



**UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION**

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**In the Matter of** )  
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**Zero Chaos Advisors, LLC and** ) **CFTC Docket No. SD 14-04**  
**Ronald Edward Fisher,** )  
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**Respondents.** )  
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**OPINION AND ORDER ACCEPTING OFFER OF SETTLEMENT OF  
ZERO CHAOS ADVISORS, LLC AND RONALD EDWARD FISHER**

**I.**

On September 30, 2014, the Commodity Futures Trading Commission (“Commission”) issued a Notice of Intent To Deny Registration Pursuant to Sections 8a(3)(D), 8a(3)(G), 8a(3)(M), and 8a(3)(N) of the Commodity Exchange Act (“Notice”) against Zero Chaos Advisors, LLC (“Zero Chaos”) and Ronald Edward Fisher (“Fisher,” and together with Zero Chaos, “Respondents”). The Notice describes allegations by the Commission’s Division of Enforcement that Fisher should be denied registration as an Associated Person (“AP”) under Sections 8a(3)(D), (G), and (M) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 12a(3)(D), (G) and (M) (2012), and that Zero Chaos should be denied registration as a Commodity Trading Advisor (“CTA”) under Section 8a(3)(N) of the Act, 7 U.S.C. § 12a(3)(N) (2012).

**II.**

To effect settlement of the matters alleged in the Notice prior to any adjudication of any issue of fact or law by the Commission, Respondents have submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondents consent to the entry of this Opinion and Order Accepting Offer of Settlement (“Order”) and acknowledge service of this Order.<sup>1</sup>

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<sup>1</sup> Respondents consent to the entry of this Order and to the use of the findings in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party; provided, however, that Respondents do not consent to the use of the Offer, or the findings or conclusions in this Order consented to in the Offer, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce the terms of this Order. Nor do the Respondents consent to the use of the Offer or this Order, or the findings or conclusions in this Order consented to in the Offer, by any other party in any other proceeding.

### III.

The Commission finds the following:

#### A. SUMMARY

On March 2, 2014, Fisher submitted applications to the National Futures Association (“NFA”) to register Zero Chaos with the Commission as a CTA and to register himself as an AP, and list himself as sole principal of Zero Chaos. Based on Fisher’s conviction for felony bank embezzlement in 1998, on his failure to answer truthfully questions relating to that conviction on the application and a prior application, and on false and misleading statements he made to the NFA relating to the conviction in connection with the prior application, the Commission finds that Fisher’s application for registration is subject to refusal or conditions pursuant to Sections 8a(3)(D), (G), and (M) of the Act, and Zero Chaos’s application for registration is subject to refusal or conditions pursuant to Section 8a(3)(N) of the Act.

#### B. RESPONDENTS

**Zero Chaos Advisors, LLC** is a Georgia limited liability corporation with its principal place of business at 4095 Shawnee Lane, Brookhaven, Georgia 30319.

**Ronald Edward Fisher** is a Georgia resident. Fisher is Zero Chaos’s founder, sole shareholder, and president.

#### C. FACTS

On September 16, 1997, the United States Attorney’s Office for the Southern District of New York filed a criminal complaint charging Fisher with felony bank fraud, a violation of 18 U.S.C. § 1344. See *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 1 (“criminal complaint”). The criminal complaint alleged that an internal investigation conducted by his employer, a major banking institution, revealed that Fisher had embezzled \$1,126,284.90 from one of its accounts on May 2, 1997 by wire transferring its funds to an account he controlled at another bank. The criminal complaint alleged that Fisher confessed after being confronted by the bank’s personnel. Fisher was fired by the bank for his conduct.

On October 15, 1997, the United States Attorney’s Office filed an indictment charging Fisher with two counts of felony bank fraud, 18 U.S.C. § 1334. *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 5 (“indictment”). The indictment charged that Fisher “unlawfully, willfully, and knowingly did embezzle, abstract, purloin and misapply” money, funds, and credits of the bank of approximately \$1,126,284 for the May 2, 1997 wire transfer. An additional count in the indictment added allegations that Fisher “unlawfully, willfully, and knowingly did embezzle, abstract, purloin and misapply” 980,000 shares of securities with a market value of \$12,295,080 by transferring the shares into an account in his own name.

