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IN THE UNITED STATES DISTRICT COURT
FOR THE
NORTHERN DISTRICT OF ILLINOIS

FEB 02 2016
2-2-2016
THOMAS G. BRUTON
DISTRICT COURT

_____ **16 CV 1881**
COMMODITY FUTURES TRADING COMMISSION **JUDGE LEE**
MAGISTRATE MASON

Plaintiff,)
)
v.) **COMPLAINT FOR INJUNCTIVE**
) **AND OTHER EQUITABLE RELIEF**
) **AND CIVIL MONETARY PENALTIES**
VAULT OPTIONS, LTD. and) **UNDER THE COMMODITY**
GLOBAL TRADER 365,) **EXCHANGE ACT**
)
Defendants.) ****FILED UNDER SEAL****
)
_____)

Plaintiff U.S. Commodity Futures Trading Commission ("Commission" or "CFTC"), by its attorneys, alleges as follows:

I.
SUMMARY

1. Since at least October 2012 continuing through the present (the "relevant period"), Defendants Vault Options, Ltd. ("Vault) and Global Trader 365 ("GT 365"), by and through their officers, employees and agents (collectively, "Defendants"), have been marketing and executing illegal off-exchange options while fraudulently soliciting and accepting more than \$1 million from at least 50 U.S. customers to trade "binary options" to benefit from future price changes which incur in various commodities, foreign currency pairs, and stock indexes. Such contracts are required by law to be traded on a registered board of trade; however neither Vault Options nor GT 365 is a registered board of trade, designated contract market, exempt board of trade, or bona fide foreign board of trade, and neither has ever been registered in any capacity with the Plaintiff Commission.

2. Further, Defendants Vault and GT 365 defraud U.S. customers by, among things, misrepresenting and omitting material information about trading binary options with Defendants, including the return on investment and the likelihood of profit and risk of loss that customers make trading binary options. After Defendants have obtained customer funds, Defendants frequently engage in tactics designed to avoid repaying customers and extract more funds from customers, including evading customer inquiries about the status of their accounts, falsely claiming that customers' trading deposits were insured against losses, falsely promising customers that their funds would be returned if they paid additional amounts for taxes and fees associated with the non-existent insurance. Ultimately, Defendants misappropriate some customers' funds by refusing to honor demands to return the customers' investments, purported profits, or additional funds customers sent in attempts to recover their initial investments. Essentially, whether through trading based upon false representations of potential profit or through Vault and GT 365's outright misappropriation of funds, many of Defendants customers have lost nearly all of their funds, sometimes within days or a few weeks.

3. By virtue of this conduct and further conduct described below, Vault and GT 365 have engaged are engaging, or are about to engage in acts and practices in violation of Sections 4c(b) and 2(e) of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 6c(b) and 2(e), and Commission Regulation 32.2, 17 C.F.R. § 32.2 (2014), which prohibit offering to enter into, entering into and confirming the execution of off-exchange options; Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.4, 17 C.F.R. § 32.4, which prohibits fraud in connection with off-exchange options; and Sections 2(c)(2)(B) and 4d(a) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 6d(a), and Regulation 5.3, 17 C.F.R. § 5.3, which prohibit persons from acting as a futures commission merchant ("FCM") without being registered with the Commission.

4. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. §§ 13a-1, the Commission brings this action to enjoin Defendants' unlawful acts and practices and to compel its compliance with the Act and the Regulations, and to further enjoin Defendants from engaging in certain options related activity in connection with U.S. customers, including soliciting and accepting orders and funds for trading options through Vault and GT 365's websites.

5. 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 such other relief as the Court may deem necessary and appropriate.

6. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II.

JURISDICTION AND VENUE

7. Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), 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 the Act or any rule, regulation, or order thereunder.

8. The Commission has jurisdiction over the conduct and transactions at issue in this case pursuant to Sections 2(c)(2)(B) and 6c of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 13a-1.

9. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because the acts or practices in violation of the Act and the Regulations have

occurred, are occurring, or are about to occur within this District, among other places, and because Defendants currently transact or transacted business in this District.

III.

PARTIES

10. Plaintiff U.S. Commodity Futures Trading Commission is an independent federal regulatory agency charged by Congress with the administration and enforcement of the Act and the Regulations promulgated thereunder.

11. Defendant Vault Options Ltd. is an Israeli web-based company that offers binary options for trading to U.S. and foreign customers. Vault solicits customers throughout the United States, including in this district. Vault has never been designated as a contract market, exempt board of trade or bona fide foreign board of trade, and never has been registered with the CFTC in any capacity.

12. Defendant Global Trader 365 is an Israeli web-based company that offers binary options for trading to U.S. and foreign customers. GT 365 solicits customers throughout the United States, including in this district. GT 365 has never been designated as a contract market, exempt board of trade or bona fide foreign board of trade, and never has been registered with the CFTC in any capacity.

13. Defendants Vault and GT 365 share the same owner, who formed both Vault and GT 365. Defendants share the same bank account for accepting customer funds, commingle customer funds, give the same telephone number and staff names to customers, and operate as a common enterprise.

IV.

FACTS

A. Defendants Offer to Enter Into, Enter Into and Execute Binary Commodity Options Contracts With U.S. Customers

14. Throughout the relevant period, Vault and GT 365 have offered to enter into, entered into or confirmed the execution of binary commodity options trades with U.S. customers. Through Defendants' websites, e-mails, and other communications solicit and scam U.S. customers, many of whom are non-eligible contract participants, by trading binary commodity options.

15. The Act bans the off exchange trading of commodity option contracts under Section 4c(b), 7 U.S.C. § 6c(b), and Commission Regulation 32.2, 17 C.F.R. 32.2, and the off-exchange trading of swaps by non -eligible contract participants under Section 2(e), 7 U.S.C. § 2(e). An eligible contract participant is defined in Section 1a(18)(A)(xi) of the Act, 7 U.S.C. § 1a(18)(A)(xi), in relevant part, as an individual who has amounts invested on a discretionary basis, the aggregate of which exceeds \$10 million, or \$5 million if the individual enters into the transaction to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual. Vault and GT365 customers were generally not eligible contract participants.

16. Through Vault's internet trading website at www.vaultoptions.com, and GT 365's internet trading website at www.globaltrader365.net, customers buy or sell binary "call" or "put" options that allow them to make predictive trades on whether the price of a certain commodity, index or foreign currency will go "up" or "down" at a future date and/or time. Depending on the underlying asset, the customer may select expiry times as short as 60 seconds and as long as 23 hours and 59 minutes.

17. At expiry, the customer who has correctly predicted the price movement of the commodity receives a credit to the customer's account, while a customer who has incorrectly predicted the price movement of the commodity loses the full amount paid for the option.

18. Customers open accounts at Vault and GT 365 in the same manner. Vault customers open an account by completing an online application on Vault's website and transferring money by credit card or wire transfer to Vault's bank account. Similarly, GT 365 customers open an account by completing an online application on GT 365's website and transferring money by credit card or wire transfer to GT 365's bank account. All customer funds sent to Vault and GT 365 are deposited in the same bank account.

19. Once customers open and fund their accounts they can begin to make trades. Customers purchase options for prices between \$100 and \$10,000. Customers select the options trading program and the commodities they want to trade.

20. Defendants Vault and GT365 offer the same five options execution programs: "Binary Options," "Options Builder," "One Touch," "60 Seconds" and "Pro Trader." In each program, Defendants identify the commodity, forex pair or index on which the customer can purchase an option, as well as the options expiry price and the options expiry time. The value of the option is determined at the expiry, and whether the price movement was favorable to the customer. For example, options purchased through Vault or GT 365's "One Touch" program have a fixed currency, forex pair or index and a fixed expiry time and price set that Vault or GT 365 sets. Under Vault or GT 365's "Options Builder" program, customers can select a commodity, forex pair or index, as well an expiry price and time, but only from a limited preselected menu that Vault or GT 365 choose. In all of the options programs, Defendants Vault or GT 365 list on their websites the "payout" or "return" should the predicted event occur.

21. Customers purchase a “call” option if they think the price of the commodity will rise above the current price at option expiry, or purchase a “put” option if they think the price will fall below the current price at expiry. For example, customers who predict that the price of gold, wheat or the S&P 500 futures index will rise above the then-current price listed on one of Vault or GT 365’s options trading programs, on a specific future expiration date or time, can execute a “Call Option” by clicking the “Call” selection on the websites. Conversely, customers who predict that the price of such commodities and indices will fall below the then-current price listed on the website on a specific future expiration date or time can execute a “Put Option” by clicking the “Put” selection.

22. Customers can execute trades themselves, but both Vault and GT 365 offer a managed account program where brokers will recommend trades or trade the binary options for the customer.

