

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

U.S. COMMODITY FUTURES : CIVIL ACTION
TRADING COMMISSION :
 :
 :
 v. :
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 :
 WARD ONSA, et al. : NO. 11-2367

ORDER

AND NOW, this 2nd day of December, 2011, upon consideration of the plaintiff's Motion for Entry of Partial Default Judgment, IT IS HEREBY ORDERED that the motion is GRANTED in accordance with the following.

On April 5, 2011, Plaintiff U.S. Commodity Futures Trading Commission ("Commission") filed the Complaint in this action against defendants Ward Onsa ("Onsa") and New Century Investment Management LLC ("New Century") (collectively "Defendants") seeking injunctive and other equitable relief for violations of the Commodity Exchange Act ("the Act"), 7 U.S.C. §§ 1 et seq. (2006), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 ("CRA")), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), to be codified at 7 U.S.C. §§ 1 et seq.

By letter dated April 8, 2011, the plaintiff properly notified Defendants that an action has been commenced and requested that Defendants waive service of the Summons pursuant to Rule 4(d)(1) of the Federal Rules of Civil Procedure. On

April 29, 2011, Defendants, through their counsel, executed Waivers of the Service of Summons and proof of such waivers were filed with the Court on May 10, 2011 (E.C.F. Docket Entry Nos. 6 and 7). Accordingly, Defendants were required to file Answers by June 7, 2011, and failed to do so within the time permitted by Rules 4(d)(3) and 12(a)(1)(ii) of the Fed. R. Civ. P.

On July 22, 2011, the Clerk of the Court entered defaults as to both Defendants for failure to appear, plead or otherwise defend (ECF Entries dated July 22, 2011).

The Commission has now submitted its Application for Entry of Judgment by Default with partial relief including a finding that Defendants are liable for each cause of action alleged in the Complaint, that Defendants should be permanently enjoined from violating the Act and that Defendants be permanently barred from trading and/or registering with the Commission ("Application") pursuant to Fed. R. Civ. P. 55(b)(2). This Application bifurcates issues of monetary sanctions against the Defendants, including restitution, civil monetary penalty and disgorgement, from the issue of liability, and reserves these former issues to allow consistency with rulings issued in the parallel criminal proceeding, United States v. Onsa, Case No. CR-10-730 (E.D.N.Y.). The Court has considered the Complaint, the allegations of which are well-pleaded and hereby taken as true, the Application, and other written submissions of the

Commission filed with the Court in support of the Application, and being fully advised, hereby GRANTS the Commission's Application and enters findings of fact and conclusions of law finding Defendants liable as to all violations alleged in the Complaint. The Court further grants the Commission's request for injunctive relief, and other equitable relief and issues this Order for Entry of Judgment by Default with Partial Relief Including a Permanent Injunction, and Other Equitable Relief Against Defendants Onsa and New Century ("Order").

I. Findings of Fact

The Court accepts the following allegations of fact as set forth in the plaintiff's well-pled complaint:

1. This Court has jurisdiction pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order thereunder.

2. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), in that some of the acts and practices in violation of the Act have occurred within this District.

3. Service of the Summons has been properly waived by

each Defendant pursuant to Fed. R. Civ. P. Rule 4(d)(1).

4. Onsa and New Century have failed to timely answer or otherwise defend the Complaint within the time permitted by Fed. R. Civ. P. Rules 4(d)(3) and 12(a)(1)(ii).

5. Defendant Onsa is not in the military service, nor is he an infant or incompetent.

6. Plaintiff U.S. Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with responsibility for administering and enforcing the provisions of the Act, as amended, to be codified at 7 U.S.C. §§ 1 et seq., and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 et seq. (2011).

7. Defendant Ward Onsa resided in Marco Island, Florida. Onsa is a founding member and sole portfolio manager of New Century, and acts as an Associated Person ("AP") of New Century. Onsa is not presently registered with the Commission in any capacity.

8. On November 18, 2010, a federal grand jury sitting in the Eastern District of New York returned an indictment against Onsa charging him with one count of securities fraud and six counts of wire fraud. See United States v. Onsa, Case No. CR-10-730 (E.D.N.Y.). The criminal case against Onsa is currently pending.