On February 17, 1998, Fisher pled guilty to two counts of bank embezzlement, 18 U.S.C. § 656, a felony. *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 13. During his plea allocution, Fisher admitted the allegations in the indictment and stated, under

penalty of perjury, that he knew his conduct was wrongful or illegal when he stole the bank's money and securities. *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 12, pp.15-16.

On June 3, 1998, Fisher was sentenced to sixty-three months in prison and five years of supervised release, and he was ordered to pay restitution of \$74,000, the amount the bank had failed to recover from him. *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 14. In sentencing Fisher to the maximum allowed under the sentencing guidelines, the Court found that Fisher had abused his position of trust at the bank and that his crime was "particularly heinous" due to the large amount of money he stole from the bank. *United States v. Ronald Fisher*, No. 1:97-cr-01081-SS, Docket No. 21, p. 8.

On March 21, 2010, Fisher submitted applications to the NFA to register Zero Chaos as a CTA and to register himself as an AP of Zero Chaos and list himself as a principal. As set forth in the Notice, Fisher acknowledged that he had a felony conviction, but falsely answered "no" in response to questions asking if he had ever been found to have violated an embezzlement statute or been discharged for such conduct.

On March 30, 2010, Fisher submitted a statement to the NFA in response to a request from NFA for additional information on his felony conviction. In the statement, as set forth in the Notice, Fisher denied facts that he had admitted during his plea allocution.

The NFA sent Fisher a letter dated May 20, 2010 informing him that his felony conviction disqualified him from registration under Section 8a(3)(D) of the Act and that Zero Chaos was disqualified from registration under Section 8a(3)(N) of the Act for having an unfit principal. Fisher failed to respond to this letter, resulting in the withdrawal of Fisher and Zero Chaos's original applications for registration.

On March 2, 2014, Fisher again filed an application to register Zero Chaos with the Commission as a CTA and an application to register himself as an AP of Zero Chaos and list himself as a principal. As set forth in the Notice, Fisher again falsely answered "no" to the question asking whether he had ever been found to have violated an embezzlement statute. He also provided an employment history for the prior ten years that was inconsistent with the information contained in his 2010 application.

NFA had taken no action on the March 2, 2014 registration applications filed by Fisher when the Commission initiated this proceeding on September 30, 2014. On July 5, 2016, Fisher submitted to NFA a request asking to withdraw the registration applications he submitted on March 2, 2014. NFA permitted Fisher to withdraw his registration application but he was not allowed to withdraw the registration application he submitted to register Zero Chaos as a CTA.

## IV.

### LEGAL DISCUSSION

Section 8a(3) of the Act, 7 U.S.C. § 12a(3) (2012), authorizes the Commission “to refuse to register or to register conditionally any person, if it is found, after opportunity for hearing,” that the applicant is subject to one or more of the grounds set forth in paragraphs (A) through (N). The Respondents are subject to refusal to register or conditional registration under multiple provisions, including Sections 8a(3)(D), (G), (M), and (N) of the Act.

Section 8a(3)(D) of the Act authorizes the Commission “to refuse to register or to register conditionally any person, if it is found, after opportunity for hearing, that . . . such person . . . was convicted of [an enumerated] felony . . . more than ten years preceding the filing of the application.” 7 U.S.C. § 12a(3)(D) (2012). Fisher’s 1998 felony conviction for bank embezzlement is grounds for refusal to register or conditional registration under Section 8a(3)(D) of the Act.

