engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery, security futures product, or swap on or subject to the rules of any contract market or derivatives transaction execution facility who does not accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

10. An associated person is defined in Regulation 1.3(aa)(1) and (2), 17 C.F.R. §§ 1.3(aa)(1) and (2) (2013) as a natural person associated with any FCM or IB, as a partner, officer, or employee, (or any natural person occupying a similar status or performing similar functions), in any capacity that involves: (i) the solicitation or acceptance of customers' or options customers' orders; or (ii) the supervision of any person or persons so engaged.

B. Miklovich's Responsibilities at Rice

11. Miklovich was hired by Rice in September 2007, to perform general clerical responsibilities, including answering the telephone, providing market quotations and preparing daily reports. He became registered with the Commission as an AP of the firm in February 2008. As an AP of Rice, Miklovich's responsibilities included placing commodity futures and options trades for some customers' accounts. None of Rice's customers gave discretionary authority to trade their accounts-- *i.e.*, Miklovich could only place trades for customers' accounts if he first obtained their authorization to effect those transactions.

12. During the relevant period, Rice employed 5 full-time employees, including Miklovich. From July 24-26, 2013, one of Rice's employees was on vacation. During that employee's absence from the office and continuing through July 30, 2013, Miklovich carried out

some of her responsibilities, namely reconciling customer trading activity for the preceding day by comparing the FCM's daily customer account status sheets with Rice's internal trading documents and preparing daily Rice reconciliations, and creating daily account summaries for one of Rice's customers. By assuming these additional duties, Miklovich was able to effect unauthorized commodity futures and options transactions in three non-discretionary accounts in the name of Customer A, and in one non-discretionary account in the name of Customer B, and conceal his unauthorized trading from Rice and Rice's customer by falsifying both the daily Rice reconciliations that he created and the daily account summaries that he prepared and caused to be sent to Rice's customer.

C. Miklovich's Unauthorized Trading

13. In particular, during the relevant period, Miklovich knowingly effected the following commodity futures and options transactions in the non-discretionary account of Customer A, account number xxx-x7345 at the FCM:

- a. bought 100 August '13 Chicago Board of Trade ("CBOT") Soybean 1360 call options
- b. bought and sold 160 August '13 CBOT Soybean futures
- c. bought and sold 196 August '13 CBOT Soybean Meal futures
- d. sold 186 August '13 CBOT Soybean Meal 430 call options
- e. sold 272 August '13 CBOT Soybean Meal 435 call options

None of the above transactions was authorized by Customer A.

14. Similarly, during the relevant period, Miklovich knowingly effected the following commodity futures transactions in the non-discretionary account of Customer A, account number xxx-x7346 at the FCM:

- a. bought and sold 160 August '13 CBOT Soybean futures
- b. bought and sold 50 August '13 CBOT Soybean Meal futures
- c. bought and sold 160 November '13 CBOT Soybean futures

None of the above transactions was authorized by Customer A.

15. Additionally, during the relevant period, Miklovich knowingly effected the following commodity futures transactions in the non-discretionary account of Customer A, account number xxx-x7350 at the FCM:

- a. bought and sold 160 August '13 CBOT Soybean futures
- b. bought 354 August '13 CBOT Soybean Meal futures
- c. bought and sold 80 September '13 CBOT Soybean futures
- d. bought and sold 28 September '13 CBOT Soybean Meal futures
- e. bought and sold 100 December '13 CBOT Corn futures

None of the above trades was authorized by Customer A.

16. During the relevant period, Miklovich also knowingly effected the following commodity futures transaction in the non-discretionary account of Customer B, account number xxx-x7211 at the FCM:

- a. bought 30 August '13 CBOT Soybean Meal futures

The above transaction was not authorized by Customer B.

D. Miklovich Falsified Rice's Status Reports and Customer Account Summaries

17. To conceal his unauthorized trading, described in Paragraphs 13 through 16 above, Miklovich falsified the daily Rice reconciliations that he created during the relevant period. Specifically, Miklovich falsified the Rice reconciliations by changing dates, or removing pages and inserting pages from Rice reconciliations prepared prior to his unauthorized trading. Because Miklovich failed to include the unauthorized commodity futures and options transactions that he effected for customers' accounts on Rice's daily reconciliations, Rice did not detect his unauthorized trading until the morning of July 31, 2013, when Rice received a telephone call from the FCM informing the firm that one of Customer A's accounts required the posting of additional margin funds or his account would be liquidated.

