UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 14-80636-CIV-BLOOM/Valle

U.S. COMMODITY FUTURES TRADING COMMISSION,

Plaintiff,

v.

PALM BEACH CAPITAL LLC and LAWRENCE SCOTT SPAIN,

Defendants.

CONSENT ORDER FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF AGAINST DEFENDANTS PALM BEACH CAPITAL LLC AND LAWRENCE SCOTT SPAIN

I. INTRODUCTION

On May 13, 2014, Plaintiff Commodity Futures Trading Commission ("Commission" or "CFTC") filed a Complaint against Defendants Palm Beach Capital LLC ("PBC") and Lawrence Scott Spain ("Spain") (or collectively, "Defendants") seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (the "Act"), 7 U.S.C. §§ 1 *et. seq.* (2012).

II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants PBC and Spain without a trial on the merits or any further judicial proceedings, Defendants PBC and Spain:

1. Consent to the entry of this Consent Order for Permanent Injunction and Other Equitable Relief Against Defendants Palm Beach Capital LLC and Lawrence Scott Spain ("Consent Order");

2. Affirm that they have read and agree to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;

3. Acknowledge service of the Summons and Complaint;

4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1;

5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1, *et seq.*;

6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e);

7. Waive:

(a) any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2011), relating to, or arising from, this action;

(b) any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this action;

(c) any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) any and all rights of appeal from this action;

8. Consent to the continued jurisdiction of this Court over them for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action, even if Defendants now or in the future reside outside the jurisdiction of this Court;

9. Agree that they will not oppose enforcement of this Consent Order by alleging that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waive any objection based thereon;

10. Agree that neither they nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect their: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement;

11. By consenting to the entry of this Consent Order, neither admit nor deny the allegations of the Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which they admit. Further, Defendants agree and

intend that the allegations contained in the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against Defendants; (b) any proceeding pursuant to Section 8a of the Act, as amended, 7 U.S.C. § 12a, and/or Part 3 of the Commission's Regulations, 17 C.F.R. §§ 3.1 *et seq.*; and/or (c) any proceeding to enforce the terms of this Consent Order;

12. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 68 of Part VI of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States; and

13. Agree that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendants in any other proceeding.

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 the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

1. The Parties To This Consent Order

14. Plaintiff U.S. Commodity Futures Trading Commission is an independent federal regulatory agency charged by Congress with the administration and enforcement of the Act, as amended, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.*

15. Defendant PBC is a Florida Limited Liability Company listed with the Florida Department of State's Division of Corporations as "inactive" and as having a principal place of business in Palm Beach, Florida. PBC solicited retail customers to execute leveraged, margined, or financed transactions in precious metals (including gold, silver, platinum, and palladium). PBC was dissolved in or around August 2012. PBC has never been registered with the Commission in any capacity.

16. Defendant Spain is an individual whose last known address was in Boca Raton, Florida. Spain was owner, manager and controlling person of PBC. Although Spain has been registered with the Commission as an associated person of several Commission-registered firms since 1996, he is not currently, and was not from at least July 16, 2011 through at least August 2012 (the "Relevant Period"), registered with the Commission in any capacity.

2. Other Relevant Entities

17. Hunter Wise Commodities, LLC was formed as a California Limited Liability Company in July 2007, has been registered as a Nevada limited liability company since October 2010, and has maintained business addresses in Las Vegas, Nevada and Irvine, California. Hunter Wise Commodities, LLC had several wholly-owned subsidiaries and related entities including Hunter Wise Credit, LLC (a Nevada registered LLC), Hunter Wise Trading, LLC (a

Nevada registered LLC), and Hunter Wise Services, LLC (a California registered LLC) (the Hunter Wise entities are collectively referred to herein as "Hunter Wise"). Hunter Wise held itself out as a physical commodity trading company, wholesaler, back-office support service provider, and finance company that offered off-exchange financed trading in physical metals.

