

James A. Garcia / (202) 418-5362
Michael Solinsky / (202) 418-5384
Counsel for Plaintiff
United States Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

U.S. COMMODITY FUTURES TRADING COMMISSION,)	
)	Hon. _____
Plaintiff,)	
)	Civil Action No. _____
v.)	
)	COMPLAINT FOR INJUNCTIVE RELIEF,
MICHAEL J. SIEGEL,)	CIVIL MONETARY PENALTIES AND
TOTE FUND LLC and)	OTHER EQUITABLE RELIEF
MJS CAPITAL MANAGEMENT LLC,)	
)	
Defendants.)	

Plaintiff U.S. Commodity Futures Trading Commission (“Commission” or “CFTC”) alleges as follows:

1. Plaintiff’s address is: 1155 21st Street, N.W., Washington, D.C. 20581. The address of Defendant Michael J. Siegel (“Siegel”), chief executive officer and sole principal of Defendants TOTE Fund LLC (“TOTE”) and MJS Capital Management LLC (“MJS”), is: 17 Willow Drive, Northfield, NJ 08225. The address of Defendant TOTE is: 2337 Roscomare Rd., Suite 2240, Los Angeles, CA 90077. The address of Defendant MJS is: 2337 Roscomare Rd., Suite 2240, Los Angeles, CA 90077.

**I. SUMMARY OF THE DEFENDANTS' VIOLATIONS OF THE
COMMODITY EXCHANGE ACT**

2. From August 2007 through at least October 2010 (the "Relevant Period"), Defendants TOTE, MJS and Siegel, operated two commodity pools, the Monarch Futures Fund LLC ("Monarch") and the QEP Futures Fund LLC ("QEP"). TOTE was the commodity pool operator ("CPO") for Monarch and MJS was the CPO for QEP. Siegel was the chief operating officer and sole principal of both TOTE and MJS. From at least January 2008 through at least October 2010, Defendants misappropriated funds totaling approximately \$191,689 from Monarch and QEP pool participants by withdrawing money from the pools for non-pool expenses and taking fees to which they were not entitled. Defendants MJS and Siegel also misappropriated funds by failing to return funds to at least two pool participants who sought to withdraw their funds from QEP.

3. From the outset of operation of Monarch, TOTE, acting through Siegel, also failed to provide Monarch pool participants with copies of monthly statements received by TOTE from futures commission merchants ("FCMs") as required by Commission regulation.

4. By virtue of this conduct and the further conduct described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices in violation of Section 4b(a)(2)(i) and (iii) of the Commodity Exchange Act ("Act"), 7 U.S.C. § 6b(a)(2)(i) and (iii) (2006) (with respect to conduct prior to June 18, 2008); Section 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A) and (C) (2012) (with respect to conduct on or after June 18, 2008); and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

5. By virtue of the conduct described herein, Defendant TOTE also violated Commission Regulation 4.13(c)(2)(i), 17 C.F.R. § 4.13(c)(2)(i) (2013).

6. During the Relevant Period, Defendant Siegel was the controlling person of TOTE and MJS and failed to act in good faith or knowingly induced, directly or indirectly, the acts constituting TOTE's and MJS's violations as alleged herein. Therefore, Defendant Siegel is liable for TOTE's and MJS's violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012). TOTE and MJS are liable for the violations of their agents, including Siegel, pursuant to Section 2(a)(1)(B), 7 U.S.C. § 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2013).

7. Unless restrained and enjoined by this Court, Defendants are likely to continue engaging in the acts and practices alleged in this Complaint or in similar acts and practices.

8. Accordingly, the Commission brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012) to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and Regulations thereunder. In addition, the Commission seeks restitution, rescission, disgorgement and civil monetary penalties and other equitable and ancillary relief, including, but not limited to, trading and registration bans, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

II. JURISDICTION AND VENUE

9. This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1 (2012).

10. Section 6c(a) of the Act authorizes the Commission to seek injunctive relief in district court 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 the Act or any rule, regulation, or order thereunder. In addition, this section authorizes the Commission to bring a civil action in district court to enforce compliance with the Act or any rule, regulation or order thereunder.

11. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), because Defendants are found, inhabit, reside and/or transact business in the District of New Jersey.

III. PARTIES

12. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, 7 U.S.C. §§ 1 *et seq.*, and the Commission Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

13. Defendant **TOTE Fund LLC** was a Delaware limited liability company with its principal place of business in Los Angeles, California. TOTE served as the CPO for Monarch. Defendant Siegel served as the chief executive officer and sole principal of TOTE, and was responsible for day-to-day operations of TOTE.

14. Defendant **MJS Capital Management LLC** was a Delaware limited liability company with its principal place of business in Los Angeles, California. MJS was the CPO for QEP. Defendant Siegel served as the chief executive officer and sole principal of MJS, and was responsible for day-to-day operations of MJS.

15. Defendant **Michael J. Siegel** is an individual residing in Northfield, New Jersey. Siegel served as the chief executive officer and sole principal of both TOTE and MJS, and was responsible for the day-to-day operations of both CPOs. Siegel controlled the operations of TOTE including controlling its bank accounts, and distributing all promotional materials.

IV. FACTS

A. Siegel's Formation and Operation of the Monarch and QEP Pools

16. In August 2007, Siegel formed Monarch as a vehicle for trading futures contracts using an automated trading system he developed called MX2. In August 2008, Siegel formed QEP for the same purpose.

17. Siegel solicited pool participants for Monarch and QEP from among students and family members of students he taught to trade using his MX2 trading program, which computerized Siegel's trading philosophy.

18. TOTE acted as the manager of Monarch. Monarch operated as an exempt commodity pool pursuant to Commission Regulation 4.13(a)(2).

19. Approximately ten individuals and one entity placed funds totaling approximately \$400,000 with Monarch.

20. Siegel formed MJS to be the manager of QEP. QEP operated as an exempt commodity pool pursuant to Commission Regulation 4.13(a)(4) and traded using the same trading system as Monarch.

21. Three individuals placed funds totaling approximately \$975,000 with QEP.

22. As chief executive officer and sole principal of TOTE and MJS who solicited and received funds from pool participants, Siegel acted as an associated person ("AP") of both commodity pools.

B. Siegel's Misappropriation of Monarch and QEP Pool Participant Funds

23. According to the Monarch and QEP disclosure documents, TOTE and MJS were each to receive an incentive fee of 35 percent of all net new trading profits each month, plus 0.2

percent of the net asset values of the pools as a monthly management fee and approximately 2.0 percent of the net asset values of the pools annually as administrative fees or operating expenses.

24. Although Siegel's trading generated some profits in 2008, overall trading for both pools was unprofitable in 2009. At the end of 2009, Siegel decided to close down QEP due to multiple redemption requests and so informed QEP investors in January 2010. Siegel likewise planned to close down Monarch.

25. Notwithstanding the lack of profits in 2009 and the closing of the pools in or about January 2010, Siegel continued to withdraw money from the pools and transfer those funds into his personal bank accounts even though no incentive fees were due to Defendants.

26. From approximately January 2008 through October 2010, Siegel transferred from Monarch and TOTE to his personal bank accounts and a credit card account approximately \$105,186 more than he and TOTE were purportedly due in incentive and other fees.

27. In September 2008, Siegel withdrew approximately \$36,000 from QEP to pay non-pool expenses. In addition, from September 2008 through October 2010, Siegel transferred from QEP and TOTE to his personal bank account and a credit card account approximately \$50,503 more than he and MJS were due in incentive and other fees. In total, Siegel transferred approximately \$86,503 more than he was due in incentive and other fees to his personal bank accounts, a credit card account and to pay non-pool expenses.

28. In total, during the Relevant Period, Defendants misappropriated approximately \$191,689 from Monarch and QEP by withdrawing funds for non-pool expenses and taking fees to which Defendants were not entitled. Despite earning incentive, management and administrative fees of approximately \$319,909 based on his trading for Monarch and QEP, Siegel transferred approximately \$511,598 from bank accounts in the names of Monarch, QEP

and TOTE to his personal bank accounts, to a credit card account and to at least one individual.

Siegel used some of these funds to pay personal expenses.

29. Defendants Siegel and MJS also failed to return funds to at least two pool participants who sought to withdraw their funds from QEP at or near the end of 2009.

C. Defendant TOTE Failed to Provide Copies of Monthly FCM Statements to the Monarch Pool Participants

30. During the Relevant Period, TOTE, acting through Siegel, also failed to provide pool participants with copies of the statements received by TOTE from the futures commission merchants (“FCM”) who carried Monarch’s trading accounts.

31. Under Commission Regulation 4.13(c)(2)(i), a CPO claiming exemption from registration under Commission Regulation 4.13(a)(2) is required to promptly furnish to all pool participants a copy of each monthly statement for the pool that the CPO receives from its FCM.

32. Instead of providing regular monthly statements from the FCM, TOTE, acting through Siegel, only provided a few quarterly updates generally describing the status of Monarch’s trading and sometimes included only a page or two of the statements received from the FCM.

D. Siegel Controlled TOTE and MJS

33. Siegel is the chief executive officer and sole principal of both TOTE and MJS. Siegel was the sole person responsible for directing trades on behalf of the TOTE and MJS and for the day-to-day operations of TOTE and MJS.

**V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT
AND COMMISSION REGULATIONS**

COUNT ONE

**Violations of Section 4b(a)(2)(i) and (iii) of the Act
(with respect to conduct prior to June 18, 2008) and
Section 4b(a)(1)(A) and (C) of the Act
(with respect to conduct on or after June 18, 2008)
(Misappropriation)**

34. The allegations set forth in paragraphs 1 through 33 are realleged and incorporated herein by reference.

35. With respect to conduct occurring before June 18, 2008, Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii) (2006), make 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, or with, 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 the other person; . . . [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 disposition or execution of any such order or contract, or in regard to any act of agency performed, with respect to such order or contact for such person.

36. With respect to conduct occurring on or after June 18, 2008, Section 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A) and (C) (2012) make 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; [or] . . . (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for . . . the other person.

37. As set forth above, since at least January 2008 through at least October 2010, in or in connection with commodity investments, made, or to be made, for or on behalf of, or with, other persons, Siegel, independently and through TOTE and MJS, willfully deceived or attempted to deceive pool participants by knowingly misappropriating pool funds in violation of Sections 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(2)(i) and (iii) (2006) (with respect to conduct occurring before June 18, 2008), and in violation of Sections 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A) and (C) (2012) (with respect to conduct occurring on or after June 18, 2008).

38. TOTE and MJS, through Siegel, and Siegel individually, engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

39. Siegel controlled TOTE and MJS, directly or indirectly, and knowingly induced, directly or indirectly, the acts of TOTE and MJS constituting the violations alleged in this count. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012), Siegel is liable for TOTE's and MJS's violations of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(2)(i) and (iii) (2006) (with respect to conduct occurring before June 18, 2008), and Section 4b(1)(A) and (C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A) and (C) (2012) (with respect to conduct occurring on or after June 18, 2008).

40. The foregoing acts of Siegel occurred within the scope of his employment, office or agency with TOTE and MJS. Therefore, TOTE and MJS are liable for these acts pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012).

41. Each act of misappropriation, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4b(a)(2)(i) and (iii), 7 U.S.C. §§ 6b(2)(i) and (iii) (2006) (with respect to conduct occurring before June 18, 2008), and

Section 4b(a)(1)(A) and (C), 7 U.S.C. §§ 6b(a)(1)(A) and (C) (2012) (with respect to conduct occurring on or after June 18, 2008).