9. Defendant New Century Investment Management LLC

was organized in Delaware in April 2004 and operated out of offices in Southampton, Pennsylvania and Warwick, Pennsylvania. New Century received an exemption from registration as a commodity pool operator pursuant to Regulation 4.13(a)(3), 17 C.F.R. § 4.13(a)(3).

10. A futures commission merchant ("FCM") is defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, as an individual, association, partnership, corporation or trust that solicits or accepts orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that accepts payment from or extends credit to those whose orders are accepted.

11. A commodity pool operator ("CPO") is defined in Section 1a of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 1a, as any firm or individual engaged in a business, which is of the nature of an investment trust, syndicate, or similar form of enterprise, and that, in connection therewith, solicits, accepts, or receives from others funds, securities, or property, either directly through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market.

12. An AP is defined in Section 4k of the Act, 7

U.S.C. § 6k, and Commission Regulation 1.3(aa), 17 C.F.R. § 1.3(aa), with certain qualifications, as a natural person associated with, among others, any Commodity Trading Advisor ("CTA"), CPO or FCM as a partner, officer, employee, consultant, or agent (or any 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.

13. New Century operated a hedge fund called New Century Hedge Fund Partners, I, LP (the "Fund"). The Fund was a commodity pool that traded, among other things, e-mini S&P 500 futures contracts and options on S&P 500 and e-mini S&P 500 futures contracts on or subject to the rules of the Chicago Mercantile Exchange, a contract market designated under the Act.

14. According to the Fund's two Confidential Investment Memoranda dated May 24, 2004 and May 27, 2004 ("CIMs"), New Century served as the General Partner of the Fund, oversaw the day-to-day management of the Fund's investment program and performed administrative functions for the Fund.

15. From at least March 2005 to September 2010 ("the Relevant Period"), Onsa maintained his ownership in New Century and since at least December 2007, Onsa has acted as New Century's sole owner.

16. During the Relevant Period, Onsa and New Century represented to pool participants that New Century operated a commodity pool called the Fund that traded futures and options on futures contracts.

17. During the Relevant Period, Onsa solicited individuals to invest funds with New Century and provided them with, among other things, CIMs, performance summaries, and market perspectives.

18. During the Relevant Period, Onsa and New Century maintained two bank accounts in the name of New Century and one bank account in the name of the Fund (collectively, "Bank Accounts"). Onsa had signatory authority over the three Bank Accounts.

19. Pool participants were directed by Onsa to send their funds to two of the three Bank Accounts.

20. Defendants commingled pool participants' funds among the three Bank Accounts and transferred pool participants' funds from the Bank Accounts to two futures trading accounts over which Onsa had trading authority.

21. The Fund maintained no other trading or investment accounts.

22. As of February 18, 2011, no funds remained in the three Bank Accounts.

23. Onsa opened the Fund's first trading account in

February 2005 at a registered FCM ("FCM #1").

24. According to account opening documents, Onsa had trading authority over the FCM #1 trading account.

25. Between March 2005 and May 2008, approximately \$2,796,000 was transferred from one of the three Bank Accounts to the FCM #1 trading account.

26. Between March 2005 and May 2008, the FCM #1 trading account traded e-mini S&P 500 futures contracts and options on S&P 500 and e-mini S&P 500 futures contracts.

27. Also between March 2005 and May 2008, the FCM #1 trading account suffered approximately \$2,267,000 in trading losses and a total of approximately \$529,000 was transferred back to the Bank Accounts.

28. The FCM #1 trading account was closed with a zero balance in May 2008.

29. Onsa opened a second trading account in the name of the Fund at another registered FCM ("FCM #2 trading account") in August 2007.

30. Onsa had sole trading authority over the FCM #2 trading account.

31. Between August 2007 and December 2008, a total of approximately \$1,199,000 was deposited into the FCM #2 trading account with funds transferred from one of the Bank Accounts.

32. Between August 2007 and December 2008, the FCM #2

trading account traded e-mini S&P 500 futures contracts and options on S&P 500 and e-mini S&P 500 futures contracts.

33. Between August 2007 and December 2008, the FCM #2 trading account suffered over \$330,000 in trading losses, and a total of approximately \$390,000 was transferred to two of the Bank Accounts.

