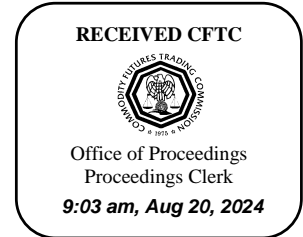


UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION



_____)
)
In the Matter of:)
)
Jeffrey Carmon, Jr., a/k/a)
Jeffery Carmon, Jr., and)
Get Money Tradez LLC,)
)
Respondents.)
 _____)

CFTC Docket No. 24-16

**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
 SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING
 FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission”) has reason to believe that from at least July 2021 through the present (the “Relevant Period”), Jeffrey Carmon, Jr., a/k/a Jeffery Carmon, Jr. (“Carmon”) and Get Money Tradez LLC (“GMT”) (collectively, “Respondents”) violated Sections 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A) and (C), and 4o(1)(A) and (B) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6b(a)(2)(A), (C), 6o(1)(A), (B), and Commission Regulations (“Regulations”) 4.20(a)(1), (b) and (c), and 5.2(b)(1) and (3), 17 C.F.R. §§ 4.20(a)(1), (b), (c), 5.2(b)(1), (3) (2023). Additionally, Respondent GMT violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1) of the Act, and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), and Respondent Carmon violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023). Therefore, the Commission deems it appropriate, and in the public interest, that public administrative proceedings be, and hereby are, instituted to determine whether Respondents engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, 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 Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”), and acknowledge service of this Order.¹

¹ Respondents consent to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agree

II. FINDINGS

The Commission finds the following:

A. SUMMARY

During the Relevant Period, Respondents Carmon and GMT engaged in agreements, contracts and transactions in foreign currency on margined, leveraged, or financed basis with non-eligible contract participants described in Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i), that were also retail forex transactions under Regulation 5.1(m), 17 C.F.R. § 5.1(m) (2023) (together “retail forex”). More specifically, Defendants fraudulently solicited nineteen pool participants (collectively, “Pool Participants”), who were not all eligible contract participants (“ECPs”)², to participate in two forex trading pools controlled and operated by the Respondents. While operating their fraudulent scheme, Respondents made material misrepresentations and omissions to prospective and current pool participants and Carmon misappropriated at least \$113,000 of the \$950,000 received from the Pool Participants for his personal use. In addition, Respondents also commingled pool funds; GMT failed to register as a Commodity Pool Operator (“CPO”); and Carmon failed to register as an associated person (“AP”) of a CPO.

By engaging in this conduct, Respondents violated: (1) Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A), (C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2023), by cheating or defrauding, or attempting to cheat or defraud, or willfully deceiving or attempting to deceive, other persons in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market and/or any retail forex transaction; (2) Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A), (B), by making material misstatements and omissions to prospective and current pool participants and by misappropriating Pool Participants’ funds; and (3) Regulations 4.20(a)(1), (b), and (c), 17 C.F.R. § 4.20(a)(1), (b), (c) (2023) by failing to operate the two forex pools as separate legal entities from the CPO, receiving pool funds not in the names of the pools, and commingling funds.

Additionally, Respondent GMT violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), by acting as a CPO without registering with the Commission as such, and Respondent Carmon violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4k(2) of the Act, 7 U.S.C.

that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondents do not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondents do not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

² An ECP is defined by the CEA, in relevant part, as “an individual who has amounts invested on a discretionary basis, the aggregate of which is in excess of—(I) \$10,000,000; or (II) \$5,000,000 and who enters into the agreement, contract, or transaction in order to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.” Section 1a(18)(xi) of the Act, 7 U.S.C. § 1a(18)(xi).

§§ 2(c)(2)(C)(iii)(I)(cc), 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023), by failing to register as an AP of a CPO while acting as an AP of a CPO.

B. RESPONDENTS

Jeffrey Carmon, Jr., a/k/a Jeffery Carmon, Jr. is a resident of Texas, and the managing member and controlling person of Get Money Tradez LLC. Carmon has never been registered with the Commission in any capacity.

Get Money Tradez LLC, (“GMT”) is a domestic limited liability company with its principal place of business in Rosenberg, Texas. GMT acted as the CPO for two GMT pools. GMT has never been registered with the commission in any capacity.

C. FACTS

1. Background on GMT, Carmon and the Two GMT Pools

From at least early 2021, Carmon held himself out to the public as an extremely successful forex trader. Carmon frequently posted about his purported trading successes on his social media accounts, including Facebook, Instagram, YouTube, and on a website in the name of Get Money Tradez. Carmon claimed that he was so successful trading forex that he was able to leave his day job and support himself by his trading alone. Carmon informed Pool Participant A, who was solicited to invest in GMT’s first forex trading pool (“GMT Pool 1”) but ended up investing in the second pool (“GMT Pool 2”), that Carmon earned \$10,000 per day trading forex.