23. Vault and GT 365’s websites currently claim that they do not accept funds for trading from U.S. customers. In fact, Vault and GT 365 actively solicit U.S. customers and even provide a telephone number for U.S. customers to contact to establish trading accounts, conduct trades, and purportedly resolve customer disputes. Further, during the relevant period, Vault and GT 365 have accepted more than \$1 million from U.S. customers from twenty-two different states, including customers residing within this district, and continue to accept money, securities, or property to margin, guarantee, or secure U.S customers’ options transactions.

24. Throughout the relevant period, U.S. customers have initiated these options trades on the Vault and GT 365 websites through computer terminals located in the U.S., including in this district.

B. Defendants' Fraud in Connection With Their Off-Exchange Binary Options

25. Defendants Vault and GT 365 defraud U.S. customers who trade their binary options by misrepresenting and omitting material information, including misrepresenting and omitting the actual profit potential and risk of loss to customers who trade their binary options; falsely claiming that customer funds are insured against losses; falsely inducing customers to send them more money by claiming that if customers send in funds to cover certain fees and taxes, what remains of their original investments will be returned to them; giving customers evasive answers and failing to respond to customer inquiries about the status of their funds; and finally, by misappropriating customer funds.

26. The Vault website claims that customers can make returns on their investments of "pre-determined payouts (68%-75%)" per trade, while on another webpage it advises that customers can "get up to 89% profit" per trade. The website also states that customers can earn a "500% return on their investment" using the "One Touch" trading approach.

27. The GT 365 website lists payouts similar to Vault. GT 365's website homepage touts "up to 81% return per trade" and elsewhere on the website claims that customers can "earn up to 75% per trade with our binary options" and "earn up to a maximum of 75% profit" per trade. It also claims that customers can earn a "500% return on their investment" in "One Touch" trading.

28. However, Defendants misrepresent the true profit potential and risk of loss in trading their binary options by using these outsized profit claims when they know or should know the actual profits and losses realized by their customers. The reality is that many Vault and GT 365 customers quickly lose most of their funds trading their binary options, thereby making these rosy representations of profit false and misleading.

29. Defendants also cheat and defraud customers by falsely claiming that customer funds are insured against losses, falsely inducing customers to send them more money by claiming that the funds are needed to cover certain fees and taxes, before what remains of their original investments can be returned to them, giving customers evasive answers and failing to respond to customer inquiries about the status of their funds, and ultimately misappropriating customer funds. For example:

- a. Customer A is an 82 year old man residing in Marlborough, Massachusetts who deposited approximately \$17,500 with Vault in November 2013, which Vault brokers traded for him in options on foreign currencies. Customer A's statements showed that he had approximately \$11,000 remaining with Vault by July 2014. When the customer asked Vault to return the \$11,000, Vault sent a one page document entitled "Consent Form" which stated that Customer A's funds were insured by a "Capital Secure Policy" and would therefore soon be released to him. A Vault broker who identified himself as Kevin Ortiz, then told Customer A that Vault needed approximately \$1,200 for processing fees before Vault could send his funds back. Another Vault broker told Customer A that he needed to send in an additional \$600 to pay "taxes" on the funds. The elderly customer sent Vault the additional funds and received from Vault a fraudulent check made out in the amount of approximately \$11,000. The account number on the check did not match an account that belonged to Vault. Customer A was unable to deposit or cash the fraudulent check, and to date, Customer A has not received the funds he had remaining with Vault.

- b. Customer B resides in Fairview, Tennessee, and invested a total of approximately \$30,000 with GT 365 between May 2012 and September 2012. Customer C initially invested \$5,000 but was told by a GT 365 broker who identified himself as Alex Robinson that with another \$20,000 investment she would qualify for an “expert” broker to recommend trades for her and that if there were losses from the trades, GT 365 would refund her money. Alex Robinson also assured Customer C that she would withdraw her funds at any time. However, when the customer decided to discontinue using GT 365’s broker to recommend trades for her because the trades were all losing trades, a GT 365 broker began harassing the customer with numerous abusive phone calls and demanded that she deposit more trading funds. Despite continuing to request redemption of funds, GT 365 ultimately refused to return any of her remaining funds to her.
- c. Customer C resides in El Paso, Texas and lost approximately \$5,000 within a week trading binary options on oil and gold, among other commodities, with GT 365. The customer initially invested \$200 but was told by GT 365 brokers, including but not limited to Donald Clark and Kate Morrison, that his trades were winning trades. Based upon these representations, the customer increased his trading funds to approximately \$5,000. In less than a week, GT 365 brokers told him that all of his trading funds were lost. The customer’s account had a few hundred dollars remaining in it. The customer has repeatedly requested the return of his remaining funds but to date GT 365 has not returned any funds to him.
- d. Customer D resides in Okemos, Michigan and deposited a total of more than \$30,000 with GT 365 between November 2012 and May 2014 after being cold-