COUNT TWO

Violations of Section 4o(l)(A) and (B) of the Act
(Fraud by a CPO and an AP of a CPO)

42. Paragraphs 1 through 41 are realleged and incorporated herein by reference.

43. Section 4o(l) of the Act, in relevant part, prohibits CPOs and APs of CPOs from using the mails or other means of interstate commerce, directly or indirectly, to (A) employ any device, scheme or artifice to defraud any participant; or (B) engage in any transaction, practice or course of business that operates as a fraud or deceit upon any participant.

44. As defined by Section 1a of the Act, 7 U.S.C. § 1a(11) (2012), a CPO is

any person engaged in a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits accepts or receives from others, funds, securities or property... for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility. . . .

45. As defined by Commission Regulation 1.3(aa)(3), 17 C.F.R. § 1.3(aa) (2013), an AP of a CPO is a natural person who is associated with a CPO

as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves (i) the solicitation of funds, securities, or property for a participation in a commodity pool or (ii) the supervision of any person or persons so engaged[.]

46. As set forth above, during the Relevant Period, Defendants TOTE and MJS acted as CPOs of the Monarch and QEP pools by engaging in a business that is of the nature of an investment trust, syndicate, or similar form of enterprise and by soliciting, accepting, or receiving funds from others for the purpose of, among other things, trading in futures.

47. As set forth above, during the Relevant Period, Defendant Siegel acted as an AP of TOTE and MJS by soliciting, accepting, or receiving funds, securities or property from others while associated with TOTE and MJS as their chief executive officer and sole principal.

48. Defendants TOTE, MJS and Siegel violated Section 4o(l)(A) and (B) of the Act, 7 U.S.C. § 6o(l) (2012), in that they employed or are employing a device, scheme or artifice to defraud pool participants and prospective pool participants and/or engaged or are engaging in transactions, practices or a course of business which operated or operates as a fraud or deceit upon pool participants or prospective pool participants. These fraudulent acts included misappropriating funds invested by pool participants.

49. The use of the mails or other instrumentalities of interstate commerce included, but are not limited to (a) using the United States Postal Service or other private or commercial interstate carrier to send payments to pool participants, and (b) wiring funds to and from pool accounts to Siegel's personal bank accounts, all in violation of Section 4o(l)(A) and (B) of the Act.

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

51. Siegel controlled TOTE and MJS, directly or indirectly, and knowingly induced, directly or indirectly, the acts of TOTE and MJS constituting the violations alleged in this count. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012), Siegel is liable for TOTE's and MJS' violations of Sections 4o(1) of the Act, 7 U.S.C. § 6o(1) (2012).

52. The foregoing acts of Siegel occurred within the scope of his employment, office or agency with TOTE and MJS. Therefore, TOTE and MJS are liable for these acts pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012).

53. Each misappropriation of funds, 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) (2012).

COUNT THREE

**Violations of Commission Regulation 4.13(c)(2)(i)
(Failure to Promptly Provide Monthly Account Statements)**

54. The allegations set forth in paragraphs 1 through 53 are realleged and incorporated herein by reference.

55. Commission Regulation 4.13(c)(2)(i), 17 C.F.R. § 4.13(c)(2)(i) (2013), requires that CPOs claiming exemption from registration under Regulation 4.13(a)(2) must promptly furnish to all pool participants a copy of each monthly statement for the pool that the CPO receives from the FCM.

56. TOTE, acting through Siegel, failed to provide copies of the monthly statements it received from its FCMs to the Monarch pool participants.

57. Siegel controlled TOTE, directly and indirectly, and did not act in good faith or knowingly induced, directly or indirectly, the conduct of TOTE alleged in this count. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012), Siegel is liable for TOTE's violations of Commission Regulation 4.13(c)(2)(i) (2013).

58. The foregoing acts of Siegel occurred within the scope of his employment, office or agency with TOTE. Therefore, TOTE is liable for Siegel's acts pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012).