18. Similarly, Customer A did not become aware of the unauthorized trading in his three non-discretionary accounts because he relied on daily account summaries of his trading activity prepared by a Rice employee. Because Miklovich was responsible for preparing Customer A's daily account summaries during the relevant period, Miklovich was able to falsify those daily account summaries, omitting the unauthorized commodity futures and options transactions he effected in that customer's accounts and the respective trading losses resulting from his unauthorized trading. Additionally, because the unauthorized commodity futures transaction in Customer B's account was effected on July 30, 2013, Customer B and Rice did not detect Miklovich's unauthorized trading in his account until July 31, 2013, when Rice first became aware of Miklovich's unauthorized trading.

E. **Miklovich Fabricates a Stolen Laptop Story and an Anonymous Phone Call**

19. The Rice employee who was on vacation returned to the office on July 29, 2013. Upon her return, Miklovich, who was in the office earlier than usual that morning, told her that he had finished preparing the daily Rice reconciliations and had reconciled all Rice's customers' commodity and options positions. Similarly, Miklovich prepared the daily Rice reconciliations the following day and told his colleague that he reconciled all Rice's customers' commodities and options positions, even though he was no longer responsible for performing those duties.

20. On July 30, 2013, in the afternoon, Miklovich called the Rice office to report that his laptop computer, which he used to place commodity futures and options trades for customers, was missing from his car.

21. On the morning of July 31, 2013, Miklovich reported to work and related to Rice's employees that there "were a bunch of trades done from his laptop" that would cost Rice so much money that the firm would be unable to bear the loss and would go out of business.

Miklovich also told Rice's employees that while he had filed a police report concerning his stolen laptop, he was going to go back to the police station to file another report. Miklovich indicated that the new police report would include information concerning the unauthorized trading conducted on his laptop and report a telephone call he received earlier that morning from an anonymous caller, who told him that the owner of Rice should "start sending money in a more timely fashion or there will be trouble" and that "he had fun trading on the computer."

22. Rice's employees subsequently determined that Miklovich never filed a police report concerning the theft of his laptop or reporting the anonymous telephone call he purportedly received. To the contrary, when a police officer interviewed Miklovich about his missing laptop and the trading purportedly conducted on his laptop, Miklovich told the officer that his car was never broken into, that his laptop was not stolen, that the commodity futures and options trades in question were not made on his laptop, and that he was speaking to an attorney about the matter. After speaking with the police officer, Miklovich never returned to the Rice office, and he refused to answer telephone calls from Rice employees.

F. Rice Discovers Miklovich's Unauthorized Trading

23. Also on the morning of July 31, 2013, Rice received a call from the FCM, relating that a significant margin deposit was required for one of Customer A's accounts at the FCM. When Rice's Secretary was told about the margin call, he immediately accessed Customer A's accounts and determined that numerous soybean meal transactions had been effected in Customer A's accounts. Because Rice's Secretary was the only person authorized to effect transactions for Customer A's accounts, he knew that the soybean meal transactions in Customer A's accounts were not authorized by Customer A.

24. After Rice's Secretary realized that unauthorized transactions were effected in Customer A's accounts, he reviewed the daily Rice reconciliations that Miklovich prepared during the relevant period, and determined that the unauthorized transactions were omitted from the daily reconciliations that Miklovich prepared.

25. Additionally, Rice's Secretary determined that Miklovich not only falsified Rice's internal documents, but also prepared false daily account summaries that he caused to be sent to Customer A, that failed to show the unauthorized transactions he effected in Customer A's non-discretionary accounts.

26. Thereafter, Rice's Secretary requested that the FCM forward to Rice daily customer account status sheets prepared by the FCM for comparison with the daily Rice reconciliations prepared by Miklovich. After reviewing the FCM's daily customer account status sheets, Rice's Secretary determined that Miklovich effected the unauthorized transactions in Customer A's three non-discretionary accounts and in Customer B's one non-discretionary account, as described in Paragraphs 13 through 16 above.

27. Upon information and belief, the unauthorized commodity futures and options transactions described in Paragraphs 13 through 16 above were electronically transmitted from either Miklovich's work computer or his home computer.

28. Rice's Secretary tried to contact Miklovich numerous times by telephone to discuss his unauthorized trading in Customer A and B's non-discretionary accounts and his falsification of Rice's daily reconciliations and Customer A's daily account summaries. However, Miklovich never answered those telephone calls. Rice terminated Miklovich's employment by letter dated August 9, 2013.