called by a GT 365 broker. The customer traded her account in binary options in various commodities including oil, silver and gold based on recommendations from a GT 365 broker, but after experiencing trading losses from the recommendations, Customer D requested the rest of her funds back. A GT 365 broker, who identified himself to Customer D as Allen Goldberg, told her that the company would return her funds but she needed to send them another \$5,000. Customer D sent in the additional \$5000. However, in May 2014, a GT 365 broker told Customer D that a company insurance policy would pay back her losses, but to do so, she needed to send in an additional approximately \$14,0200 to pay taxes and fees. When Customer D stated that she did not have the cash to meet for this additional amount, the Vault broker urged her to “max-out” her credit cards to send in the additional sums. Customer D sent in the \$14,200, but to date has not received any of her funds back.

V.

VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT ONE

**VIOLATIONS OF SECTION 4c(b) OF THE ACT, 7 U.S.C. § 6c(b), and
COMMISSION REGULATION 32.2, 17 C.F.R. § 32.2:**

Unlawful Off-Exchange Options Trading

30. Paragraphs 1 through 29 are re-alleged and incorporated herein by reference.
31. Section 4c(b), 7 U.S.C. § 6c(b), makes it unlawful to offer to enter into, enter into or confirm the execution of, any transaction involving any commodity regulated under the Act which is of the character of, or is commonly known to the trade as, an “option”, “privilege”, “indemnity”, “bid”, “offer”, “put”, “call”, “advance, guaranty”, or “decline guaranty”, contrary

to any rule, regulation, or order of the Commission prohibiting any such transaction or allowing any such transaction under such terms and conditions as the Commission shall prescribe.

32. Regulation 32.2(a), 17 C.F.R. § 32.2(a), promulgated thereunder, in relevant part, makes it unlawful for any person or group of persons to offer to enter into, enter into, confirm the execution of, maintain a position in, or otherwise conduct activity related to any transaction in interstate commerce that is a commodity option transaction, unless such transaction is conducted in compliance with and subject to the provisions of the Act, including any Commission rule, regulation, or order thereunder, otherwise applicable to any other swap.

33. As described in paragraphs 1-29 above, during the relevant period, Vault and GT 365 violated Sections 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.2, 17 C.F.R. § 32.2, by offering to enter into and entering into binary option transactions with U.S. customers, and confirming the execution of those binary options. None of Vault or GT 365's transaction occurred on a designated contract market, an exempt board of trade, or a bona fide foreign board of trade.

34. Defendants are not exempt from the requirements of Sections 4c(b) of the Act, 7 U.S.C. § 6c(b), pursuant to Regulation 32.3, 17 C.F.R. § 32.3, which exempts trade options from such provisions of the Act.

35. The acts of Defendants' agents and employees undertaken on Defendants' behalf occurred within the scope of their employment with Defendants. Defendants are therefore liable for their agents' and employees' acts, omissions, or failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Section 1.2 of the Commission's Regulations, 17 C.F.R. § 1.2.

36. Each and every act by Defendants in violation of Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.2, 17 C.F.R. § 32.2, including but not limited to those

specifically alleged herein, is alleged as a separate and distinct violation of Sections 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.2, 17 C.F.R. § 32.2.

COUNT TWO

VIOLATIONS OF SECTION 2(e) OF THE ACT, 7 U.S.C. §2(e)

Unlawful Off-Exchange Swaps Trading

37. Paragraphs 1 through 29 are re-alleged and incorporated herein by reference.

38. In July 2010, Congress amended the Act by enacting the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”), 7 U.S.C. § 1 *et seq.* (2012), which, among other things, expanded and clarified the CFTC’s jurisdiction over swaps and included options in the definition of swaps under Section 1a(47)(i)(A) of the Act, 7 U.S.C. § 1a(47)(i). Section 1a(47)(i)(A) of the Act defines a “swap” to include “any agreement, contract or transaction . . . that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measure, or other financial or economic interests or property of any kind.”

39. Section 2(e) of the Act, 7 U.S.C. § 2(e), which became effective in October 2012, in pertinent part makes it unlawful for any person, other than an eligible contract participant, to enter into a swap unless the swap is entered into on, or subject to the rules of, a board of trade designated as a contract market.

