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



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| In the Matter of: | ) | CFTC Docket No. SD 24-04 |
| | ) | |
| | ) | **NOTICE OF INTENT TO REVOKE** |
| CTAX Series, LLC, | ) | **REGISTRATION PURSUANT TO** |
| | ) | **SECTION 8a(2)(C), (E), AND (H)** |
| | ) | **OF THE COMMODITY EXCHANGE** |
| Registrant. | ) | **ACT** |

## I.

The Commodity Futures Trading Commission (the "Commission") has received information from its staff that tends to show, and the Commission's Division of Enforcement ("Division") alleges and is prepared to prove, that:

1. Respondent CTAX Series, LLC ("CTAX Series" or "Registrant") is a Delaware LLC based in California and is a CFTC-registered commodity pool operator ("CPO").

2. Purvesh Mankad ("Mankad") is the principal, majority owner, control person, and CFTC-registered associated person ("AP") of CTAX Series.

3. On October 8, 2021, the Commission filed an action against Registrant, Mankad, and CTAX Partners, LLC ("CTAX Partners"), an affiliated CFTC-registered introducing broker. The Commission's complaint alleged, *inter alia*, that Registrant, Mankad, and CTAX Partners fraudulently solicited approximately $2.4 million from pool participants and subsequently engaged in conduct resulting in near-total losses to pool participants, as well as that Registrant and Mankad falsified documents to conceal their

misconduct from the National Futures Association ("NFA"). Complaint, *CFTC v. Mankad*, No. CV-21-01719-PHX-DJH (D. Ariz. Oct. 8, 2021), ECF. No. 1, at 7-18.

4. On October 19, 2022, the Court entered a Consent Order ("Final Order") to effect settlement of all charges alleged in the Complaint against Registrant, Mankad, and CTAX Partners without a complete trial on the merits or any further judicial proceedings. *See* Final Order, 2022 WL 17752224 (D. Ariz. Oct. 19, 2022) (consent order), ECF No. 32. Registrant and Mankad consented to the Final Order's entry. *Id.* at *1-2. The Court found and concluded that Registrant, Mankad, and CTAX Partners violated multiple antifraud provisions of the Act by adopting the parties' agreed findings of fact and conclusions of law in the parties' Proposed Consent Order. *Id.* at *2-17 (finding, *inter alia*, that Registrant and Mankad violated Sections 4b(a)(1)(A) and (C), 4*o*(1)(A)-(B), and 9(a)(4) of the Act, 7 U.S.C. §§ 6b(a)(1)(A), (C), 6*o*(1)(A)-(B), 13(a)(4)).

5. The Final Order notes that Registrant consented "to the use of the findings and conclusions in this Consent Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof," and did not consent to the use of the consent order as the sole basis for another proceeding "other than a statutory disqualification proceeding" and several other proceedings not relevant here. *Id.* at *2. Thus, among other things, Registrant consented to the use by the Commission in a statutory disqualification proceeding of the conclusions of law that it violated Sections 4b(a)(1)(A) and (C), 4*o*(1)(A)-(B), and 9(a)(4) of the Act.

6. The Final Order permanently restrained, enjoined, and prohibited Registrant and Mankad from, among other things, directly or indirectly "applying for

registration or claiming exemption from registration with the CFTC in any capacity, and engaging in any activity requiring such registration or exemption from registration with the CFTC except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) . . . ." *Id.* at *10. It also enjoined Registrant and Mankad from continuing to engage in fraud, including by misappropriating funds, in violation of Sections 4b(a)(1)(A) and (C) and 4*o*(1)(A)-(B) of the Act.

7. Pursuant to Section 8a(2)(C)(i) and (ii) of the Act, 7 U.S.C. § 12a(2)(C)(i), (ii), the Commission may revoke the registration of any person who has been permanently enjoined by order of a court of competent jurisdiction, including an order entered pursuant to an agreement of settlement to which the Commission is a party, from certain enumerated activities, including but not limited to acting as a CPO or AP of any registrant under the Act and engaging in or continuing any activity when such activity involves, among other things, fraud or misappropriation of funds.

8. Pursuant to Section 8a(2)(E)(i) of the Act, 7 U.S.C. § 12a(2)(E)(i), the Commission may revoke the registration of any person if such person has been found in a proceeding brought by the Commission to have violated any provision of the Act involving, among other things, fraud or misappropriation of funds.

9. Pursuant to Section 8a(2)(H) of the Act, 7 U.S.C. § 12(a)(2)(H), the Commission may revoke the registration of any person if revocation of the registration of any principal of such person is warranted pursuant to Section 8a(2) of the Act. Section 8a(2)(H) of the Act further provides that "principal," as used in Section 8a(2) of the Act, includes, if the person is a corporation, any officer, director, or beneficial owner of at least 10 percent of the

voting shares of the corporation, and any other person that the Commission by rule, regulation or order determines has the power, directly or indirectly, through agreement or otherwise, to exercise a controlling influence over the activities of such person.

10. Accordingly, because: (1) CTAX Series was found in a proceeding brought by the Commission to have violated provisions of the Act involving, among other things, fraud and misappropriation; (2) it was permanently enjoined by order of a court of competent jurisdiction from acting as a CPO and continuing to engage in fraud or misappropriation; and (3) Mankad acted as CTAX Series' principal and revocation of Mankad's registration is warranted pursuant to Section 8a(2) of the Act, there is a basis for CTAX Series' registration to be revoked pursuant to Section 8a(2)(C)(i) and (ii), (E)(i), and (H) of the Act, 7 U.S.C. § 12(a)(2)(C)(i), (ii), (E)(i), (H).

**II.**

Pursuant to its responsibilities under the Act and by reason of the foregoing allegations by the Division, the Commission deems it necessary and appropriate that public proceedings be conducted in accordance with the provisions of Commission Regulations 3.60 and 10.8, 17 C.F.R. §§ 3.60 and 10.8 (2023), to determine whether Registrant is subject to statutory disqualification as alleged and, if so, whether its registration should be revoked.

**III.**

WHEREFORE, IT IS HEREBY ORDERED that this Notice of Intent to Revoke Registration ("Notice") be filed and that a proceeding be conducted before a Presiding Officer in accordance with the provisions of Commission Regulations 3.60 and 10.8, 17 C.F.R. §§ 3.60 and 10.8 (2023), and all post-hearing procedures shall be conducted pursuant to Commission Regulations 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j).

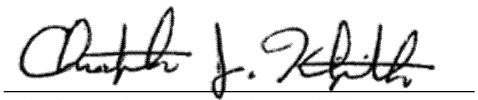
In accordance with the provisions of Commission Regulation 3.60(a)(3), 17 C.F.R. §3.60(a)(3), Registrant is entitled to file a response challenging the evidentiary bases of statutory disqualification or to show cause why, notwithstanding the accuracy of the allegations, its registration should not be revoked. Such response must be filed with the Proceedings Clerk, Office of Proceedings, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and served upon Charles Marvine, Deputy Director and Chris Reed, Deputy Regional Counsel, Division of Enforcement, Southwestern Regional Office, 2600 Grand Boulevard, Suite 210, Kansas City, MO 64108, within thirty (30) days after the date of service of this Notice on the Registrant, in accordance with the provisions of Commission Regulation 3.60(g), 17 C.F.R. § 3.60(g).

IT IS FURTHER ORDERED that this Notice shall be served on Registrant personally or by registered or certified mail forthwith.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of the investigative or prosecutorial functions in this or any factually related proceeding will be permitted to participate or advise in the decision upon this matter except as witness or counsel in proceedings held pursuant to notice.

Dated: August 16, 2024

By the Commission



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission