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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

U.S. COMMODITY FUTURES TRADING COMMISSION,	
Plaintiff,	**CIVIL ACTION NO.** 16cv60297-JIC
v.	
VISION FINANCIAL PARTNERS, LLC, AND NEIL PECKER,	**Complaint for Injunctive and Other Equitable Relief and Civil Monetary Penalties Under the Commodity Exchange Act**
Defendants,	
AND	
PROMETHEUS ENTERPRISES, INC., WESTWARD INTERNATIONAL LTD., COUCARIN HOLDINGS LTD., AND GDCM TRUST,	
Relief Defendants.	

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

I. SUMMARY

1. From as early as October 12, 2012, through the present ("Relevant Period"), Defendant Vision Financial Partners, LLC ("Vision"), by and through the actions of its sole employee and agent, Defendant Neil Pecker ("Pecker"), and Pecker in his individual capacity (collectively "Defendants"), have engaged in a fraudulent scheme to solicit nearly $3 million from at least 120 members of the public in the United States and Canada, who are not eligible contract participants ("ECPs"), to trade off-exchange commodity options, namely, binary options ("binary options" or "options"), which are not excepted or exempted from the Commission's ban on trading options off-exchange. By doing so, Defendants are making false and misleading sales representations to prospective clients and are failing to disclose material facts. Furthermore, Defendants have misappropriated almost $2 million of client funds for their personal use in

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connection with their scheme by transferring client funds to Prometheus Enterprises, Inc. ("Prometheus"), Westward International, Ltd. ("Westward"), Coucarin Holdings, Ltd. ("Coucarin"), and GDCM Trust (collectively "Relief Defendants"). Relief Defendants are not providing any apparent legitimate services to clients and do not have any interest or entitlement to client funds.

2. During the Relevant Period, Defendants' fraudulent solicitations include (a) making false representations to clients, including the likelihood that the client will profit from trading binary options based on predictable price movements caused by known or expected current events, that Defendants had a profitable trading history, and that there was little or no risk involved; and (b) omitting material information, including failing to inform clients that they would be unable to withdraw any funds from their binary option trading accounts unless a minimum number of trades had occurred in their accounts, that the trading accounts were with off-shore entities, and that client funds would be transferred to bank accounts controlled by Defendants and Relief Defendants for Pecker's personal use.

3. In addition to their fraudulent solicitations, Defendants are impermissibly receiving client funds in the name of Vision. Further, Vision and Pecker are advising clients and managing client funds without properly being registered as a commodity trading advisor ("CTA") and an associated person ("AP") of a CTA with the Commission, respectively.

4. By virtue of this conduct and conduct further described herein, Defendants engaged, are engaging, or are about to engage in acts and practices in violation of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 1 *et seq.* (2012), and Commission Regulations ("Regulations"), 17 C.F.R. §§ 1.1 *et seq.* (2015), specifically 7 U.S.C. §§ 9(1), 6c(b), 6k(3), 6m(1), and 6o(1) (2012), and 17 C.F.R. §§ 3.12(a), 4.30, 32.4 (a) and (c), and 180.1(a) (2015).

5. Pecker is committing the acts, omissions, and failures described herein within the course and scope of his agency, employment or office with Vision; therefore, Vision is liable under 7 U.S.C. § 2(a)(1)(B) (2012) and 17 C.F.R. § 1.2 (2015), as a principal for Pecker's acts, omissions, and/or failures in violation of the Act and Regulations.

6. Pecker has controlled Vision throughout the Relevant Period and is failing to act in good faith or knowingly inducing Vision's violations alleged herein. Therefore, Pecker is liable for Vision's violations pursuant to 7 U.S.C. § 13c(b) (2012).

7. Accordingly, pursuant to 7 U.S.C. § 13a-1 (2012), the Commission brings this action to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and Regulations and to further enjoin them from engaging in any commodity-related activity. In addition, the Commission seeks civil monetary penalties, restitution, and remedial ancillary relief, including, but not limited to, trading and registration bans, disgorgement of client funds from Defendants and Relief Defendants, and such other relief as the Court may deem necessary and appropriate.

8. Unless restrained and enjoined by this Court, Defendants likely will continue to engage in the acts and practices alleged in this Complaint for Injunctive Relief and Other Equitable Relief and Civil Monetary Penalties Under the Commodity Exchange Act ("Complaint"), as more fully described below.