59. Each instance that Defendants Siegel and TOTE failed to promptly provide pool participants with a copy of the monthly statement for the pool is alleged as a separate and distinct violation of Commission Regulation 4.13(c)(2)(i), 17 C.F.R. § 4.13(c)(2)(i) (2013).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), and pursuant to its own equitable powers, enter:

A. An order finding that:

- (1) Defendants TOTE, MJS and Siegel violated 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. §§ 6b(2)(i) and (iii) (2006), with respect to conduct occurring before June 18, 2008, and 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C) (2012), with respect to conduct occurring on or after June 18, 2008;
- (2) Defendants TOTE, MJS and Siegel violated Section 4o(l) of the Act, 7 U.S.C. § 6o(l) (2012);
- (3) Defendant TOTE violated Commission Regulation 4.13(c)(2)(i), 17 C.F.R. § 4.13(c)(2)(i) (2013);

B. An order of permanent injunction enjoining Defendants and all persons insofar as they are acting in the capacity of Defendants' agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants, who receive actual notice of such order by personal service or otherwise, from directly or indirectly from engaging directly or indirectly, in conduct in violation of Sections 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6b(a)(2)(A) and (C) (2012), and Section 4o(1) of the Act, 7 U.S.C. § 6o(l) (2012);

C. An order of permanent injunction enjoining Defendant TOTE, and all persons insofar as they are acting in the capacity of Siegel's and TOTE's agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendant TOTE, including any successor thereof, who

receive actual notice of such order by personal service or otherwise, from engaging directly or indirectly in conduct in violation of Commission Regulations 4.13(c)(2)(i), 17 C.F.R. § 4.13(c)(2)(1) (2013);

D. An order of permanent injunction enjoining Defendants, and all persons insofar as they are acting in the capacity of Defendants' agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants, including any successor thereof, who receive actual notice of such order by personal service or otherwise, from:

- (1) Trading on or subject to the rules of any registered entity, as that term is defined in Section 1a(40) of the Act 7 U.S.C. § 1a(40) (2012);
- (2) Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulations 1.3(hh) and 32.1(b)(1), 17 C.F.R. §§ 1.3(hh) and 32.1(b)(1) (2013)) ("commodity options"), security futures products, swaps (as that term is defined in Section 1a(47) of the Act, as amended, 7 U.S.C. § 1(a)(47) (2012) and as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx) (2013)) ("swaps") and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i) (2012)) ("forex contracts"), for their own personal or proprietary 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, swaps 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, swaps 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, swaps 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) (2013); and,
- (7) Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2013)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38) (2012)) registered, exempted from registration or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013).

E. An order requiring Defendants, as well as any successors to any Defendant, to disgorge pursuant to such procedure as the Court may order, all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues and trading profits derived, directly or indirectly, from acts or practices that constitute violations of the Act and/or Commission Regulations as described herein, including pre-judgment interest thereon from the date of such violations and post-judgment interest;

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

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

H. An order requiring Defendants to pay a civil monetary penalty under the Act, to be assessed by the Court, in amounts of the higher of: \$130,000 for each violation of the Act and Regulations occurring before October 22, 2008 and \$140,000 for each violation of the Act and Regulations occurring on or after October 22, 2008, or triple the monetary gain to Defendants for each violation of the Act and Regulations described herein, plus post-judgment interest;

I. An order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2012); and

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

Dated: September 27, 2013

Respectfully submitted,

s/ James A. Garcia
James A. Garcia
Michael Solinsky
Counsel for Plaintiff
United States Commodity Futures Trading
Commission
1155 21st Street, N.W.
Washington, D.C. 20581
(202) 418-5362 / jgarcia@cftc.gov
(202) 418-5384 / msolinsky@cftc.gov
(202) 418-5523 (facsimile)

PAUL J. FISHMAN
United States Attorney
By: AUSA Irene Dowdy
Office of the United States Attorney
Camden Federal Building & U.S. Courthouse
P.O. Box 2098
401 Market Street, 4th Floor
Camden, NJ 08101
(856) 757-5139 / Irene.Dowdy@usdoj.gov
(856) 757-5416 (facsimile)
Local Counsel for Plaintiff