18. Lloyds Commodities, LLC is a Florida Limited Liability Company that maintained a business address in Palm Beach Gardens, Florida. Lloyds Commodities, LLC had several corporate affiliates, including Lloyds Commodities Credit Company LLC (a Nevada LLC) and Lloyds Services, LLC (a Florida LLC) (the Lloyds Commodities entities are collectively referred to herein as "Lloyds Commodities"). Lloyds Commodities functioned as an intermediary between Hunter Wise and precious metals telemarketing firms (including PBC), *i.e.*, PBC deposited its customer funds with Lloyds Commodities and transmitted orders on behalf of customers to Lloyds Commodities, which in turn placed orders with Hunter Wise.

3. Defendants' Illegal Leveraged, Margined or Financed Precious Metals Business

19. During the Relevant Period, Defendants offered to enter into, entered into, executed, confirmed the execution of, or conducted an office or business in the United States for the purpose of soliciting, or accepting orders for, or otherwise dealing in, transactions in, or in connection with, the purchase or sale of precious metals to or from retail customers on a leveraged, margined, or financed basis.

20. During the Relevant Period, PBC's principal place of business was located in Palm Beach County, Florida.

21. PBC, by and through its employees and agents, including Spain, solicited potential customers by telephone and on PBC's website, www.pbc-metals.com, to engage in leveraged, margined, or financed precious metals transactions.

22. In the leveraged, margined, or financed precious metals transactions, PBC's customers invested only a percentage of the total metal value, as little as 20% according to PBC's website. According to PBC's customer agreements, the customer would receive a loan for the remainder of the metal's value by PBC, who claimed to be the offeror.

23. PBC's customers were charged a finance charge on the loan, as well as a service charge.

24. PBC's customers also paid a commission on the total metal value, with a maximum commission of 10%, and a mark-up on the spot price of the metal. Thus, due to the high fees, finance charges, and commissions, PBC's customers almost never broke even on their investments, let alone earned a profit, because much of their principal investment was consumed by these charges.

25. After a customer was persuaded to invest, PBC collected funds from the customer needed for the transaction, and deposited the funds with Lloyds Commodities. Lloyds Commodities in turn deposited funds with Hunter Wise.

26. Lloyds Commodities was an intermediary between PBC and Hunter Wise (Hunter Wise executed, recorded, and tracked the leveraged, margined, or financed metals transactions).

27. In order to effectuate a leveraged, margined, or financed precious metals transaction on behalf of PBC customers, PBC, by and through its employees and agents, including Spain, contacted Lloyds Commodities to enter buy or sell orders, and Lloyds Commodities in turn placed those orders with Hunter Wise.

28. PBC, by and through its employees and agents, including Spain, confirmed the execution of transactions in, or in connection with, leveraged, margined or financed precious metals, including by emailing trade confirmations to customers.

29. Spain received daily statements from Hunter Wise and/or Lloyds Commodities detailing transactions placed by PBC with Lloyds Commodities in connection with retail commodity transactions on behalf of PBC's customers.

30. Spain routinely controlled and directed the transfer of funds from PBC's trading account with Lloyds Commodities (which contained PBC's customers' funds) to PBC's bank accounts.

31. During the Relevant Period, approximately 39 of PBC's customers paid at least $1.35 million to PBC in connection with leveraged, margined, or financed precious metals transactions.

32. These customers lost at least $1.25 million of these funds to trading losses, commissions, fees, and other charges by PBC, Lloyds Commodities, and Hunter Wise.

33. PBC received commissions and fees totaling at least $526,960 in connection with retail leveraged, margined, or financed precious metals transactions.

34. During the Relevant Period, most, if not all, of PBC's customers were not eligible commercial entities ("ECEs") or eligible contract participants ("ECPs"), as those terms are defined respectively in Sections 1a(17) and (18) of the Act, 7 U.S.C. §§ 1a(17) and (18).

35. During the Relevant Period, neither the Defendants, nor Lloyds Commodities, nor Hunter Wise ever actually delivered any precious metals in connection with the leveraged, margined, or financed precious metals transactions made on behalf of PBC's customers.