29. As a result of Miklovich's unauthorized transactions, the two customers' non-discretionary accounts sustained trading losses totaling approximately \$574,323. Rice paid the FCM approximately \$566,360 to cover the customers' losses. Additionally, Rice incurred legal and investigative costs of approximately \$7,936, in connection with Miklovich's unauthorized trading.

V. **VIOLATIONS OF THE COMMODITY EXCHANGE ACT**

COUNT I

Violations of Section 4b(a)(1)(A)-(C) of the Act, as Amended, and Regulation 166.2: Fraud by Unauthorized Transactions in Customers' Accounts and False Statements

30. Paragraphs 1 through 29 are re-alleged and incorporated herein.

31. Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. §§ 6b (a)(1)(A)-(C) (2012), makes it unlawful for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person – (A) to cheat or defraud or attempt to cheat or defraud the other person; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; or (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for the other person.

32. Regulation 166.2, 17 C.F.R. § 166.2 (2013), makes it unlawful for an AP to effect a transaction in a customer's commodity interest account unless before the transaction, the customer has specifically authorized the associated person to effect the transaction, or the

customer has executed a written authorization (e.g., a “power of attorney”) for the AP to trade without the customer’s specific authorization.

33. During the relevant period, Defendant violated Section 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A) and (C) (2012), in that he cheated or defrauded or attempted to cheat or defraud and willfully deceived or attempted to deceive Rice’s customers by:

i) knowingly effecting commodity futures transactions in the customers’ non-discretionary accounts without obtaining their authorization to effect those transactions and ii) willfully misrepresenting and omitting material facts, including but not limited to, the commodity futures transactions he effected, the profits and losses incurred by those transactions, and the magnitude of the risks to which he subjected the customers’ accounts.

34. Defendant committed such acts intentionally or recklessly.

35. During the relevant period, Defendant violated Section 4b(a)(1)(B) of the Act, 7 U.S.C. § 6b(a)(1)(B) (2012), in that he knowingly and willfully made or caused to be made false daily accounts statements for Customer A’s commodity trading accounts at Rice and caused those false account statements to be sent to Customer A.

36. Defendant engaged in the violative conduct described in Paragraph 33 through 35 above, in or in connection with orders to make, or the making of, contracts of sale of commodities, for future delivery, made, or to be made, for or on behalf of such other persons where such contracts for future delivery were or may have been used for (a) hedging any transaction in interstate commerce in such commodity, or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped or received in interstate commerce for the fulfillment thereof

37. During the relevant period, Defendant also violated Regulation 166.2, 17 C.F.R. § 166.2 (2013), in that he knowingly effected commodity futures and options transactions in Rice's customers' non-discretionary accounts without obtaining their authorization to effect those transactions.

38. Each unauthorized customer transaction or false customer account statement, made during the relevant period, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(1)(A)-(C) of the Act and Commission Regulation 166.2.

COUNT II

Violations of Section 4c(b) of the Act and Commission Regulation 33.10(a)-(c): Fraud by Unauthorized Options Transactions in Customers' Accounts and False Reporting

39. Paragraphs 1 through 29 are re-alleged and incorporated herein.

40. Section 4c(b) of the Act, 7 U.S.C. § 6c(b) (2012) and Commission Regulation 33.10(a)-(c), 17 C.F.R. § 33.10(a)-(c) (2013), make it unlawful for any person directly or indirectly – (a) to cheat or defraud or attempt to cheat or defraud any other person, or to deceive or attempt to deceive any other person; (b) to make or cause to be made to any other person any false report or statement thereof or cause to be entered for any person any false record thereof; (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.

41. During the relevant period, Defendant violated Section 4c(b) of the Act, 7 U.S.C. §§ 6c(b) (2012) and Commission Regulation 33.10(a) and (c), 17 C.F.R. § 33.10(a),(c) (2013), in that he cheated or defrauded or attempted to cheat or defraud and willfully deceived or attempted to deceive Customer A by: i) knowingly effecting commodity options transactions in his trading

account, without obtaining his authorization to effect those transactions and ii) willfully misrepresenting and omitting material facts, including but not limited to, the commodity options transactions he effected, the profits and losses incurred by those transactions, and the magnitude of the risks to which he subjected the customer's account.

42. Defendant committed such acts intentionally or recklessly.

43. During the relevant period, Defendant violated Section 4c(b) of the Act, 7 U.S.C. §§ 6c(b) (2012) and Commission Regulation 33.10(b), 17 C.F.R. § 33.10(b) (2013), in that he knowingly and willfully made or caused to be made to Customer A, false daily accounts statements in connection with an offer to enter into, the entry into, or the confirmation of the execution of, commodity options transactions.

