

of trading in off-exchange agreements, contracts, or transactions in foreign currency (“forex”) on a leveraged or margined basis. The Complaint also alleged that Defendants misappropriated approximately \$1.7 million of pool participants’ funds and that RFF along with other Relief Defendants, Meridian Propane, LP (“Meridian Propane”), and W Corporate Real Estate, LP d/b/a KGW Real Estate (“KGW Real Estate”) (collectively “Relief Defendants”) received pool participants’ funds to which they had no legitimate interest or entitlement.

On July 9, 2013, the court issued an *ex parte* statutory restraining order (“SRO”) against Defendants and Relief Defendants. Docket Entry (“D.E.”) 7. On August 12, 2013, the court entered a Consent Order of Preliminary Injunction and Other Equitable Relief (“PI”) against Defendants and Relief Defendants.¹ D.E. 34.

I. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants without a trial on the merits or any further judicial proceedings, Defendants:

1. Consent to the entry of this *Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants RFF GP, LLC, KGW Capital Management, LLC, and Kevin G. White* (“Consent Order”);

2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent, or representative thereof, or by any other person, to induce consent to this Consent Order;

¹ The court-appointed receiver in this case subsequently recovered all of the remaining assets being held by Relief Defendants. These assets have either been sold (D.E. 30) or will be distributed to pool participants pursuant to the court-approved distribution plan. D.E. 89.

3. Acknowledge service of the summons and Complaint;
4. Admit the jurisdiction of this court over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012);
5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1 *et seq.* (2012);
6. Admit that venue properly lies with this court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012);
7. Waive:
 - (a) any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2013), relating to, or arising from, this action;
 - (b) any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, 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 action;
 - (c) any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and
 - (d) any and all rights of appeal from this action;
8. Consent to the continued jurisdiction of this court over them for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other

purpose relevant to this action, even if Defendants now or in the future reside outside the jurisdiction of this court;

9. Agree that they will not oppose enforcement of this Consent Order by alleging that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waive any objection based thereon;

10. 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 Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect their:

(a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants 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;

11. Admit to all of the findings made in this Consent Order and all of the allegations in the Complaint. Further, Defendants agree and intend that the allegations contained in the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against Defendants; (b) any proceeding pursuant to Section 8a of the Act, 7 U.S.C. § 12a (2012), and/or Part 3 of the Commission's Regulations, 17 C.F.R. §§ 3.1 *et seq.* (2013); and/or (c) any proceeding to enforce the terms of this Consent Order;

12. Agree to provide immediate notice to this court and the Commission by certified mail, in the manner required by paragraph 63 of Part VI of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States; and

13. Agree that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendants in any other proceeding.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction, and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

1. The Parties To This Consent Order

14. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1 *et seq.* (2012), and the Commission Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2013).

15. Defendant **RFF GP, LLC** is a Texas company that was formed on or about July 20, 2011. RFF GP is RFF's general partner. RFF GP has never been registered with the Commission in any capacity.

16. Defendant **KGW Capital Management, LLC** is a Texas company that was formed on or about July 25, 2007. KGW Capital purported to be “one of the world’s leading private investment firms” that offered investments in forex through RFF among other investments. KGW Capital has never been registered with the Commission in any capacity.

17. Defendant **Kevin G. White** is the manager and director of RFF GP and the president and CEO of KGW Capital. White was previously registered with the Commission as an associated person (“AP”) at Lehman Brothers Inc. (later Shearson Lehman Brothers) from 1981 to 1987, and as an AP at EF Hutton and Company Inc. (later Shearson Lehman Hutton) from 1987 to 1988.

2. Defendants’ Misappropriation of Pool Participants’ Funds

18. During the Relevant Period, pool participants provided Defendants with approximately \$7.4 million² either through bank wire transfers to RFF’s bank accounts, which were controlled by White, or through checks made payable to RFF for purposes of trading forex. White in turn transferred some of these pool participant funds to his personal bank accounts, while using other pool participants’ funds for personal and business expenses. Additionally, White transferred funds to Relief Defendants, Meridian Propane and KGW Real Estate, which were entities controlled by White and that had nothing to do with forex trading.

19. Of the approximately \$7.4 million invested with RFF during the Relevant Period, Defendants misappropriated approximately \$1.7 million. White used the misappropriated funds for personal expenses, including a gym membership, retail purchases, meals, travel, a dog training service, vehicle maintenance, and alimony payments, as well as business expenses

² After gaining access to RFF’s records, the Commission and court-appointed receiver determined that the amount pool participants provided to Defendants is approximately \$1.6 million more than the \$5.8 million estimated in the Complaint and SRO.

including furniture, electronic equipment, and marketing services. In essence, White treated RFF's bank accounts as his personal bank account.