Section 8a(3)(G) of the Act authorizes the Commission “to refuse to register or to register conditionally any person, if it is found, after opportunity for hearing, that . . . such person willfully made any materially false or misleading statement or willfully omitted to state any material fact in such person’s application or any update thereto, in any report required to be filed with the Commission by this chapter or the regulations thereunder, in any proceeding before the Commission or in any registration disqualification proceeding.” 7 U.S.C. § 12a(3)(G) (2012); *see also In re Riley*, [2000-2002 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 28,611, at 52,222 (CFTC Aug. 9, 2001) (floor broker’s failure to disclose properly his criminal history and pending exchange proceedings in application for registration that he completed and certified as accurate rendered him presumptively unfit pursuant to Section 8a(3)(G) of the Act); *In re Wnukowski*, [2005-2007 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 30,234, at 58,061 (CFTC May 3, 2006) (registrant subject to statutory disqualification pursuant to Section 8a(3)(G) of the Act for willful failure to disclose one of her employers). Fisher falsely answered “no” to the questions on his March 21, 2010 and March 2, 2014 applications which asked whether he had ever been found to have violated any statute, rule, regulation, or order involving embezzlement. He also falsely answered “no” to the question on his March 21, 2010 application which asked whether he had been discharged for cause as a result of allegations of embezzlement. He nonetheless certified that both sets of applications for registration were truthful. Fisher’s willful false or misleading answers are grounds for refusal to register or conditional registration under Section 8a(3)(G) of the Act. Thus, Fisher is subject to refusal or conditional registration under Section 8a(3)(M) of the Act.

Section 8a(3)(M) of the Act authorizes the Commission “to refuse to register or to register conditionally any person, if it is found, after opportunity for hearing, that . . . there is other good cause.” 7 U.S.C. § 12a(3)(M) (2012). The Commission’s interpretative statement with respect to Section 8a(3)(M) explains that this provision “authorize[s] the Commission to affect the registration of any person if, as a result of any act or pattern of conduct attributable to such person, although never the subject of formal action or proceeding before either a court or governmental agency, such person’s potential disregard of or inability to comply with the

requirements of the Act or the rules, regulations or order[s] thereunder, or such person's moral turpitude, or lack of honesty or financial responsibility is demonstrated to the Commission." Appendix A to Part 3 of the Commission's Regulations, 17 C.F.R. §§ 3.1 *et seq.* The false and misleading statements described above in Fisher's applications and in the additional information he provided to the NFA in support of those applications demonstrate his potential disregard of or inability to comply with the requirements of the Act or the rules, regulations, or orders thereunder, or moral turpitude or lack of honesty or financial responsibility. *See Hirschberg v. CFTC*, 414 F.3d 679, 683-684 (7th Cir. 2005) (floor broker convicted of fraud lacked the honesty required for registration despite a presidential pardon and thus was unfit for registration pursuant to Section 8a(3)(M) of the Act). In addition, Fisher's 1997 conduct in embezzling funds from his employer itself constitutes "other good cause" to refuse or condition his registration. Thus, Fisher is subject to refusal or conditional registration under Section 8a(3)(M) of the Act.

Finally, Section 8a(3)(N) of the Act authorizes the Commission "to refuse to register or to register conditionally any person, if it is found, after opportunity for hearing, that . . . any principal . . . of such person has been or could be refused registration." 7 U.S.C. § 12a(3)(N) (2012). Fisher is the sole shareholder and president of Zero Chaos and is listed in Zero Chaos's application for registration as its sole principal. Since Fisher is subject to refusal to register or conditional registration as specified above, Zero Chaos is also subject to refusal to register or conditional registration pursuant to Section 8a(3)(N) of the Act.

When this Notice was filed, Zero Chaos and Fisher were applicants for registration. The Commission can impose registration sanctions on any person if that person is registered or an applicant for registration at the time the Commission initiated the action, even if that status subsequently lapsed or was withdrawn. *Cf. In re First Regal Commodities, Inc.*, [1984 -1986 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 22,600 at 30,570 (CFTC May 22, 1985) (vacating the ALJ's registration sanction against First Regal Commodities, Inc. on the grounds that "when this complaint was filed, First Regal was neither a registrant nor an applicant for registration. Thus, it was not subject to a registration sanction under Section 8a of the Act."). Unlike *In re First Regal Commodities, Inc.*, Zero Chaos and Fisher were applicants for registration when the Notice was filed and thus are subject to a registration sanction under Section 8a of the Act. The Commission has "revoked registrations which lapsed *pendente lite* because of the collateral consequences of such revocations -- facilitating the denial of any new registration applications which he may file at some future -- warranted such action." *Id.* Similarly, refusal to register Zero Chaos and Fisher (who withdrew his application pending litigation), is warranted, particularly as Zero Chaos and Fisher have previously filed registration applications, in 2010 and 2014. Accordingly, the Commission hereby refuses to register Zero Chaos and Fisher.

## V.

### FINDINGS OF GROUNDS FOR REFUSAL TO REGISTER OR CONDITIONAL REGISTRATION

Based on the foregoing, the Commission finds that Respondent Fisher's application for registration as an AP of Zero Chaos is subject to refusal to register or conditional registration pursuant to Sections 8a(3)(D), (G), and (M) of the Act, 7 U.S.C. § 12a(3)(D), (G), and (M) (2012),

and that Respondent Zero Chaos's application for registration as a CTA is subject to refusal to register or conditional registration pursuant to Section 8a(3)(N) of the Act, 7 U.S.C. § 12a(3)(N) (2012).

## VI.

### OFFER OF SETTLEMENT

The Respondents have submitted an Offer in which they, without admitting or denying the findings and conclusions herein:

- A. Acknowledge receipt of service of the Notice and this Order;
- B. Admit the jurisdiction of the Commission with respect to all matters set forth in the Notice and this Order, and for any action or proceeding brought or authorized by the Commission based on any violation of or enforcement of this Order;
- C. Waive:
  - 1. A hearing;
  - 2. All post-hearing procedures;
  - 3. Judicial review by any court;
  - 4. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
  - 5. Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. Part 148.1-30, relating to, or arising from, this proceeding;
  - 6. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this proceeding; and
  - 7. Any claims of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order for relief;
- D. Stipulate that the record basis upon which this Order is entered shall consist solely of the Notice and the findings contained in this Order to which Respondents have consented in the Offer;

- E. Consent, solely upon the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent Fisher's application for registration as an AP of Zero Chaos is subject to refusal to register or conditional registration pursuant to Sections 8a(3)(D), (G), and (M) of the Act, 7 U.S.C. § 12a(3)(D), (G), and (M) (2012), and that Respondent Zero Chaos's application for registration as a CTA is subject to refusal to register or conditional registration pursuant to Section 8a(3)(N) of the Act, 7 U.S.C. § 12a(3)(N) (2012);
  2. Denies the registration applications of each of the Respondents; and
  3. Orders Respondents to comply with the undertakings set forth in Section VII below.

Upon consideration, the Commission has determined to accept the Offer.

## VII.

### ORDER

Accordingly, the Commission HEREBY ORDERS that:

- A. Respondents are refused registration with the Commission;
- B. Respondents shall comply with the following undertakings set forth in the Offer:
  1. Respondents agree that neither they nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Notice or findings or conclusions in this Order, or creating, or tending to create, the impression that the Notice or Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents' (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement;
  2. Respondents each agree that they shall never, directly or indirectly:
    - a. apply for registration or claim exemption from registration with the Commission in any capacity, and engage in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17

C.F.R. § 4.14(a)(9); and/or

- b. act 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(38) of the Act, 7 U.S.C. § 1a(38)) registered or required to be registered with the Commission.

The provisions of this Order shall be effective as of this date. A copy of this Order shall be served upon the Respondents, on all contract markets, and NFA.

**By the Commission.**



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Robert N. Sidman  
Deputy Secretary of the Commission  
Commodity Futures Trading Commission

Dated: March 21, 2017