34. On December 3, 2008, the balance of funds totaling over \$475,000 in the FCM #2 trading account was turned over, pursuant to order of the Circuit Court of Cook County, Illinois, to a group of pool participants who had obtained a judgment against Onsa, New Century and the Fund.

35. The FCM #2 account was closed with a zero balance in December 2008.

36. The Fund maintained no open futures or futures options trading accounts after December 2008, yet after December 2008 Defendants continued to send statements to Fund participants reflecting purported futures and options trading by the Fund.

Defendants' False Representations and Omissions To Pool Participants

37. During the Relevant Period, Onsa and New Century through Onsa made the following false representations and/or omissions to pool participants: (a) Defendants misrepresented the value of participants' accounts; (b) Defendants failed to disclose participants' trading losses; and (c) Defendants falsely

represented to certain participants that participants' funds would be used to trade futures and/or options contracts and instead of investing those funds as promised, Defendants misappropriated those funds.

38. Onsa misrepresented the value of the pool participants' accounts by providing them with quarterly statements that reflected fictitious increases in the value of their accounts.

39. Onsa concealed trading losses from pool participants and the fact that there were insufficient funds in the trading and bank accounts to support the fictitious values reported on their quarterly statements.

40. Onsa also falsely promised a number of pool participants that their funds would be invested to trade futures and options on futures contracts when in fact Defendants misappropriated portions of those funds.

41. For example, one pool participant wired \$71,714 into one of the Bank Accounts on December 11, 2008 for the purpose of investing in the pool; however, at that time, New Century did not have any trading accounts and its last trading account at FCM #2 had been closed on December 3, 2008 with a zero balance.

42. Other pool participants also provided Defendants with their funds for the purpose of investing in the pool and

Onsa, instead, used some of those funds for himself and to pay off other participants.

43. Through Onsa's fraudulent misrepresentations, at least 12 pool participants invested a total of more than \$2.2 million with the Fund to trade commodity futures and options contracts.

44. Onsa and New Century through Onsa also misappropriated participants' funds by using these funds to pay Onsa's personal debts and living expenses and by paying earlier participants with newer participants' funds instead of using those funds to trade commodity futures or options contracts in the manner of a Ponzi scheme.

45. Onsa received funds totaling approximately \$131,000 from two of the Bank Accounts. Onsa was not entitled to these funds, which he used for his own purposes.

46. Onsa also used participants' funds totaling \$5,177.39 to pay his taxes on his Marco Island residence.

47. Onsa also used New Century's pool participant funds to make over \$38,000 in debit card purchases and ATM withdrawals for his personal benefit between February 2008 and April 2009.

48. Onsa was not entitled to use any of these funds for his personal benefit.

49. Onsa also misappropriated funds by using newer

pool participant funds to pay certain older pool participants.

50. For example, one pool participant wired over \$71,000 into one of the Bank Accounts on December 11, 2008.

51. By that time, New Century's remaining trading account at FCM #2 had already been closed as of December 3, 2008 with a zero balance and the total balance in the three Bank Accounts was approximately \$4,700.

52. Approximately five days later, Onsa wired a total of \$50,000 from one of the Bank Accounts to two earlier New Century pool participants.

53. Throughout the Relevant Period, Onsa and New Century through Onsa sent false quarterly statements to New Century's pool participants misrepresenting the value of their accounts.

54. For example, for the quarter ending March 31, 2009, Onsa sent one pool participant a quarterly statement that showed his account increasing in value to \$59,807 and sent another pool participant a quarterly statement that showed his account increasing in value to \$129,902.

55. These two quarterly statements were false since the total assets of the Fund as of March 31, 2009 totaled only \$3,045.32.

56. As another example, for the quarter ending June

30, 2010, Onsa sent a pool participant a quarterly statement that showed his account increasing in value to \$68,180.

57. This quarterly statement also was false since the total assets of the Fund as of June 30, 2010 consisted of one bank account with a balance of only \$1,190.41.

Onsa's Control of New Century

58. Onsa is a founding member and sole portfolio manager of New Century, and acts as an AP of New Century.

59. Basic information regarding the Fund's background, structure and investment strategy, along with information regarding Onsa's background, is contained in a document entitled "New Century Hedge Fund Partners, I, L.P. Investor Summary," dated May 24, 2004 ("Investor Summary").