II. JURISDICTION AND VENUE

9. 7 U.S.C. § 13a-1 (2012), authorizes the Commission to seek injunctive and other 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.

10. The Court has jurisdiction over the conduct and transactions at issue in this case pursuant to 7 U.S.C. § 13a-1 (2012).

11. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e) (2012), because Defendants are found in, inhabit, or transact business in this District, and certain transactions, acts, practices, and courses of business alleged in this Complaint occurred, are occurring, or are about to occur within this District.

III. PARTIES

12. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency charged by Congress with the administration and enforcement of the Act, 7 U.S.C. §§ 1 *et seq.* (2012), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2015).

13. Defendant **Vision Financial Partners, LLC** is a Florida limited liability company that Pecker formed in April 2012. Its principal place of business is in Deerfield Beach, Florida. Pecker is the sole owner, manager, operator, and registered agent of Vision. Vision is a firm that solicits retail clients to invest in off-exchange commodity options, namely, binary options. During the Relevant Period, Vision, through Pecker, has acted as an unregistered CTA by soliciting and accepting funds from clients in its name, opened binary options trading accounts in the names of clients, and is trading those accounts. Vision has never been registered with the Commission in any capacity.

14. Defendant **Neil Pecker** is an individual with a last-known address in Longwood, Florida. Pecker is an owner, operator, and controlling person of Vision, LMC Asset Management ("LMC"), Prometheus, Westward, and Coucarin, and manages their day-to-day operations. Pecker initially registered with the Commission and was approved by the National

Futures Association ("NFA") for Associate Member and AP status with Securities America Inc., Rothchild Financial Group Inc., and Brookstreet Securities Corporation. Pecker held these registrations and membership statuses between October 2006 and April 2012. Pecker's most recent application to register as a Principal, AP, and NFA Associate Member of Blackrock Trading Advisors, Inc., is currently pending with the Commission. Pecker has not registered with the Commission to be an AP with Vision.

15. Relief Defendant **Prometheus Enterprises, Incorporated** is a Florida corporation with its principal place of business in Deerfield Beach, Florida. Pecker incorporated Prometheus in January 2014. Pecker is the sole officer and director of Prometheus. Prometheus has never been registered with the Commission in any capacity.

16. Relief Defendant **Westward International Limited** is a British Virgin Islands company with its principal place of business in Deerfield Beach, Florida. Pecker formed Westward on or about February 19, 2013. Pecker is the sole director, signatory, beneficial owner, and officer of Westward. Westward has never been registered with the Commission in any capacity.

17. Relief Defendant **Coucarin Holdings, Limited** is a Gibraltar company with its principal place of business in Deerfield Beach, Florida. Pecker formed Coucarin on or about May 31, 2013. Pecker is the sole director, shareholder, and beneficial owner of Coucarin. Coucarin has never been registered with the Commission in any capacity.

18. Relief Defendant **GDCM Trust** is a trust located in Las Vegas, Nevada. Upon information and belief, Pecker's brother is the trustee of the GDCM Trust. Pecker's brother's last-known address is in Hallandale Beach, Florida. Neither GDCM Trust nor Pecker's brother have ever been registered with the Commission in any capacity.

IV. FACTS

A. Binary Options Generally

19. During the Relevant Period, Defendants are soliciting clients to send funds to Vision in order to trade off-exchange binary options on electronic platforms operated by Banc de Binary Ltd. ("Banc de Binary"), SpotOption, and Binex Markets ("Binex") (herein collectively referred to as "off-shore trading firms"). Binary options are options with discontinuous payoffs, either paying nothing or a considerable amount depending on the satisfaction of some condition. The binary options offered by these platforms permitted clients to predict whether a particular asset, such as the price of oil, gold, or silver, would go up or down on a certain date and time.

20. Banc de Binary, SpotOption, and Binex are located in Israel, Cyprus and the United Kingdom, respectively. SpotOption is a company located in Cyprus that offers an electronic platform that offers for purchase off-exchange binary options for contracts in oil, gold, silver, and other commodities. SpotOption offers a "white label" program, which provides its brands to run off of SpotOption's trading platform. According to its website, SpotOption has more than 200 "white label" brands, including Banc de Binary. Binex is a binary options firm that offers similar trading options as Banc de Binary and SpotOption.

21. Binary options fall within the definition of "options" that are subject to the Commission's authority pursuant to the Act and Regulations. Moreover, options are a type of swap regulated by the CFTC.

B. Defendants' Fraudulent Solicitations

22. Prior to creating Vision, Pecker was the sole director, president, and registered agent of LMC. LMC is a Florida company that Pecker incorporated on or about October 18, 2005. On July 18, 2012, the Commission entered an Order Instituting Proceedings Pursuant to

Sections 6(c) and 6(d) of the Commodity Exchange Act, as Amended, Making Findings and Imposing Remedial Sanctions ("Consent Order") against LMC.

23. From at least October 18, 2010 to at least October 21, 2011, LMC solicited and accepted orders from clients who were not ECPs to engage in retail, leveraged foreign currency ("forex") transactions without being registered with the Commission. The Consent Order held that LMC violated provisions of the Act, made findings of fact, and imposed a civil monetary penalty ("CMP") in the amount of $140,000.

24. Pecker, on behalf of LMC, failed to pay the full amount of the CMP. Instead, subsequent to the date of the Consent Order, Pecker transferred approximately $157,600 of LMC's funds to Vision's bank accounts. Pecker incorporated Vision in April 2012, during the Commission's investigation into the activities of LMC.

25. Beginning at least in October 2012, rather than solicit members of the public to trade forex, Pecker and his new company, Vision, began soliciting existing LMC clients and prospective Vision clients by telephone and email to trade off-exchange binary options. Defendants have opened accounts for former LMC clients and new Vision clients to trade binary options with the off-shore trading firms.

26. Upon information and belief, the solicited clients are not ECPs because the aggregate amount that each of these clients respectively has invested on a discretionary basis is less than $10 million.

27. Defendants have made various misrepresentations to clients regarding their likelihood of making money if they traded binary options through Defendants, including that trading binary options would not fail, that Defendants' trading was always profitable, and that Defendants could double an investment in a short period of time. Defendants have claimed that

conflict in the Middle East would affect market volatility, thereby creating a potential for profit. Defendants also have stated that Pecker is very successful in trading derivatives. Defendants have reinforced the belief that they are highly successful by guaranteeing a return on prospective clients' investments. Defendants have made guarantees of profits in the amount of 15%, and in at least one instance, guaranteed 100% profit given the current events and turmoil in the Middle East. Defendants have sent clients printouts from Trading Central purporting to reflect Defendants' successful trading. Upon information and belief, Trading Central is an investment research provider to financial market professionals.

28. Defendants are making a wide assortment of misrepresentations to prospective clients regarding their registration status and trading experience. Defendants told some clients that Vision had been in operation for at least seven years, Pecker was a licensed broker who was registered with the Securities and Exchange Commission ("SEC") and CFTC, and that Pecker had been trading binary options for 12 years. Vision, however, is not registered as a CTA with the Commission. Pecker is not registered with the Commission as an AP of Vision or otherwise during the Relevant Period.

29. In addition to their misleading and false representations, Defendants have failed to disclose material facts to prospective clients. For example, Defendants failed to inform multiple clients that trading would occur in foreign or off-shore firms and that their funds would be held overseas.

30. Defendants have failed to tell prospective clients that they would be signing up for the off-shore trading firms' "bonus" programs, where the trading firm claimed it would provide a matching deposit amounting to a specified percentage of client funds, providing the client "extra trading leverage." The terms and conditions for this "deposit match" provide that

clients are prohibited from withdrawing funds from their trading account, including their own funds initially invested, unless and until the client trades at least 20 times the value of his or her trading account.

31. Defendants failed to disclose to clients that the off-shore trading firms are not registered with the Commission in any capacity and that the binary options offered on the off-shore trading firms are illegal off-exchange options. Specifically, Defendants are aware that by January 25, 2013, Banc de Binary no longer permitted any person located in the U.S. to open an account, and that, since June 30, 2013, Banc de Binary no longer permitted any person located in the U.S. to execute trades on its platform. Upon information and belief, Defendants have failed to inform its clients that Banc de Binary no longer accepted U.S. clients, and when at least one Vision client brought it to Pecker's attention, Pecker stated it was a "paperwork" issue that would be resolved in a few weeks.

32. Defendants are sending prospective clients documents to open accounts with the off-shore trading firms. Defendants' misrepresentations and omissions, as described above, have prompted clients to sign Limited Power of Authority ("LPOAs"), thereby allowing Defendants the discretionary authority to trade their binary options accounts with the off-shore trading firms.

33. Defendants are directing clients to send their funds directly to bank accounts in the name of Vision via wire transfer or check. Alternatively, the client account application provides the option to send funds directly to the off-shore trading firm via credit or debit card transfer.

34. During the Relevant Period, when prospective clients were reluctant to send their funds to Vision, Defendants would lure prospective clients by asking them to send a relatively small amount, such as $1,000, to open a trading account so that Defendants could show the

prospective client what they could do. Once the prospective client opened a trading account and sent funds to Defendants, Defendants would notify those clients of purported successful trading results and misrepresented the value of their accounts in order to entice clients to invest additional funds of more substantial amounts with Defendants to trade binary options.

35. Clients have been given the ability to check their accounts online with the off-shore trading firms, but are finding the account statements difficult to understand or having difficulties accessing their accounts online. When clients have contacted Defendants directly to ascertain their account's performance, Pecker has informed clients that their accounts were performing well. Pecker is not informing clients of any losses from trading. These representations are false because, as discussed more fully below, the majority of client funds that Vision received were never used for trading, but were instead misappropriated by Defendants.

36. In reality, Defendants knowingly and willfully are making multiple material misrepresentations and omissions in their solicitation of existing and prospective clients. In making their investment decisions, existing and prospective clients are relying on Defendants' material misrepresentations and omissions including statements regarding Defendants' trading prowess, purported profits earned from that trading, and manner in which clients' funds would be used.

C. Defendants Are Misappropriating Client Funds By Diverting Funds to Accounts Controlled by Relief Defendants and For Personal Use

37. As a result of Defendants' misrepresentations regarding profit and risk, and omissions of material facts, at least 120 clients located in the United States and Canada have sent approximately $3 million to trade binary options through Vision.

38. Despite clients' multiple requests to withdraw or close their trading accounts during the Relevant Period, Defendants have failed to redeem the vast majority of those requests. Of the nearly $3 million in client funds sent to Vision, only approximately $214,340 has been returned to clients from bank accounts in the name of Vision.

39. Despite receiving almost $3 million in client funds to trade binary options, Vision has only transferred approximately $639,900 directly to the off-shore trading entities, from which Vision withdrew approximately $274,564. As such, Vision has transferred a net of approximately $365,336 to off-shore trading accounts.

40. Rather than transferring all of the client funds to the trading accounts, Vision has funneled approximately $2,383,100 directly to domestic and off-shore bank accounts in the names of the Relief Defendants that Pecker controlled: approximately $298,300 of client funds was transferred into Prometheus' bank accounts, approximately $385,800 of client funds into Westward's bank accounts, and approximately $1,696,000 of client funds into Coucarin's bank accounts.

41. Of the client funds Vision transferred to the Relief Defendants, the Relief Defendants collectively have transferred approximately $436,900 to the off-shore trading firms. As such, approximately $1,076,800, which is approximately one-third of the total client funds that Vision received, has been transferred to the off-shore trading accounts from Defendants' and Relief Defendants' bank accounts to trade off-exchange binary options.

42. Pecker is the sole signatory on the Prometheus, Westward, and Coucarin bank accounts and uses those bank accounts, in addition to the Vision bank accounts, as his personal bank accounts. Defendants and Relief Defendants are using client funds to pay for Pecker's

personal expenses, such as food, shopping, and casino expenses as well as numerous cash withdrawals.

43. Pecker cumulatively has transferred approximately $845,000 of client funds from Coucarin's bank accounts into Pecker's personal bank account located in the Cayman Islands, from which Pecker has withdrawn more than $843,000 using automated teller machines.

44. Prometheus, Westward, and Coucarin do not provide any legitimate services to Defendants' clients, nor has any legitimate interest in or entitlement to the client funds. Accordingly, Prometheus, Westward, and Coucarin have received ill-gotten gains from Defendants and must disgorge those funds.