20. Defendants concealed their misappropriation of pool participants' funds from prospective pool participants by claiming in their promotional materials that they charged an "industry standard" 2% annual management fee and a 20% annual performance fee, which was purportedly based on profits. Further, White told prospective pool participants that Defendants would not be paid unless RFF was profitable. Contrary to Defendants' representations, however, White's personal expenditures of pool participants' funds and those pool participants' funds transferred to other businesses controlled by him far exceeded the purported 2% annual management fee. Moreover, White's misappropriation of pool participants' funds continued despite RFF's unprofitability.

3. Defendants' Material Misrepresentations and Omissions

21. During the Relevant Period, Defendants made a litany of material misrepresentations that misstated RFF's profitability and White's previous brokerage experience, and material omissions that failed to disclose Defendants' misappropriation of pool participants' funds. Defendants made these misrepresentations and omissions through written promotional materials used to solicit prospective pool participants by depicting purported profitable trading results that were posted on Defendants' two websites, *www.revelationforex.com* and *www.kgwcapiatal.com*. Additionally, White used these same misleading materials to solicit prospective pool participants at the May 2013 "MoneyShow" trade show event in Las Vegas, Nevada.

22. In promotional material entitled "Historical Performance" posted on their websites and distributed by White at the "MoneyShow," Defendants claimed positive annualized

returns for RFF ranging from 24.01% to 59.73% for each year between 2009 and 2012. These claims were false because Defendants did not begin trading forex until September 2011, and Defendants' performance in trading forex on behalf of RFF resulted in losses, not positive returns. Specifically, Defendants suffered successive losses of \$34,000 in 2011 and \$933,000 in 2012, for a cumulative loss of approximately \$967,000.

23. For 2013, Defendants' promotional materials claimed an annualized growth rate of 32.07% through April 30, 2013, when in actuality RFF lost an additional \$433,000 during this same period. By July 9, 2013, when Defendants' and Relief Defendants' assets were frozen by the SRO, RFF's cumulative trading losses totaled over \$2 million.

24. Defendants further solicited prospective pool participants by claiming that RFF had an "astounding" 37.08% (later revised downward to 36.56%) compound annual growth rate since January 2009, and that an investment of \$250,000 in 2009 would have yielded \$964,591 as of April 30, 2013, for a total return of 385.84%. These claims were false. In reality, pool participants could not invest in RFF until Defendants began trading in September 2011, and a pool participant who invested in RFF since then and remained invested until April 30, 2013, would have suffered losses, not a 385.84% gain. White knew that Defendants' representations regarding RFF's purported profitability since 2009 were false because he formed RFF in 2011 and because he controlled RFF's trading and bank accounts.

25. Although Defendants' trading was consistently unprofitable, Defendants' promotional materials claimed that "Revelation Forex Fund has achieved positive gains in 42 of the last 52 months (*80.77% months with gains*) through April 30, 2013." White told prospective pool participants at the "MoneyShow" that RFF had never had two successive losing months. These claims were false. Through April 30, 2013, RFF was profitable in only 7 of the 20 months

that Defendants were trading, meaning that in only approximately 35% of the months was RFF profitable – not 80.77% as Defendants claimed. Contrary to Defendants’ claims, only once was RFF profitable for two successive months. White knew that the claims he made at the “MoneyShow” regarding the purported consistency of RFF’s profits were false because he controlled RFF’s trading and bank accounts.

26. To lure prospective pool participants to invest, while concealing their trading losses, Defendants claimed that RFF was recently recognized as the “#2 best performing [forex] fund” in the world by EliteForexFunds, which purported to be “The Definitive Source on The World’s Best Forex Funds.” Defendants solicited prospective pool participants with a chart stating that the “#2” ranking was based upon “a minimum of 4 years [of] audited results” and which depicted their fraudulent claims of annual profits for RFF since 2009. These claims were totally false. Defendants’ chart showed purported profits for four full years, from 2009 to 2012, when in fact they only began trading in September 2011, and lost money in both 2011 and 2012. Further, EliteForexFunds was a sham ranking system manipulated by Defendants to mislead prospective pool participants through fraudulent claims of “audited” results.