40. As described in paragraphs 1-29 above, during the relevant period, Vault and GT 365 violated Section 2(e) of the Act, 7 U.S.C. § 2(e), by offering to enter into and entering into binary option transactions with U.S. customers who were not ECPs, and confirming the execution of those binary options. None of Vault or GT 365’s transaction occurred on a designated contract market, an exempt board of trade, or a bona fide foreign board of trade.

41. The acts of Defendants' agents and employees undertaken on Defendants' behalf occurred within the scope of their employment with Defendants. Defendants are therefore liable for their agents' and employees' acts, omissions, or failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Section 1.2 of the Commission's Regulations, 17 C.F.R. § 1.2.

42. Each and every act by Defendants in violation of Section 2(e) of the Act, 7 U.S.C. § 2(e), including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 2(e) of the Act, 7 U.S.C. § 2(e),

COUNT THREE

VIOLATIONS OF SECTION 4c(b) OF THE ACT, 7 U.S.C. § 6c(b), and COMMISSION REGULATION 32.4, 17 C.F.R. § 32.4:

Fraud in Connection with Off-Exchange Options Trading

43. Paragraphs 1 through 29 are re-alleged and incorporated herein by reference.

44. Section 4c(b), 7 U.S.C. § 6c(b), makes it unlawful to offer to enter into, enter into or confirm the execution of, any transaction involving any commodity regulated under the Act which is of the character of, or is commonly known to the trade as, an "option", "privilege", "indemnity", "bid", "offer", "put", "call", "advance, guaranty", or "decline guaranty", contrary to any rule, regulation, or order of the Commission prohibiting any such transaction or allowing any such transaction under such terms and conditions as the Commission shall prescribe.

45. Regulation 32.4, 17 C.F.R. § 32.4, makes it unlawful for any person, in connection with an offer to enter into, the entry into or the confirmation of the execution of any commodity option transaction, directly or indirectly, to cheat or defraud or attempt to cheat or defraud any other person or to deceive or attempt to deceive any other persons by any means whatsoever.

46. As described in paragraphs 2 and 26-29 above, during the relevant period, Vault and GT 365 violated Section 4c(b) of the Act, 7 U.S.C. §§ 6c(b), and Regulation 32.4, 17 C.F.R. § 32.4, by, among other acts and practices, misrepresenting and omitting material information including the actual profitability and risk of loss in connection with trading its' binary options, falsely claiming that customer funds are insured against losses, falsely inducing customers to send them more money by claiming to return their investments that if the customer sends in additional funds to cover certain fees and taxes, and by misappropriating customer funds.

47. The acts of Defendants' agents and employees undertaken on Defendants' behalf occurred within the scope of their employment with Defendants. Defendants therefore are liable for their agents' and employees' acts, omissions, or failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2.

48. Each and every act by Defendants in violation of Sections 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.4, 17 C.F.R. § 32.4, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4c(b) and Regulation 32.2, 17 C.F.R. § 32.4.

COUNT FOUR

VIOLATIONS OF SECTIONS 2(c)(2)(B) and 4d(a) OF THE ACT, 7 U.S.C. §§ 2(c)(2)(B) and 6d(a), and COMMISSION REGULATION 5.3, 17 C.F.R. § 5.3:

Unregistered FCM Activity

49. Paragraphs 1 through 29 are re-alleged and incorporated herein by reference.

50. Section 1a(28) of the Act, 7 U.S.C. § 1a(28), in relevant part, defines an FCM as any individual, association, partnership, corporation or trust that engages in soliciting or in accepting orders for swaps and commodity options, and accepts money, securities, or property or

extends credit in (lieu thereof) to margin, guarantee or secure any trades or contracts that result or may result therefrom.

51. Section 4d(a) of the Act, 7 U.S.C. § 6d(a), in relevant part, makes it unlawful for any person to operate as an FCM unless such person is registered with the Commission as an FCM and such registration shall not have expired nor have been suspended nor revoked.

52. Section 2(c)(2)(B)(iv)(I)(aa) of the Act, 7 U.S.C. § 2(c)(2)(B)(iv)(I)(aa), as relevant here, states that an FCM cannot solicit or accept orders from non-ECPs in connection with agreements, contracts or transaction involving forex options.

53. Commission Regulation 5.3(a)(4)(i)(B), 17 C.F.R. § 5.3(a)(4)(i)(B), requires that all FCMs that solicit or accept orders from any non-eligible contract in connection with any retail forex transaction must be registered.