60. According to the Investor Summary, Onsa "oversee[s] the Funds investment strategy, make[s] all investment decisions and trades and exercise[s] all portfolio management responsibilities."

61. Since at least December 2007, Onsa has been the sole owner of New Century.

62. As described above, Onsa solicited pool participants and was a signatory on the three Bank Accounts.

63. Onsa opened and was the sole signatory to one of the three Bank Accounts.

64. Statements for one of the Bank Accounts were sent

to Onsa's residence in Marco Island, Florida.

65. Among other activities detailed above, Onsa had sole trading authority over New Century's trading accounts at FCM #1 and FCM #2 and distributed false account statements to pool participants. Accordingly, Onsa did not act in good faith or knowingly induced, directly or indirectly, the act or acts constituting New Century's fraud violations.

II. Conclusions of Law

66. Prior to being amended by the CRA, Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii), made it a violation:

for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery made, or to be made, for or on behalf of any other person if such contract for future delivery is or may be 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-

(i) to cheat or defraud or attempt to cheat or defraud such other person;

(ii) willfully to make or cause to be made to such other person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof; [or]

(iii) willfully to deceive or attempt to deceive such other person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act or agency performed with respect to such order or

contract for such person

67. Sections 4b(a)(1)(A)-(C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), 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 for future delivery, or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g), that is made, or to be made, for or on behalf of, or with, any other person, on or subject to the rules of a designated contract market - (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 or, in the case of paragraph (2), with the other person.

68. By the conduct described herein, Defendants cheated, defrauded and willfully deceived pool participants in connection with the offering of, or entering into futures contracts and options on futures contracts, for or on behalf of these pool participants, through Defendants' fraudulent misrepresentations and omissions such as concealing their actual trading losses, falsely representing the value of their accounts and making unauthorized investments of funds contrary to their promises.

69. By the conduct described herein, Defendants willfully issued false account statements by email to pool

participants reflecting fictitious increases in the value of their investments.

70. By the conduct described herein, Defendants misappropriated pool participant funds for their own personal use and to pay certain pool participants.

71. Accordingly, by these actions, Defendants violated Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), for conduct occurring before June 18, 2008 and Sections 4b(a)(1)(A)-(C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(1)(A)-(C), for conduct occurring on or after June 18, 2008.

72. Onsa and New Century through Onsa engaged in the acts and practices described above knowingly and willfully.

73. Onsa was acting as an agent of New Century when he violated Section 4b of the Act, 7 U.S.C. § 6b, and, therefore, New Century, as Onsa's principal, is liable for Onsa's violations pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), which imposes liability on principals for the acts, omissions, and failures of their agents acting within the scope of their agency.

74. Onsa directly and indirectly controlled New Century and did not act in good faith or knowingly induced, directly or indirectly, New Century's violations of Section 4b of the Act, 7 U.S.C. § 6b, and therefore, Onsa, as controlling

person of New Century, is liable for New Century's acts constituting violations of the Act pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

75. Section 4o(1) (A) and (B) of the Act, 7 U.S.C. §§ 6o(1) (A) and (B), prohibit any CPO and any AP of a CPO by use of the mails or other means or instrumentalities of interstate commerce from directly or indirectly employing any device, scheme or artifice to defraud any client, participant or prospective client or participant, or engaging in transactions, practices or a course of business which operate as a fraud or deceit upon any client or participant or prospective client or participant.

76. Onsa, while acting as an AP of a CPO, and New Century, while acting as a CPO, violated Section 4o(1) of the Act, 7 U.S.C. § 6o(1), in that they employed schemes or artifices to defraud pool participants or engaged in transactions, practices or a course of business which operated as a fraud or deceit upon pool participants by using the mails or other means or instrumentalities of interstate commerce. The fraudulent acts included the following knowing actions by Defendants: (1) misappropriating funds received from pool participants for the purpose of trading commodity futures and options on futures contracts; (2) concealing trading losses; (3) issuing false reports to pool participants; (4) unauthorized investment of funds contrary to Defendants' promises; and (5) falsely

representing the value of the pool participants' accounts. These fraudulent acts were committed by Defendants using the mails and other means or instrumentalities of interstate commerce, including email.