45. Pecker cumulatively has transferred approximately $860,695 of client funds from Coucarin's bank accounts into GDCM Trust's bank accounts. GDCM Trust does not provide any legitimate services for Defendants' clients nor has any legitimate interest in or entitlement to client funds. Accordingly, GDCM Trust has received ill-gotten gains from Defendants and must disgorge those funds.

46. During the Relevant Period, of the approximately $3 million clients sent to Vision that were intended for trading binary options, gross deposits of only approximately $1,076,800 has been made into these off-shore trading accounts from the bank accounts controlled by Defendants and Relief Defendants. Defendants have withdrawn approximately $274,500 from the same off-shore trading accounts. The total amount of principal and purported profits that Defendants have returned to clients was only $214,300. As a result, Defendants have misappropriated approximately $1,974,900 in client funds.

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

48. The conduct described above in paragraphs 1 through 47, including but not limited to, each act of sales solicitation, fraud, and misappropriation, each by itself constitutes a manipulative device, scheme, or artifice to defraud.

V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND COMMISSION REGULATIONS

COUNT I

FRAUD IN CONNECTION WITH COMMODITY OPTIONS
Violations of 7 U.S.C. § 6c(b) (2012) and 17 C.F.R. §§ 32.4 (a) and (c) (2015)

49. The allegations set forth in paragraphs 1 through 48 are re-alleged and incorporated herein by reference.

50. 7 U.S.C. § 6c(b) (2012) states, in relevant part:

> No person shall offer to enter into, enter into or confirm the execution of, any transaction involving any commodity regulated under this 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 such transaction under such terms and conditions as the Commission shall prescribe.

51. Furthermore, 17 C.F.R §§ 32.4 (a) and (c) (2015), make it unlawful for any person, 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 person by any means whatsoever, in or in connection with any commodity option transaction.

52. 17 C.F.R. § 32.2 (2015) requires options to be transacted in compliance with the Act and Regulations. 7 U.S.C. § 2(e) requires swap transactions, or as relevant here, options, with non-ECPs to be entered into on, or subject to the rules of, a board of trade designated as a contract market. During the Relevant Period, none of the off-shore trading firms are a board of trade designated as a contract market.

53. Defendants' solicitation of non-ECP U.S. clients to trade binary options which are not excepted or exempted from the Commission's ban on trading options off-exchange, during the Relevant Period violates 7 U.S.C. § 6c(b) (2012).

54. During the Relevant Period, Defendants and Relief Defendants have deposited only one-third of the approximately $3 million that Defendants received from clients with the off-shore trading entities to trade binary options. Rather than transfer all client funds to binary options trading accounts, Defendants have misappropriated almost $2 million of client funds by transferring a large majority of client funds to Pecker's other companies, including but not limited to, into accounts in the names of the Relief Defendants, some of which hold off-shore bank accounts.

55. Defendants are cheating or defrauding, willfully deceiving or attempting to deceive clients by making false representations and omitting material facts by, among other things, falsely representing the profit potential of trading binary options, falsely representing that current events can be used to achieve profits in trading binary commodity options, making guarantees regarding profit, and falsely representing the risks associated with trading binary options. Defendants also have failed to disclose material facts regarding the ability to withdraw funds from client's trading accounts, the fact that the trading firms were located overseas, and that their funds would be transferred to accounts controlled by Defendants and Relief Defendants.

56. Pecker controls Vision, directly or indirectly, and is not acting in good faith or knowingly inducing, directly or indirectly, Vision's conduct alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b) (2012), Pecker is liable for Vision's violations of 7 U.S.C. § 6c(b) (2012) and 17 C.F.R. §§ 32.4 (a) and (c) (2015).

57. The foregoing acts, misrepresentations, omissions, and failures of Pecker, are occurring within the scope of his employment, office, or agency with Vision. Therefore, Vision is liable for these acts, misrepresentations, omissions, and failures pursuant to 7 U.S.C. § 2(a)(1)(B) (2012), and 17 C.F.R. § 1.2 (2015).

58. Each act of misappropriation, misrepresentation, or omission of material fact, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6c(b) (2012) and 17 C.F.R. §§ 32.4 (a) and (c) (2015).

