

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

U.S. COMMODITY FUTURES TRADING COMMISSION)	
)	
Plaintiff,)	3:12-CV-1670
)	
v.)	
)	
FEISAL SHARIF,)	COMPLAINT FOR INJUNCTIVE RELIEF, CIVIL MONETARY PENALTIES AND OTHER EQUITABLE RELIEF
)	
Defendant.)	
)	
)	

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

I. SUMMARY

1. Since at least January 2007 and continuing until September 13, 2012 (“relevant period”), Feisal Sharif (“Sharif” or “Defendant”) operated a Ponzi scheme by which he fraudulently solicited approximately \$5.4 million from at least fifty members of the general public residing in the United States (“Pool Participants”) to invest in a pooled account in the name of First Financial LLC (“First Financial” or the “Pool”) for the purpose of trading commodity futures (“futures”).

2. In order to entice prospective Pool Participants to invest, Sharif guaranteed monthly and yearly profitable returns on Pool Participants’ principal investments in the Pool. After some Pool Participants invested with Sharif, he created and distributed false monthly account statements for the Pool which showed that Pool Participants were earning the guaranteed

returns. These statements lulled Pool Participants into believing their funds were safe and continuously earning a profit. As a result, some Pool Participants made subsequent investments.

3. Further, unknown to the Pool Participants, Sharif traded futures with only approximately 25% of the Pool Participants funds. Of the approximately \$5.4 million that Sharif fraudulently solicited during the relevant period, Sharif only deposited approximately \$1.53 million into futures trading accounts in the name of First Financial held at Velocity Futures LLC (“Velocity”) and TradeStation Securities Inc. (“TradeStation”), trading and losing approximately \$1.32 million. Of the remaining funds, Sharif paid out approximately \$3.17 million to certain Pool Participants as fictitious “profits” or returns of principal and misappropriated at least \$900,000 for his personal use.

4. Despite this, Sharif continued to represent to Pool Participants that their funds were safe in the Pool’s trading accounts. Beginning around January 2012, Sharif received redemption requests from certain Pool Participants for their entire investment. Sharif did not return all of their funds and instead asserted a litany of excuses. Indeed, Sharif fabricated trading account statements from Velocity and TradeStation and showed them to some Pool Participants to assure them that he had not lost their funds.

5. Sharif, while acting as an unregistered commodity pool operator (“CPO”), operated the First Financial pool.

6. By virtue of this conduct and the further conduct described herein, Defendant has engaged, is engaging, or is about to engage in acts and practices in violation of Sections 4b(a)(2)(i)-(iii) (for acts before June 18, 2008), 4b(a)(1)(A)-(C) (for acts on or after June 18,

2008), 4o(1), and 4m(1) of the Commodity Exchange Act (the “Act”), 7 U.S.C. §§ 6b(a)(2)(i)-(iii), 6b(a)(1)(A)-(C), 6o(1) and 6m(1) (2006 and Supp. II 2009).¹

7. Accordingly, pursuant to Section 6c of the Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), 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)² to be codified at 7 U.S.C. § 13a-1, the Commission brings this action to permanently enjoin Sharif’s unlawful acts and practices and to compel his compliance with the Act and Commission Regulations (“Regulations”) and to further enjoin Sharif from engaging in any commodity-related activity. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and other such relief as the Court may deem necessary and appropriate.

II. JURISDICTION AND VENUE

8. The Act and the Regulations together establish a comprehensive system for regulating the purchase and sale of futures. The Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, to be codified at 7 U.S.C. § 13a-1, 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.

¹ All citations to the Act as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (the “CRA”)), § 13102-13204, 122 Stat. 1651 (enacted June 18, 2008) will read as follows: “Section x of the Act, 7 U.S.C. § x (Supp. II 2009).” All Sections of the Act that were not amended by the CRA will read as follows: “Section x of the Act, 7 U.S.C. § x (2006).”

² All Sections of the Act that have been amended by the Dodd-Frank Act will read as follows: “Section x of the Act, as amended.”

9. Venue properly lies with this Court, pursuant to Section 6c(e) of the Act, as amended, to be codified at 7 U.S.C. § 13a-1(e), because at least some of the acts and practices in violation of the Act and the Regulations have occurred or are occurring within this District.