27. In their solicitation of pool participants, Defendants touted White’s purported 25-year Wall Street career as including a “long distinguished tenure at Shearson Loeb Rhodes and predecessor firms . . . Shearson Lehman Brothers, Shearson Lehman Hutton” Defendants’ claims were false and contained material omissions. White’s Wall Street career lasted only approximately seven years and he was fired by both Shearson Lehman Brothers and its successor firm, Shearson Lehman Hutton. White was subsequently censured and barred by the New York Stock Exchange for unauthorized trades in customer accounts and making material misstatements.

28. In connection with Defendants' misleading claims that White was a successful Wall Street broker, Defendants failed to disclose that White filed for Chapter 7 bankruptcy in 1995 and that several federal tax liens had been filed against him.

29. During the Relevant Period, Defendants failed to disclose to actual and prospective pool participants the material information that: (1) Defendants misappropriated pool participants' funds; (2) Defendants' forex trading had been unprofitable; and (3) White was not an experienced and successful Wall Street broker.

4. White Controlled RFF GP and KGW Capital

30. During the Relevant Period, White served as an officer of RFF GP and KGW Capital. White exercised day-to-day control over the business activities of RFF GP and KGW Capital by opening trading and bank accounts on RFF GP's and KGW Capital's behalf and serving as the sole signatory on said accounts. Additionally, White was responsible for the creation of Defendants' websites and solicited prospective pool participants on behalf of RFF GP and KGW Capital. Accordingly, White knew of, and personally controlled RFF GP's and KGW Capital's activities giving rise to the above-described acts.

B. Conclusions of Law

1. Jurisdiction and Venue

31. This court possesses jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), which 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.

32. The Commission possesses jurisdiction over the forex solicitations and transactions at issue in this action pursuant to Section 2(c)(2)(C) of the Act, 7 U.S.C. § 2(c)(2)(C) (2012).

33. Venue properly lies with this court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), because Defendants resided in this jurisdiction and the acts and practices in violation of the Act occurred within this District.

2. Defendants Committed Fraud by Misappropriation, Misrepresentations, and Omissions in Violation of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012)

34. By the conduct described in paragraphs 1 through 30 above, Defendants cheated or defrauded, or attempted to cheat or defraud, and willfully deceived, or attempted to deceive, actual and prospective pool participants by, among other things: (1) misappropriating pool participants' funds; (2) misrepresenting the profitability of their trading; and (3) omitting material information, including that: (i) they were misappropriating funds; (ii) their trading was not profitable; and (iii) White was not a successful broker.

35. White engaged in the acts and practices described above willfully, knowingly, or with reckless disregard for the truth.

36. Each misappropriation, misrepresentation, or omission of material fact, including, but not limited to, those specifically stated herein, was a separate and distinct violation of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012).

3. Defendants Committed Fraud While Acting as Commodity Pool Operators ("CPO") and as an AP of a CPO in violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012)

37. During the Relevant Period, RFF GP and KGW Capital acted as CPOs by operating or soliciting, accepting, and receiving funds into a pooled investment vehicle for the

purpose of trading in retail forex as described in Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i) (2012).

38. During the Relevant Period, White acted as an AP of a CPO by soliciting, accepting, and receiving funds for RFF GP and KGW Capital.

39. By the conduct described in paragraphs 1 through 30 above, Defendants violated Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012), in that while acting as CPOs and as an AP of a CPO, they directly or indirectly employed a device, scheme, or artifice to defraud pool participants or prospective pool participants, and engaged in transactions, practices, or a course of business which operated as a fraud or deceit upon pool participants or prospective pool participants by using the mails or other means or instrumentalities of interstate commerce. The fraudulent acts include, but are not limited to, the following:

(1) misappropriating pool participants' funds; (2) misrepresenting RFF's profitability and White's experience as a broker; and (3) failing to disclose material information.

40. White engaged in the acts and practices described above willfully, knowingly or with reckless disregard for the truth.

41. Each misappropriation, misrepresentation or omission of material fact by Defendants during the Relevant Period, including, but not limited to, those specifically stated herein, was a separate and distinct violation of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

4. Controlling Person Liability

42. White controlled RFF GP and KGW Capital, directly or indirectly, and knowingly induced, directly or indirectly, RFF GP's and KGW Capital's violations of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012), and Section 4o(1)(A) and (B) of the

Act, 7 U.S.C. § 6o(1)(A) and (B) (2012). Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2012), White is liable for RFF GP's and KGW Capital's violations of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012), and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

5. Principle – Agent Liability

43. The foregoing acts, omissions, and failures of White occurred within the scope of his employment, office, or agency with RFF GP and with KGW Capital. Therefore, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2013), RFF GP and KGW Capital are liable for these acts, omissions, and failures in violation of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012), and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

6. Need for a Permanent Injunction

44. Unless restrained and enjoined by this court, there is a reasonable likelihood that Defendants will continue to engage in the acts and practices set forth in this Consent Order and in similar acts and practices in violation of the Act.