COUNT II

PROHIBITION REGARDING MANIPULATION AND FALSE INFORMATION
Violations of 7 U.S.C. § 9(1) (2012) and 17 C.F.R. § 180.1(a) (2015)

59. The allegations set forth in paragraphs 1 through 58 are re-alleged and incorporated herein by reference.

60. On July 21, 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.* Among other things, Dodd-Frank expanded and clarified the CFTC's jurisdiction over swaps. As relevant here, Dodd-Frank defined an option as a swap, with the exception of options subject to Sections 2(c)(2)(C) and 2(c)(2)(D) of the Act, 7 U.S.C. §§ 2(c)(2)(C) & 2(c)(2)(D) (2012).

61. Under 7 U.S.C. § 9(1) (2012), it is unlawful for any person, directly or indirectly, to use or employ any deceptive device or contrivance in connection with any swap, among other things. Pursuant to 17 C.F.R. § 180.1(a) (2015), in connection with any swap, it is illegal to intentionally or recklessly: (1) use or attempt to use any manipulative device, scheme or artifice to defraud; (2) make any untrue or misleading statement or omission of material fact; and (3)

engage or attempt to engage in any act or practice which operates as a fraud or deceit on any person.

62. During the Relevant Period, Defendants in their individual capacities and by and through their agents, are violating 7 U.S.C. § 9(1) (2012) and 17 C.F.R. § 180.1(a) (2015), by (i) misappropriating client funds for personal use and transferring client funds to Relief Defendants' bank accounts, which are under Pecker's control; (ii) fraudulently soliciting and accepting funds from clients; (iii) making misrepresentations and omissions of material facts to clients and prospective clients, all in connection with the trading of binary options, now swaps, conducted by Defendants on behalf of its clients. As such, Defendants are violating 7 U.S.C. § 9(1) (2012) and 17 C.F.R. § 180.1(a) (2015).

63. The foregoing acts of Pecker are occurring within the scope of his employment, office, or agency with Vision. Therefore, Vision is liable for these acts pursuant to 7 U.S.C. § 2(a)(1)(B) (2012).

64. Pecker controls Vision, directly or indirectly, and is not acting in good faith or knowingly inducing, directly or indirectly, Vision's conduct alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b), Pecker is liable for Vision's violations of 7 U.S.C. § 6o(1) (2012).

65. Each act of misappropriation, misrepresentation, or omission of material fact, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 9(1) (2012) and 17 C.F.R. § 180.1(a) (2015).

COUNT III

FRAUD BY A COMMODITY TRADING ADVISOR AND BY AN ASSOCIATED PERSON OF A COMMODITY TRADING ADVISOR
Violation of 7 U.S.C. § 6o(1) (2012)

66. The allegations set forth in paragraphs 1 through 65 are re-alleged and incorporated herein by reference.

67. 7 U.S.C. § 6o(1) (2012), makes it unlawful

> for a … commodity trading advisor, or associated person of a commodity trading advisor, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly—
>
> (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.

68. 7 U.S.C. §1a(6)(A)(i) (2012) defines a CTA, in relevant party, as any person who:

> For compensation or profit, engaged in the business of advising others, either directly or indirectly or through publications, writing or electronic media, as to the value of or the advisability of trading in (1) any contract of sale of a commodity for future delivery made or to be made on or subject to the rules of a contract market or derivatives transaction execution facility; or (2) any commodity option authorized under section 6c of this title. . . .

69. Regulation 1.3(aa)(4), 17 C.F.R. § 1.3(aa)(4) (2015), in relevant part, defines an AP as any person associated with a CTA in any capacity which involves the solicitation of a client's or a prospective client's discretionary account.

70. As set forth above, during the Relevant Period, Vision, through Pecker, is acting as a CTA by soliciting, accepting, or receiving funds from others while engaging in a business of advising others, for the purpose of, among other things, trading binary options, now swaps.

Further, Pecker is acting as an AP of Vision in that, as an agent of Vision, he is soliciting prospective client's discretionary accounts.

71. During the Relevant Period, by making its fraudulent solicitations, Defendants and Relief Defendants have deposited only one-third of the approximately $3 million that Defendants received from clients with the off-shore trading entities to trade binary options. Rather than transfer all client funds to binary options trading accounts, Defendants have misappropriated almost $2 million of client funds by transferring a large majority of client funds to Pecker's other companies, including but not limited to, into accounts in the names of the Relief Defendants, some of which hold off-shore bank accounts.