III. PARTIES

10. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged with the administration and enforcement of the Act and the Regulations promulgated thereunder. The CFTC maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

11. Defendant **Feisal Sharif** currently resides in Branford, Connecticut. During the relevant period, Sharif also resided in Wolcott and /or West Hartford, Connecticut. He is the manager/member, principal and registered agent of First Financial, which, upon information and belief, he operated from his residence. Sharif registered First Financial as a domestic limited liability company in Connecticut in 2003. He was previously registered with the Commission as an associated person (“AP”) and principal of Sharif Capital Management LLC from August 2003 to July 2007. Sharif Capital Management LLC was a registered CPO and commodity trading advisor (“CTA”) from September 2003 to July 2007. First Financial has not been registered with the Commission in any capacity. Sharif has not been registered in any capacity with the Commission since July 2007.

IV. FACTS

A. The Pool

12. First Financial is a Connecticut limited liability company created by Sharif on June 5, 2003, with a principal place of business located in Wolcott, Connecticut. Upon information and belief, First Financial’s current principal place of business is Branford,

Connecticut. First Financial is a commodity pool created by Sharif, in part, for the purpose of trading futures on behalf of Pool Participants. Sharif is First Financial's unregistered CPO.

13. During the relevant period, Sharif controlled the day-to-day operations of First Financial, including making the Pool's trading decisions, soliciting and accepting funds from prospective Pool Participants, opening a bank account in the Pool's name, and opening trading accounts at registered futures commission merchants ("FCM") in the Pool's name to trade futures on behalf of the Pool Participants.

14. In January 2004, Sharif opened a trading account in the name of First Financial at Velocity, a registered FCM. In this account, Sharif traded futures, including but not limited to contracts in the e-Mini S&P, e-NASDAQ and e-Russell.

15. In July 2008, Sharif opened a trading account in the name of First Financial at TradeStation, a registered FCM. In this account, Sharif traded futures, including but not limited to contracts in the e-Mini S&P and e-Russell.

16. During the relevant period, Sharif solicited and received approximately \$5.4 million from at least fifty Pool Participants for the purpose of trading futures in the Pool.

17. Sharif solicited Pool Participants and prospective Pool Participants to write checks, wire monies, or transfer funds to a First Financial bank account telling them that their money would be pooled with funds from other Pool Participants and that Sharif would use the money to trade, among other things, futures on behalf of all Pool Participants. In order to transmit funds to the pool, Sharif instructed Pool Participants to either give him checks made payable to First Financial or to send funds directly to a bank account in the name of First Financial.

18. One Pool Participant, after having invested with the Pool for many months, and believed the investment to be very profitable, executed a “Financial Investment Contract Agreement” (hereinafter “Agreement”) on August 17, 2011 with Sharif to increase his investment in the Pool.

19. Pursuant to the Agreement, Sharif, as the manager of First Financial, was prohibited from investing First Financial funds in any “personal expenses” and that any account management fee would be “...fifteen (15) percent of the Client’s monthly gross profit amount” and in the event of no monthly profit the fee would be waived for that particular month.

B. Sharif’s Solicitations and Misrepresentations

20. Beginning at least as early as January 2007, Sharif began soliciting prospective Pool Participants to invest in the Pool. Sharif met with some Pool Participants to show them he was trading futures in the Pool.

21. Thereafter, in order to induce some prospective Pool Participants to invest in the Pool, Sharif orally promised some prospective Pool Participants a guaranteed monthly return of at least 1% and sometimes up to 15% on the prospective Pool Participants’ principal if they invested in the Pool.

22. These promises by Sharif of a guaranteed monthly return of at least 1% and sometimes up to 15% to some of the prospective Pool Participants are materially false and misleading.

23. Pursuant to the Agreement, Sharif represented that the past performance of First Financial was:

“5 Year Net Returns:

2006	20%
*2007	27%
*2008	21%
*2009	19%
*2010	18%
*2011	11% (January to July)

The asterisk (*) indicates each year in which the U.S. economy and the global economy was in a deep recession.”

24. These representations made by Sharif to this Pool Participant in the Agreement regarding the past performance of First Financial for 2007 through 2011 are materially false and misleading. In fact, from 2007 through 2011 the Pool net returns never reached these levels of profit, and most often the Pool lost money.