36. During the Relevant Period, none of the leveraged, margined, or financed precious metals transactions entered into with, or offered to, PBC's customers by Defendants were conducted on or subject to the rules of any board of trade, exchange, contract market, or derivatives transaction execution facility.

37. Spain was the owner of PBC.

38. In 2007 and 2008, PBC's principal place of business and mailing addresses were Spain's personal residence.

39. At all relevant times, Spain was the sole manager of PBC.

40. Spain held himself out as the President of PBC.

41. During the Relevant Period, Spain was a signatory on PBC's bank accounts.

42. Spain signed checks in connection with PBC's retail commodity transactions business, including payments to PBC's salespeople.

43. Spain was the "registration contact," "technical contact," "administrative contact," and "billing contact" on file with Domains By Proxy for PBC's website.

44. Spain has invoked his Fifth Amendment privilege against self-incrimination in response to all questions about PBC during sworn investigative testimony.

B. Conclusions of Law

1. Jurisdiction and Venue

45. This Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, 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 promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

46. The Commission has jurisdiction over the solicitations and transactions at issue in this action pursuant to Section 2(c)(2)(D) of the Act, 7 U.S.C. § 2(c)(2)(D).

47. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e), because the Defendants reside in this jurisdiction and the acts and practices in violation of the Act occurred within this District.

2. **Violations of Section 4(a) of the Act – Off-Exchange Retail Precious Metals Transactions**

48. By the conduct described in paragraphs 1 through 47 above and in the Complaint, Defendants violated Section 4(a) of the Act by offering to enter into, entering into, executing, confirming the execution of, and/or conducting an office or business in the United States, for the purpose of soliciting, or accepting orders for, or otherwise dealing in, transactions in, or in connection with, precious metals on a leveraged, margined, or financed basis, which were not conducted on or subject to the rules of a board of trade which has been designated or registered by the Commission as a contract market or derivatives transaction execution facility for such commodity.

49. During the Relevant Period, the retail commodity transactions described in this Consent Order and in the Complaint were offered by Defendants and entered into (a) 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, (b) with persons who are not ECPs or ECEs as defined by the Act, and (c) were not made or conducted on, or subject to, the rules of any board of trade, exchange, contract market, or derivatives transaction execution facility.

50. The precious metals, including gold, silver, platinum, and palladium, described herein are commodities as defined by Section 1a(9) of the Act, 7 U.S.C. § 1a(9).

51. PBC's employees and agents, including Spain, committed the acts and omissions found herein within the course and scope of their employment, agency or office with PBC. Therefore, PBC is liable pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and

Commission Regulation 1.2, 17 C.F.R. § 1.2, as principal for the violative actions and omissions of PBC's employees and agents, including Spain.

52. Spain controlled PBC throughout the Relevant Period, and did not act in good faith or knowingly induced PBC's violations of the Act. Therefore, Spain is also liable for PBC's violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

53. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act.

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

54. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, Defendants are permanently restrained, enjoined and prohibited from directly or indirectly offering to enter into, entering into, executing, confirming the execution of, or conducting an office or business in the United States, for the purpose of soliciting, or accepting orders for, or otherwise dealing in retail commodity transactions in violation of Section 4(a) of the Act, 7 U.S.C. § 6(a).

55. Defendants are also 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, 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 1.3(hh), 17 C.F.R. § 1.3(hh)) ("commodity options"), security futures products, swaps (as that term is defined in Section 1a(47) of the Act, 7 U.S.C. § 1a(47), and as further defined by Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx)), and/or 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") 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, security futures products, forex contracts, and/or swaps 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, security futures products, forex contracts, and/or swaps;

e. 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;

f. 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); and/or

g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a) 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).

V. MONETARY SANCTIONS

A. Restitution

56. Defendants shall jointly and severally pay restitution in the amount of five hundred twenty-six thousand nine hundred and sixty dollars ($526,960) ("Restitution Obligation"), plus post-judgment interest. Post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

57. Defendants shall make payments of the Restitution Obligation to Melanie Damian, Esq., the corporate monitor appointed by the Court in *CFTC v. Hunter Wise Commodities, LLC*, No. 12-81311-CIV (S.D. Fla. Feb. 25, 2013) ("Monitor"), and the Monitor shall collect restitution payments from Defendants and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the Monitor shall not be liable for any action or inaction arising from the Monitor's appointment, other than actions involving fraud.