72. Pecker controls Vision, directly or indirectly, and is not acting in good faith or knowingly inducing, directly or indirectly, Vision's conduct alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b), Pecker is liable for Vision's violations of 7 U.S.C. § 6o(1) (2012).

73. The foregoing acts, misrepresentations, omissions, and failures of Pecker, are occurring within the scope of his employment, office or agency with Vision. Therefore, Vision is liable for these acts, misrepresentations, omissions, and failures pursuant to 7 U.S.C. § 2(a)(1)(B) (2012), and 17 C.F.R. § 1.2 (2015).

74. Each act of misappropriation, misrepresentation, or omission of material fact, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 6o(1) (2012).

COUNT IV

FAILURE TO REGISTER AS A COMMODITY TRADING ADVISOR
Violation of 7 U.S.C. § 6m(1) (2012)

75. The allegations set forth in paragraphs 1 through 74 are re-alleged and incorporated herein by reference.

76. 7 U.S.C. § 6m(1) (2012), states that it is:

> unlawful for any commodity trading advisor . . . unless registered under this Act, to make use of the mails or any means or instrumentality of interstate commerce in connection with his business as such commodity trading advisor. . . . *Provided*, That the provisions of this section shall not apply to any commodity trading advisor who, during the course of the preceding twelve months, has not furnished commodity trading advice to more than fifteen persons and who does not hold himself out generally to the public as a commodity trading advisor. . . .

77. As set forth above, while acting as a CTA, Vision is using telephones, emails, and internet, to communicate with clients, including sending LPOAs that clients executed with Vision.

78. During the Relevant Period, Vision is not exempt from registering as a CTA. As such, Vision is required to register as a CTA pursuant to 7 U.S.C. § 6m(1) (2012), but has failed to do so.

79. Pecker controls Vision directly or indirectly and is not acting in good faith or knowingly inducing, directly or indirectly, Vision's acts constituting the violations alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b), Pecker is liable for Vision's violations of 7 U.S.C. § 6m(1) (2012).

COUNT V

FAILURE TO REGISTER AS AN ASSOCIATED PERSON OF A COMMODITY TRADING ADVISOR
Violations of 7 U.S.C. § 6k(3) (2012) and 17 C.F.R. § 3.12(a) (2015)

80. The allegations set forth in paragraphs 1 through 79 are re-alleged and incorporated herein by reference.

81. 7 U.S.C. § 6k(3) (2012) provides that it "shall be unlawful for any person to be associated with a commodity trading advisor as a partner, officer, employee, consultant, or agent . . . in any capacity which involves (i) the solicitation of a client's or prospective client's discretionary account . . . unless such person is registered with the Commission under this Act as an associated person of such commodity trading advisor. . . ."

82. 17 C.F.R. § 3.12(a) (2015) requires registration of associated persons of commodity trading advisors and states that it "shall be unlawful for any person to be associated with a . . . commodity trading advisor . . . as an associated person unless that person shall have registered under the Act. . . ." While 17 C.F.R. § 3.12(h) (2015) sets forth certain exemptions from registration as an AP, none of those exemptions are applicable to Pecker.

83. 7 U.S.C. § 6k(3) also provides that it shall be unlawful for a CTA to permit such person to become or remain associated with the CTA in any such capacity if the CTA knew or should have known that such person was not so registered.

84. During the Relevant Period, Pecker is soliciting clients to trade through Vision without registering as an AP of Vision. As such, Pecker is required to register as an AP pursuant to 7 U.S.C. § 6k(3) (2012) and 17 C.F.R. § 3.12(a) (2015), but has failed to do so.

85. Vision is permitting Pecker to become and remain associated with it during the Relevant Period and knows that Pecker is not registered as an AP of Vision. Therefore, Vision is violating 7 U.S.C. § 6k(3) (2012).

86. The failure of Pecker to register as an AP has occurred within the scope of his employment, office or agency with Vision. Therefore, Vision is liable for this failure pursuant to 7 U.S.C. § 2(a)(1)(B) (2012), and 17 C.F.R. § 1.2 (2015).

87. Pecker controls Vision directly or indirectly and is not acting in good faith or knowingly inducing, directly or indirectly, Vision's acts constituting the violations alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b), Pecker is liable for Vision's violation of 7 U.S.C. § 6k(3) (2012).