25. Further, pursuant to the Agreement, Sharif represented to at least one Pool Participant that he would receive a return rate of not less than 2.25% per month for the entire term of the Agreement.

26. This representation made by Sharif to this Pool Participant regarding the monthly rate of return that this Pool Participant would receive is materially false and misleading.

27. Sharif made the oral misrepresentations to some of the prospective Pool Participants regarding guaranteed returns as well as the misrepresentations in the Agreement to the one Pool Participant concerning First Financial’s past performance as well as the monthly rate of return that this Pool Participant would receive knowing them to be false or with reckless disregard as to their truth.

C. Sharif Issued False Account Statements to Pool Participants

The False First Financial Account Statements

28. Sharif prepared and sent, by U.S. Mail, monthly First Financial account statements to some of the Pool Participants purporting to show the net value of their investment in the Pool.

29. The monthly First Financial account statements that Sharif provided to some Pool Participants for the most part consistently reflected that the Pool Participants' investments were profitable.

30. These monthly First Financial account statements prepared by Sharif are materially false and misleading. Sharif did not invest all of the Pool Participants' funds entrusted to him in futures or deposit them into trading accounts in the name of First Financial; rather, Sharif only traded approximately 25% of the Pool Participants' funds entrusted to him. Further, of those funds that Sharif traded, Sharif lost the vast majority of those funds and the trading accounts were seldom profitable on a monthly basis. Therefore, the representations of monthly and yearly profitable returns on the First Financial account statements, which Sharif provided to some Pool Participants, were false.

31. Sharif made the misrepresentations in the First Financial account statements knowing them to be false or with reckless disregard as to their truth.

The False Velocity and TradeStation Account Statements

32. Further, in order to entice some Pool Participants to remain invested in the Pool and/or to make additional investments into the Pool, Sharif fabricated trading account statements from Velocity and TradeStation. He showed the fabricated trading account statements to some

Pool Participants to falsely assure them that he had not lost their funds and that their funds remained safe in the Pool's trading accounts.

33. For example, in 2010, Sharif approached one Pool Participant about making a larger investment in the Pool. During this meeting, the Pool Participant asked Sharif to verify the amount of money in the First Financial trading accounts. In response to the Pool Participant's inquiry, Sharif showed the Pool Participant an account statement from Velocity that purportedly showed a balance of \$861,036.08 in First Financial's trading account at Velocity as of March 1, 2010. Based on this representation the Pool Participant invested an additional \$100,000 in the Pool.

34. Unknown to the Pool Participant, the March 2010 Velocity account statement was false. In reality, the balance of First Financial's trading account was \$1,858.00 as of March 1, 2010.

35. Thereafter in 2012, after the Pool Participant made a redemption request to Sharif for a return of his principal that went unfulfilled, Sharif showed the Pool Participant's spouse an account statement from Velocity that purportedly showed a balance of \$2,265,297.94 in First Financial's trading account at Velocity as of May 31, 2012.

36. Again, unknown to the Pool Participant, the May 2012 Velocity account statement was false. In reality, the balance of First Financial's trading account was \$1,192.48 as of May 31, 2012.

37. Sharif later admitted to the Pool Participant that the March 2010 and May 2012 Velocity account statements Sharif had shown him were false.

38. Sharif made the misrepresentations in the Velocity and TradeStation account statements knowing them to be false or with reckless disregard as to their truth.

D. Sharif Misappropriated Pool Participant Funds

39. Rather than use all of the Pool Participants' funds entrusted to him to trade futures or return those funds back to the Pool Participants, Sharif misappropriated at least \$900,000 of Pool Participants' funds for his personal use. Specifically, during the relevant period, Sharif solicited approximately \$5.4 million from Pool Participants, lost approximately \$1.32 million in futures trading accounts in the name of First Financial held at Velocity and TradeStation, and paid out approximately \$3.17 million to certain Pool Participants as fictitious "profits" or returns of principal. The difference between those amounts is the at least \$900,000 that is unaccounted for and which Sharif misappropriated.

40. On multiple occasions, during the relevant period, Sharif wired or transferred Pool Participants' funds from First Financial's bank account to his personal bank account. Further, Sharif used the First Financial bank account as his personal ATM withdrawing cash whenever he needed it and paying thousands of dollars for gifts and his personal living expenses.