54. Defendants Vault and GT 365 violated Sections 2(c)(2)(B)(iv)(I)(aa) and 4d(a) 7 U.S.C. § 2(c)(2)(B)(iv)(I)(aa) and 6d(a) of the Act and Commission Regulation 5.3(a)(4)(i)(B), 17 C.F.R. § 5.3(a)(4)(i)(B), by soliciting and accepting orders for binary options on various commodities including oil, gold, silver, copper and corn; nineteen foreign currency (“forex”) pairs; futures indices, including S&P 500 futures and Nasdaq 100 futures indices, among other commodities; and by accepting over \$1 million from over fifty U.S. customers for the purpose of margining, guaranteeing or securing binary options trades or contracts resulting from such orders.

55. The acts of Defendants’ agents and employees undertaken on Defendants’ behalf occurred within the scope of their employment with Defendants. Defendants are therefore liable for their agents’ and employees’ acts, omissions, or failures pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Section 1.2 of the Commission’s Regulations, 17 C.F.R. § 1.2.

56. Each and every act by Vault and GT365 in violation of Section 4d(a) of the Act, 7 U.S.C. § 6d(a), including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 4d(a) of the Act, 7 U.S.C. § 6d(a).

VI.

RELIEF REQUESTED

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

- A. An order finding that Defendants violated Sections 2(c)(2)(B)(iv)(I)(aa), 2(e), 4c(b), and 4d(a) of the Act, 7 U.S.C. §§ 2(c)(2)(B)(iv)(I)(aa), 2(e), 6c(b) and 6d(a), and Commission Regulations 5.3(a)(4)(i)(B), 32.2 and 32.4, 17 C.F.R. §§ 5.3(a)(4)(i)(B), 32.2 and 32.4 (2014);
- B. An order of permanent injunction prohibiting Defendants and any other person or entity associated with them, from engaging in conduct in violation of Sections 2(c)(2)(B)(iv)(I)(aa), 2(e), 4c(b), 4d(a) of the Act, 7 U.S.C. §§ 2(c)(2)(B)(iv)(I)(aa), 2(e), 6c(b) and 6d(a), and Commission Regulations 5.3(a)(4)(i)(B), 32.2 and 32.4, 17 C.F.R. §§ 5.3(a)(4)(i)(B), 32.2 and 32.4;
- C. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with Defendants, including any successor thereof, from, directly or indirectly:
 - i. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the CEA, 7 U.S.C. § 1a(40));
 - ii. Entering into any transactions involving “commodity interests” (as that term is defined in regulation 1.3(yy), 17 C.F.R. § 1.3(yy) (2014),
 - iii. Having any commodity interests traded on its behalf;

- iv. 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 interests;
 - v. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
 - vi. 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
 - vii. 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 CEA, 7 U.S.C. § 1a (2014)) 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).
- D. An order of permanent injunction prohibiting Vault and GT 365, and any other person or entity associated with it or its website, from operating the website while in violation of Sections 2(c)(2)(B)(iv)(I)(aa), 2(e), 4c(b) and 4d(a), 7 U.S.C. §§ 2(c)(2)(B)(iv)(I)(aa), 2(e), 6c(b) and 4d(a), and Regulations 5.3(a)(4)(i)(B), 32.2 and 32.4, 17 C.F.R. §§ 5.3(a)(4)(i)(B), 32.2 and 32.4;
- E. An order requiring Vault and GT365, and any successors to the company, to disgorge to any officer appointed or directed by the Court all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues, and trading profits derived, directly or indirectly, from acts or practices that constitute violations of the Act and the Regulations, including pre- and post-judgment interest;
- F. An order directing 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 and the

Regulations, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

- G. An order directing Defendants and any successors to either company, 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 U.S. customers (and customers within U.S. territories) whose funds were received by it as a result of the acts and practices which constituted violations of the Act and the Regulations as described herein;
- H. An order requiring Defendants to pay civil monetary penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of: (1) triple the monetary gain to Defendant for each violation of the Act and the Regulations; or (2) \$140,000 for each violation committed, plus pre- and 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

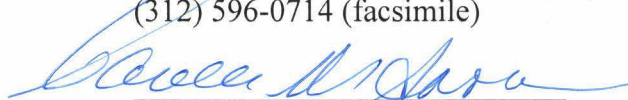
J. Enter an Order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Dated

Feb 2, 2016

Respectfully submitted,

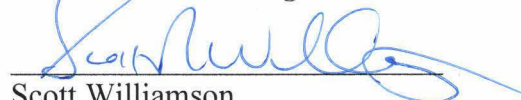
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