COUNT VI

IMPROPER ACTIVITIES BY A COMMODITY TRADING ADVISOR
Violation of 17 C.F.R. § 4.30(a) (2015)

88. The allegations set forth in paragraphs 1 through 87 are re-alleged and incorporated herein by reference.

89. 17 C.F.R. § 4.30(a) (2015), provides that no CTA may solicit, accept, or receive funds from an existing or prospective clients in the name of the CTA.

90. During the Relevant Period, Vision is violating 17 C.F.R. § 4.30(a) (2015), by receiving funds from clients in Vision's own name.

91. Pecker controls Vision, directly or indirectly, and is noting act in good faith or knowingly inducing, directly or indirectly, Vision's conduct alleged in this count. Therefore, pursuant to 7 U.S.C. § 13c(b) (2012), Pecker is liable for Vision's violation of 17 C.F.R. § 4.30 (2015).

92. Each act of improper receipt of CTA client funds, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 17 C.F.R. § 4.30 (2015).

COUNT VII

DISGORGEMENT OF FUNDS FROM THE RELIEF DEFENDANTS

93. The allegations set forth in paragraphs 1 through 92 are re-alleged and incorporated herein by reference.

94. Defendants have engaged in a fraudulent investment scheme that defrauded Defendants' clients.

95. Prometheus, Westward, Coucarin, and GDCM Trust each received funds that have been obtained as a result of Defendants' fraudulent conduct.

96. Prometheus, Westward, Coucarin, and GDCM Trust have no legitimate entitlement to or interest in the funds received from Defendants' fraudulent conduct.

97. Prometheus, Westward, Coucarin, and GDCM Trust should be required to disgorge the funds they have received from Defendants' fraudulent conduct, or the value of those funds that they may have subsequently transferred to third parties.

98. By reason of the foregoing, Prometheus, Westward, Coucarin, and GDCM Trust hold funds in constructive trust for the benefit of clients victimized by Defendants' fraudulent scheme.

VI. RELIEF REQUESTED

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

A. An order finding that Defendants violated 7 U.S.C. §§ 9(1), 6c(b), 6k(3), 6m(1), and 6o(1) (2012), and 17 C.F.R. §§ 3.12(a), 4.30, 32.4(a) and (c), and 180.1(a) (2015);

B. An order of permanent injunction prohibiting Defendants and any other person or entity associated with them, from engaging in conduct in violation of 7 U.S.C. §§ 9(1), 6c(b), 6k(3), 6m(1), 6o(1) (2012), and 17 C.F.R. §§ 3.12(a), 4.30, 32.4(a) and (c), and 180.1(a) (2015);

C. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation, including any successor thereof, from, directly or indirectly:

1. Trading on or subject to the rules of any registered entity (as that term is defined in 7 U.S.C. § 1a(40) (2012));
2. Entering into any transactions involving "commodity interests" (as that term is defined in 17 C.F.R. § 1.3(yy) (2015)) for their own personal or proprietary account or for any account in which they have a direct or indirect interest;
3. Having any commodity interests 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 interests;
5. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;

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 17 C.F.R. § 4.14(a)(9) (2015);

7. Acting as a principal (as that term is defined in17 C.F.R. § 3.1(a) (2015)), agent, or any other officer or employee of any person registered, exempted from registration, or required to be registered with the Commission, except as provided for in 17 C.F.R. § 4.14(a)(9) (2015); and

8. Engaging in any business activities related to commodity interests.

D. An order directing Defendants and Relief Defendants, as well as any successors thereof, to disgorge all benefits received, directly or indirectly, from 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 Defendants, as well as any successors thereof, to make full restitution to every person or entity whose funds Defendants received, or caused another person or entity to receive, from the acts and practices which constitute violations of the Act and the Regulations, as described herein, and pre- and post-judgment interest from the date of such violations;

F. An order directing Defendants, and any successors thereof, to pay civil monetary penalties, plus post-judgment interest, in the amount of the greater of (1) $140,000 for each violation of the Act and the Regulations; or (2) triple Defendants' monetary gain from each violation of the Act and Regulations;

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

I. An order providing such other and further equitable or remedial ancillary relief as the Court may deem appropriate.

Dated: February 16, 2016

Respectfully submitted,

PLAINTIFF U.S. COMMODITY FUTURES TRADING COMMISSION

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