41. Moreover, the value of these transfers far exceeds the amount of any commissions and/or fees that Sharif told Pool Participants he would be paid or indeed, that he was entitled to take for trading performance because the Pool's trading accounts were seldom profitable and suffered overall losses of \$1.32 million.

42. In or about June 2012, a Pool Participant made numerous redemption requests to Sharif for a return of his remaining principal in First Financial. In response, Sharif provided the Pool Participant with multiple checks drawn on First Financial's bank account. When the Pool Participant attempted to deposit the checks with his bank, those checks bounced for insufficient funds. Thereafter, Sharif met with the Pool Participant and admitted that he was operating a Ponzi scheme.

43. Sharif engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

44. Sharif engaged in the acts and practices described above by using the instrumentalities of interstate commerce, including the U.S. mail and the internet.

V. VIOLATIONS OF THE ACT AND THE REGULATIONS

COUNT ONE—FUTURES FRAUD

**Violations of Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii) (2006)
(for acts before June 18, 2008)**

and

**Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (Supp. II 2009)
(for acts on or after June 18, 2008)**

45. The allegations set forth in paragraphs 1 through 44 are realleged and incorporated herein by reference.

46. With respect to conduct occurring prior to June 18, 2008, Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii) (2006) 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, 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 – (i) to cheat or defraud or attempt to cheat or defraud such other person; (ii) 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; (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 order or contract, or in regard to any act of agency performed, with respect to any order or contract for such person.

47. With respect to conduct occurring on or after June 18, 2008, Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (Supp. II 2009), 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; (C) willfully to deceive or attempt to deceive the other person by any means whatsoever...

48. From at least January 2007 to September 13, 2012, in or in connection with futures contracts made or to be made, for or on behalf of other persons, Sharif cheated or defrauded or attempted to cheat or defraud Pool Participants or prospective Pool Participants, willfully made or caused to be made false reports or statements to Pool Participants, and willfully deceived or attempted to deceive Pool Participants or prospective Pool Participants by, among other things and as described above, (1) knowingly making material misrepresentations to Pool Participants and prospective Pool Participants, including misrepresentations concerning guaranteed profits from futures trading, First Financial's past performance and the monthly rate of return that at least one Pool Participant would receive, (2) creating and issuing false account statements to Pool Participants, and (3) misappropriating Pool Participants' funds including failing to return Pool Participants' funds upon demand in violation of Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. § 6b(a)(2)(i)-(iii) (2006) (for acts before June 18, 2008) and Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (Supp. II 2009) (for acts on or after June 18, 2008).

49. Sharif engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

50. Each misappropriation, misrepresentation or omission of material fact, issuance of a false report or account statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §

6b(a)(2)(i)-(iii) (2006) (for acts before June 18, 2008) and Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C) (Supp. II 2009) (for acts on or after June 18, 2008).

COUNT TWO—FRAUD BY COMMODITY POOL OPERATOR

Violations of Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006)

51. The allegations set forth in paragraphs 1 through 44 are realleged and incorporated herein by reference.

52. Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006), prohibits CPOs and associated persons of CPOs from using the mails or any other means of interstate commerce to:

(A) to employ any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or (B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant.

53. From at least January 2007 to September 13, 2012, Sharif was engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise wherein he solicited, accepted and received from others, funds for the purpose of trading commodity interests, including commodities for future delivery on or subject to the rules of a contract market. Therefore, Sharif acted as a CPO for the First Financial Pool under both Section 1(a)(5) of the Act, 7 U.S.C. § 1(a)(5) (2006) (for activity before July 11, 2011), and under Section 1(a)(11) of the Act, as amended, to be codified at 7 U.S.C. § 1(a)(11).

54. During the relevant period, Sharif employed a device, scheme or artifice to defraud Pool Participants and prospective Pool Participants or engaged in a transaction, practice or course of business, which operated as a fraud or deceit upon commodity futures pool participants, through the use of the mails or other means or instrumentalities of interstate commerce (including through use of U.S. mail, email and text messages) by, among other things and as described above, (1) knowingly making material misrepresentations to Pool Participants

and prospective Pool Participants, including misrepresentations concerning guaranteed profits from futures trading, First Financial's past performance and the monthly rate of return that at least one Pool Participant would receive, (2) creating and issuing false account statements to Pool Participants, and (3) misappropriating Pool Participants' funds including failing to return Pool Participants' funds upon demand in violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006).