44. During the relevant period, Defendant also violated Section 4c(b) of the Act, 7 U.S.C. §§ 6c(b) (2012) and Commission Regulation 33.10(b), 17 C.F.R. § 33.10(b) (2013), in that he willfully made or caused to be made false Rice reconciliations in or in connection with an offer to enter into, the entry into, or the confirmation of the execution of, any commodity option transaction.

45. Each unauthorized customer transaction, false customer account statement, or false Rice reconciliation, 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) (2012) and Commission Regulation 33.10(a)-(c), 17 C.F.R. § 33.10(a)-(c) (2013).

COUNT III

Violations of Section 6(c)(1) of the Act and Regulation 180.1(a): Fraud by Manipulative or Deceptive Devices or Contrivances

46. Paragraphs 1 through 29 are realleged and incorporated herein by reference.

47. Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), makes it unlawful for any person, directly or indirectly, to use or employ, or attempt to use or employ, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, any manipulative or deceptive device or contrivance in contravention of any Commission rule or regulation.

48. Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2013), makes it unlawful, *inter alia*, for any person, directly or indirectly, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud; make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading; or engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit on any person.

49. During the relevant period, Defendant violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2013), by employing manipulative or deceptive devices or contrivances in connection with commodities for future delivery on or subject to the rules of a registered entity, including: i) knowingly effecting commodity futures transactions in Rice's customers' non-discretionary accounts without obtaining their authorization to effect those transactions; ii) willfully misrepresenting and omitting material facts, including but not limited to, the commodity futures transactions he effected, the profits and losses incurred by those transactions, and the magnitude of the risks to which he subjected the customers' accounts; iii) knowingly and willfully making false daily

accounts statements for Customer A's commodity trading accounts at Rice and causing those false account statements to be sent to Customer A; and iv) knowingly and willfully preparing false Rice reconciliations.

50. Defendant committed such acts intentionally or recklessly.

51. Each act of employing a manipulative or deceptive device or contrivance, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Section 6(c)(1) of the Act, as amended, 7 U.S.C. § 9(1), and Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2013).

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 pursuant to its own equitable powers, enter:

A. An order finding Defendant liable for violating Sections 4b(a)(1)(A)-(C), 4c(b) and 6(c)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6c(b), 9(1) (2012) and Regulations 33.10(a)-(c), 166.2 and 180.1, 17 C.F.R. §§ 33.10(a)-(c), 166.2, 180.1 (2013);

B. An Order of permanent injunction prohibiting Defendant, and any other person or entity associated with him from, directly or indirectly, engaging in conduct in violation of Sections 4b(a)(1)(A)-(C), 4c(b) and 6(c)(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6c(b), 9(1) (2012) and Regulations 33.10(a)-(c), 166.2 and 180.1, 17 C.F.R. §§ 33.10(a)-(c), 166.2, 180.1 (2013);

C. An Order of permanent injunction enjoining Defendant and all persons insofar as they are acting in the capacity of his agent, servant, employee, successor, assign, and attorney, and all persons insofar as they are acting in active concert or participation with Defendant who

receive actual notice of such order by personal service or otherwise, from engaging, directly or indirectly, in:

1. trading on or subject to the rules of any registered entity, as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a;
2. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh) (2013)) (“commodity options”), security futures products, foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) and/or swaps (as that term is defined in Section 1a(47) of the Act, as amended, as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx) (2013)) (“swaps”), for his own personal account or for any account in which he has a direct or indirect interest;
3. having any commodity futures, options on commodity futures, commodity options, security futures products, forex contracts and/or swaps traded on his behalf;
4. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, security futures products, forex contracts, and/or swaps;
5. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, security futures products, forex contracts and/or swaps;
6. 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013);

7. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2013)), agent or any other officer or employee of any person or entity 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) (2013);

D. An order requiring the Defendant and any third party transferee and/or successors thereof, to disgorge to any officer appointed or directed by the Court 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 as described herein, including pre-judgment and post-judgment interest;

E. An order requiring Defendant to make restitution by making whole Rice, the IB, who was required to compensate the FCM for Customer A and B's trading losses, including pre-judgment interest;

F. An order requiring Defendant to pay civil 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 Defendant for each violation of the Act or (2) \$140,000 for each violation of the Act, occurring on or after October 23, 2008;

G. An order requiring Defendant to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2006); and

H. An Order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Date: March 19, 2014

Respectfully submitted,

/s/Diane M. Romaniuk

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