III. ORDER FOR PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

45. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), Defendants are permanently restrained, enjoined, and prohibited from directly or indirectly violating Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A) and (C) (2012), and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A) and (B) (2012).

46. Defendants are also permanently restrained, enjoined, and prohibited from directly or indirectly:

- a. Trading on or subject to the rules of any registered entity, as that term is defined in Section 1a of the Act, 7 U.S.C. § 1a (2012);
- b. Entering into any transactions involving commodity futures, swaps (as that term is defined in Section 1a(47) of the Act, 7 U.S.C. § 1a(47) (2012), and as further defined by Commission Regulation 1.3(xxx), 17 C.F.R. § 1.3(xxx) (2013)) (“swaps”), options on commodity futures, commodity options (as that term is defined in Commission Regulations 1.3(hh) and 32.1(b)(1), 17 C.F.R. §§ 1.3(hh) and 32.1(b)(1) (2013)) (“commodity options”), security futures products, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i) (2012)) (“forex contracts”), for their own personal or proprietary account or for any account in which they have a direct or indirect interest;
- c. Having any commodity futures, swaps, options on commodity futures, commodity options, security futures products, and/or forex contracts traded on their behalf;
- d. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, swaps, options on commodity futures, commodity options, security futures products, and/or forex contracts;
- e. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, swaps, options on commodity futures, commodity options, security futures products, and/or forex contracts;

- f. 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013); and
- g. Acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2013)), 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2013).

IV. RESTITUTION AND CIVIL MONETARY PENALTY

A. Restitution

47. Defendants shall, jointly and severally, pay restitution in the amount of three million, three-hundred sixty-five thousand, and eight hundred eight-eight dollars (\$3,365,888) ("Restitution Obligation"), plus post-judgment interest, within ten (10) days of the date of entry of this Consent Order. If the Restitution Obligation is not paid in full within ten (10) days of the date of entry of this Consent Order, then post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2012).

48. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants' pool participants, the court appoints Kelly M. Crawford ("Monitor" or "Crawford"), the Receiver in this case, as Monitor. The Monitor shall collect restitution payments from Defendants and make distributions as set forth below. Because

Crawford is acting as an officer of this court in performing these services, Crawford shall not be liable for any action or inaction arising from his appointment as Monitor, other than actions involving fraud.

49. Defendants shall make Restitution Obligation payments under this Consent Order to the Monitor in the name of the “KGW Receivership” account and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier’s check, or bank money order, to Kelly M. Crawford, Esq., Scheef & Stone, LLP, 500 North Akard Street, Dallas, Texas 75201, under cover letter that identifies the paying Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to Harry E. Wedewer, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

50. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants’ pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible pool participants is impractical, the Monitor may, in his discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Section IV.B below.

51. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' pool participants to whom the Monitor, in his sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

52. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' pool participants during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to Harry E. Wedewer, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

53. Upon the termination of the receivership estate, the National Futures Association ("NFA") shall serve as Monitor (the "Post-Receivership Monitor"). Because the Post-Receivership Monitor is acting as an officer of this court in performing these services, NFA shall not be liable for any action or inaction arising from NFA's appointment as the Post-Receivership Monitor, other than actions involving fraud.

54. Upon the termination of the receivership estate, Defendants shall make Restitution Obligation payments under this Consent Order to the Post-Receivership Monitor in the name "Revelation Forex Restitution Fund" and shall send such Restitution Obligation payments by electronic fund transfer, or by U.S. postal money order, certified check, bank

cashier's check, or bank money order, to Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to Harry E. Wedewer, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

55. The amounts payable to each pool participant shall not limit the ability of any pool participant from proving that a greater amount is owed from Defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any pool participant that exist under state or common law.

56. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each pool participant of Defendants who suffered a loss is explicitly made an intended third-party beneficiary of this Consent Order and may seek to enforce obedience of this Consent Order to obtain satisfaction of any portion of the restitution amount that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order, and to hold Defendants in contempt for any violations of any provision of this Consent Order.

57. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants' Restitution Obligation, such funds shall be transferred to the Monitor or the Post-Receivership Monitor for disbursement in accordance with the procedures set forth above.

58. Defendants will obtain a dollar-for-dollar credit against their Restitution Obligation concerning any funds paid by Defendants in *SEC v. White*, No. 4:13-cv-383-RAS-

DDB (E.D. Tex.) or by White in the criminal matter, *United States v. White*, No. 4:13-cr-00258-RAS-DDB (E.D. Tex.).

B. Civil Monetary Penalty

59. Defendants shall, jointly and severally, pay a civil monetary penalty in the amount of four million, one-hundred and fifty thousand dollars (\$4,150,000) (“CMP Obligation”), plus post-judgment interest, within ten (10) days of the date of entry of this Consent Order. If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Consent Order, post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2012).

60. Defendants shall pay their CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the U.S. Commodity Futures Trading Commission and sent to the address below:

U.S. Commodity Futures Trading Commission
Division of Enforcement
ATTN: Accounts Receivables – AMZ 340
E-mail Box: 9-AMC-AMZ-AR-CFTC
DOT/FAA/MMAC
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
Telephone: (405) 954-7262

If payment by electronic funds transfer is chosen, Defendants shall contact Nikki Gibson or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial

Officer, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to Harry E. Wedewer, Division of Enforcement, U.S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

C. Provisions Related to Monetary Sanctions

61. Partial Satisfaction: Any acceptance by the Commission, or the Monitor, or the Post-Receivership Monitor, of partial payment of Defendants' Restitution Obligation or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

D. Cooperation

62. Defendants shall cooperate fully and expeditiously with the Commission, including the CFTC's Division of Enforcement, and any other governmental agency in this action, and in any investigation, civil litigation, or administrative matter related to the subject matter of this action or any current or future Commission investigation related thereto.

V. CONTINUED FORCE AND AFFECT OF THE COURT'S APPOINTMENT OF A RECEIVER

IT IS FURTHER ORDERED that the Receiver, Kelly M. Crawford, appointed under this court's orders, shall continue to serve as Receiver in this proceeding with all of the duties and powers set forth in the August 12, 2013 PI, and the July 9, 2013 SRO. Pursuant to the PI, Defendants, and all other persons or entities served with a copy of the July 9, 2013 SRO, shall continue to cooperate fully with, and assist, the Receiver.

VI. MISCELLANEOUS PROVISIONS

63. Notice: All notices required to be given by any provision in this Consent Order shall be sent by certified mail, return receipt requested, as follows:

Notice to Commission:

Harry E. Wedewer
Division of Enforcement
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Notice to Defendants:

Kevin G. White/RFF GP, LLC/KGW Capital Management, LLC
16503 Mustang Trail Drive
Magnolia, Texas 77355

All such notices to the Commission shall reference the name and docket number of this action.

64. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants shall provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within ten (10) calendar days of the change.

65. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this court.

66. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

67. **Waiver:** The failure of any party to this Consent Order or of any pool participant at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or pool participant at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

68. **Acknowledgements:** Upon being served with copies of this Consent Order after entry by the court, Defendants shall sign acknowledgements of such service and serve such acknowledgements on the court and the Commission within 10 calendar days.

69. **Continuing Jurisdiction of this court:** This court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Defendants to modify, or for relief from, the terms of this Consent Order.

70. **Injunctive and Equitable Relief Provisions:** The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

71. **Authority:** Kevin G. White hereby warrants that he is the Manager and Director of RFF GP, LLC, and the President and CEO of KGW Capital Management, LLC, and that this Consent Order has been duly authorized by RFF GP, LLC, and KGW Capital Management,

LLC, respectively, and that he has been duly empowered to sign and submit this Consent Order on behalf of RFF GP, LLC, and KGW Capital Management, LLC.


72. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

73. Defendants understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this *Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants RFF GP, LLC, KGW Capital Management, LLC, and Kevin G. White.*

IT IS SO ORDERED.

SIGNED this the 30th day of March, 2015.



RICHARD A. SCHELL
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:



Kevin G. White
Manager and Director of RFF GP, LLC
President and CEO of KGW Capital
Management, LLC

Date: 5/20/14



Kevin G. White, Individually

Date: 5/20/14



Harry E. Wedewer
Trial Attorney, Pro hac vice
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581
(202) 418-5189
(202) 418-5538 (facsimile)
hwedewer@cftc.gov

Date: 8/18/14