77. Onsa and New Century through Onsa engaged in the acts and practices described above knowingly and willfully.

78. Onsa was acting as an agent of New Century when he violated Section 4o(1) of the Act, 7 U.S.C. § 6o(1), and, therefore, New Century, as Onsa's principal, is liable for Onsa's violations pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B).

79. During the Relevant Period, Onsa directly and indirectly controlled New Century and did not act in good faith or knowingly induced, directly or indirectly, New Century's violations of Section 4o(1) of the Act, 7 U.S.C. § 6o(1). Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Onsa is therefore liable for the violations described herein to the same extent as New Century.

80. Permanent injunctive relief is warranted in light of the facts set forth in the complaint, the egregious nature of Defendants' knowing and fraudulent solicitations, the misappropriation of pool participant funds and Defendants' willful distribution to clients of false account statements. These facts demonstrate a reasonable likelihood of future

violations.

81. Imposition of other equitable relief is appropriate in this case because Defendants' violations of the Act were intentional and directly affected the numerous victims of this fraud, and to carry out the goals of the Act.

82. Because issues regarding the appropriate amounts of necessary equitable and statutory relief - including the amount of restitution, disgorgement and civil monetary penalty to be ordered against Defendants - are still unresolved and subject to the pending criminal proceedings, the Court reserves those issues for further proceedings.

III. Relief

IT IS THEREFORE ORDERED that Defendants, their officers, agents, servants, employees, attorneys, and other persons who are in active concert or participation with Defendants, are permanently restrained, enjoined and prohibited from, directly or indirectly, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or swap, that is made, or to be made, for or on behalf of, or with, any other person, on or subject to the rules of a designated contract market: (A) cheating or defrauding or attempting to cheat or defraud the other person; (B) willfully making or causing to be made to the other person any false report or statement or willfully entering or causing to be entered for

the other person any false record; or (C) willfully deceiving or attempting to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for or with the other person in violation of Sections 4b(a) (1) (A)-(C) of the Act, as amended by the CRA and 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), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 6b(a) (1) (A)-(C).

Defendants, their officers, agents, servants, employees, attorneys, and other persons who are in active concert or participation with Defendants are further permanently restrained, enjoined and prohibited from employing any device, scheme or artifice to defraud any pool participant or engaging in transactions, practices or a course of business which operates as a fraud or deceit upon pool participants by using the mails or other instrumentalities of interstate commerce in violation of Section 4o(1) (A) and (B) of the Act, as amended by the CRA and 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), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §

6o(1) (A) and (B).

Defendants, their officers, agents, servants, employees, attorneys, and other persons who are in active concert or participation with Defendants, are further permanently restrained, enjoined and prohibited from, directly or indirectly:

(a) trading on or subject to the rules of any registered entity, as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a;

(b) entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1)) ("commodity options"), swaps, and/or forex currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts") for their own personal account or for any account in which they have a direct or indirect interest;

(c) having any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts traded on their behalf;

(d) controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;

(e) soliciting, receiving, or accepting any funds from any person for purposes of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;

(f) applying for registration or claiming an exemption from registration with the Commission in any capacity, and from 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) (2011); and/or

(g) acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2011)), agent, officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a) registered, required to be registered, or exempted from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R § 4.14(a)(9) (2011).

The injunctive provisions of this Order shall be binding upon Defendants, upon any person who acts in the capacity of officer, agent, servant, employee, attorney, successor and/or assign 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.

IT IS FURTHER ORDERED that because the issues of the amounts of necessary equitable and statutory relief, including the appropriate amounts of restitution, disgorgement and civil monetary penalty against Defendants are still unresolved, they are hereby reserved for further proceedings before this Court. This Court shall retain jurisdiction over this action to implement and carry out the terms of this Order, to ensure compliance with this Order, and for all other purposes related to this action.

IT IS FURTHER ORDERED that copies of this Order shall be served and all notices required to be given by any provision in this Order shall be sent certified mail, return receipt requested, as follows:

Division of Enforcement
U.S. Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005

Carlos Martir, Esq.
Martir & Associates
118 North State Street
Newtown, PA 18940

BY THE COURT:

/s/ Mary A. McLaughlin
MARY A. McLAUGHLIN, J.