55. Sharif engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

56. Each misappropriation, misrepresentation or omission of material fact, issuance of a false report or account statement, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1) (2006).

COUNT THREE—FAILURE TO REGISTER AS A CPO

Violations of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006)

57. The allegations set forth in paragraphs 1 through 44 are realleged and incorporated herein by reference.

58. Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006), provides that it is unlawful for any CPO, unless registered under the Act, to make use of the mails or any means or instrumentality of interstate commerce in connection with its business as a CPO.

59. As set forth above, from at least January 2007 to September 13, 2012, Sharif used the mails or instrumentalities of interstate commerce in or in connection with his business as a CPO while failing to register as a CPO in violation of Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2006).

60. From at least January 2007 to September 13, 2012, Sharif did not qualify for a registration exemption under the Act, the Act as amended or the Regulations.

61. Each day that Sharif operated as an unregistered CPO, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4m(1), 7 U.S.C. § 6m(1) (2006).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, as amended, to be codified at 7 U.S.C. §13a-1, and pursuant to its own equitable powers, enter:

A. An order finding that Defendant violated Sections 4b(a)(2)(i)-(iii) (for acts before June 18, 2008), 4b(a)(1)(A)-(C) (for acts on or after June 18, 2008), 4o(1) and 4m(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii), 6b(a)(1)(A)-(C), 6o(1) and 6m(1) (2006 and Supp. II 2009) and Regulation 4.41(a), 17 C.F.R. § 4.41(a) (2012).

B. An order of permanent injunction prohibiting Defendant and any of his agents, servants, employees, assigns, attorneys, and persons in active concert or participation with him, including any successor thereof, from engaging, directly or indirectly in conduct in violation of Sections 4b(a)(1)(A)-(C), 4o(1) and 4m(1) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6o(1) and 6m(1) (2006 and Supp. II 2009).

C. An order of permanent injunction restraining, enjoining, and prohibiting Defendant and any of his agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendant, including any successor thereof, 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, to be codified at 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) (2012)) (“commodity options”), security futures products, 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;
3. Having any commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts traded on their 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, and/or forex contracts;
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, and/or forex contracts;
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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2012); and/or
7. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2012)), agent or any other 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, 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) (2012).

D. An order directing Defendant, as well as any successors to him, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices which constitute violations of the Act and the Regulations, as described herein, and pre- and post- judgment interest thereon from the date of such violations;

E. An order directing Defendant, as well as any successors to him, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between, with, or among Defendant and any of the Pool Participants whose funds were received by him as a result of the acts and practices which constituted violations of the Act and the Regulations, as described herein;

F. An order requiring Defendant to make full restitution to every person or entity whose funds he received or caused another person or entity to receive, from the acts or practices that constitute violations of the Act and the Regulations, as described herein, and pre- and post- judgment interest thereon from the date of such violations;

G. An order requiring Defendant to pay civil monetary penalties, to be assessed by the Court, in amounts of not more than the higher of: (1) triple the monetary gain to Sharif for each violation of the Act and the Regulations; or (2) a penalty of \$140,000 for each violation committed;

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

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

Dated: November 26, 2012

Respectfully submitted by,

/s/ John B. Hughes
John B. Hughes (Local Counsel)
Assistant United States Attorney
Chief, Civil Division
157 Church Street
New Haven, CT 06510
(203) 821-3700
(203) 773-5373 (fax)
Fed Bar No. ct05289
John.Hughes@usdoj.gov

/s/Amanda L. Harding
Amanda L. Harding
Illinois Bar No. 6299967
(*pro hac vice pending*)
James W. Deacon
District of Columbia Bar No. 476216
(*pro hac vice pending*)
Kenneth McCracken
Missouri Bar No. 44049
(*pro hac vice pending*)
U.S. Commodity Futures Trading
Commission
Division of Enforcement
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581
(202) 418-5526 (Deacon)
(202) 418-5968 (Harding)
(202) 418-5348 (McCracken)
(202) 418-5937 (fax)
aharding@cftc.gov
jdeacon@cftc.gov
kmccracken@cftc.gov