58. Defendants shall make Restitution Obligation payments under this Consent Order to the Monitor in the name "PALM BEACH CAPITAL LLC AND LAWRENCE SCOTT SPAIN – SETTLEMENT/RESTITUTION FUND" and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, to the Monitor at the office of Damian & Valori LLP, 1000 Brickell Avenue, Suite 1020, Miami, Florida 33131 under cover letter that identifies the

paying Defendants 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 Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

59. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' customers or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible customers is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions set forth in paragraph 65 below.

60. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' customers to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

61. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' customers during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

62. The amounts payable to each customer as determined by the Monitor shall not limit the ability of any customer 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 customer that exist under state or common law.

63. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each customer of Defendants who suffered a loss is explicitly made an intended third-party beneficiary of this Consent Order and may seek to enforce compliance with this Consent Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order and to hold Defendants in contempt for any violations of any provision of this Consent Order.

64. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants' Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

65. To the extent that the Monitor treats Restitution Obligation payments as civil monetary penalty payments as provided in paragraph 59, those funds shall be paid by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission
Division of Enforcement
ATTN: Accounts Receivables – AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: (405) 954-5644

If payment by electronic funds transfer is chosen, the Monitor shall contact Linda Zurhorst or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Payment shall be accompanied with a cover letter that identifies Defendants and the name and docket number of this proceeding. Copies of the cover letter and the form of payment shall simultaneously be transmitted to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

B. Provisions Related to Monetary Sanctions

66. Partial Satisfaction: Any acceptance by the Commission or the Monitor of partial payment of Defendants' Restitution Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

VI. MISCELLANEOUS PROVISIONS

67. **Cooperation**: Defendants shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto.

68. Notice: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Manal M. Sultan, Esq.
Deputy Director
U.S. Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005

Notice to Defendants:

> Robert Wayne Pearce, Esq.
> 1499 W. Palmetto Park Road, Suite 400
> Boca Raton, Florida 33486

All such notices to the Commission shall reference the name and docket number of this action.

69. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation as set forth in this Consent Order, Defendants shall provide written notice to the Commission by certified mail of any change to their telephone numbers and mailing addresses within ten (10) calendar days of the change.

70. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

71. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

72. Waiver: The failure of any party to this Consent Order or of any customer at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or customer at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

73. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this

action, including any motion by Defendants to modify or for relief from the terms of this Consent Order.

74. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

75. Authority: Defendant PBC hereby warrants that LAWRENCE SPAHN is A FORMER DIRECTOR of PBC, and that this Consent Order has been duly authorized by PBC and he is ~~has been~~ duly empowered to sign and submit this Consent Order on behalf of PBC.

76. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

77. Defendants understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Consent Order for Permanent Injunction and Other Equitable Relief Against Defendants Palm Beach Capital LLC and Lawrence Scott Spain.

IT IS SO ORDERED on this ___day of _____, 2014.

____
BETH BLOOM
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

For Palm Beach Capital LLC

Larry Spain
NAME:
TITLE: Former Director

Date: 6-18-14

Larry Spain
LAWRENCE SCOTT SPAIN, individually

Date: 6-17-14

R. Stephen Painter, Jr., Trial Attorney
David W. MacGregor, Chief Trial Attorney
Manal M. Sultan, Deputy Director

U.S. Commodity Futures Trading Commission
Division of Enforcement
140 Broadway, 19th Floor
New York, NY 10005
(646) 746-9700
FAX: (646) 746-9940
spainter@cftc.gov

Date: 7/29/14

Approved as to form:

Robert Wayne Pearce
1499 W. Palmetto Park Road, Suite 400
Boca Raton, Florida 33486
(561) 338-0037
FAX: (561) 338-9310

Attorney for Palm Beach Capital LLC