In fact, Carmon’s personal forex trading was not successful. Between January 2020 and July 2021, Carmon had net losses in 17 out of 19 months trading forex and various commodity contracts for difference (“CFDs”), with a total loss of approximately \$49,380. Despite his lack of trading success, Carmon continued to tout himself as a successful trader and even charged others to teach them how to trade using his methods.

a. GMT Pool 1

In or around July 2021, Carmon organized Get Money Tradez LLC in Texas and began to solicit personal friends, relatives, his trading students, and members of the general public to participate in the first GMT forex trading pool (“GMT Pool 1”). During this time, Carmon continued to post his purported trading successes on his social media accounts and also referenced them during his trading lessons with students. In his social media posts, Carmon displayed pictures of himself with bundles of cash, and used the hashtags “#forexmillionaire” and “#securethebag” to imply that he was a successful forex trader. In soliciting funds from GMT Pool 1, Respondents also sent at least one potential pool participant, Pool Participant B, a GMT spreadsheet which projected a 6% return on investment per trading day. The spreadsheet calculated that a \$950,000 balance could increase to \$5,783,695.61 after 30 days of trading. The spreadsheet did not caution against the risks involved in trading forex and CFDs. Instead, the spreadsheet stated that the “numbers are calculated using proper risk management @ 3% risk per trade seeking 3 times that amount in profit to grow your account for a ‘3:1 RR ratio’ per trade.”

As a result of Respondents' fraudulent solicitations, in or about July 2021, eleven pool participants, who were not all ECPs, contributed \$50,000 each to participate in the GMT Pool 1, which was supposed to trade off-exchange forex on a leveraged or margined basis. Each of the GMT Pool 1 participants signed service agreements in order to purchase membership interests in GMT. The service agreements listed Carmon as the managing member of GMT and stated that Carmon would "earn a 10% commission from any profits derived from the capital provided" by the pool participants. The GMT Pool 1 participants were supposed to receive "20% of profits monthly as a distribution." In addition, the GMT Pool 1 participants were to "receive any equity derived from the initial capital contribution upon termination." Carmon also agreed to reimburse each participant's \$50,000 capital contribution upon termination of their membership, thereby guaranteeing a return of their principal investment.

b. GMT Pool 2

In or about January 2022, Carmon, on behalf of GMT, once again began to solicit friends, students and members of the general public to participate in the second GMT forex trading pool ("GMT Pool 2"). During their solicitations of GMT Pool 2 participants, Respondents falsely claimed that Carmon was an extremely successful trader. Respondents also falsely claimed to GMT Pool 2 participants that Carmon was successfully trading forex on behalf of GMT Pool 1. In fact, Carmon had not yet begun trading on behalf of GMT Pool 1.

For example, Carmon told one GMT Pool 2 participant, Pool Participant C, that Carmon's trading was so profitable that he was making more money on his trades than he had earned in a year at his previous job. Carmon also told Pool Participant C that Carmon successfully managed funds for another group of investors and that Carmon closed that group to start GMT Pool 2.

Carmon, on behalf of GMT, promised GMT Pool 2 participants that if they invested \$50,000 in January 2022, they would double their money within 4 months. GMT Pool 2 participants were promised set payments of \$10,000 in February 2022; \$20,000 in March 2022; \$30,000 in April 2022; and \$40,000 in May 2022. As a result of these solicitations, in or about January 2022, eight pool participants, who were not all ECPs, contributed \$50,000 each to participate in GMT Pool 2.

Respondents led GMT Pool 2 participants to believe that their funds would be pooled and used to trade forex and certain commodities. In fact, their funds were ultimately commingled with those of GMT Pool 1 and Carmon's personal funds.

2. Commingling of Funds

Respondents did not maintain separate accounts in the name of each pool. Instead, Respondents commingled the \$950,000 received from Pool Participants in a bank account in the name of GMT. Respondents then transferred approximately \$700,000 from the GMT bank account to an account in the name of GMT at a digital asset exchange. Around late January 2022, Respondents transferred approximately \$663,508 from the digital asset exchange to a single trading account in the name of GMT at FX Choice, LTD ("FX Choice"), a Belize-registered trading platform. Carmon further commingled the Pool Participants' funds by

transferring his personal funds into the GMT account at FX Choice. Carmon failed to inform Pool Participants that he was commingling their funds with Carmon's personal funds.

3. Trading

Respondents first began trading GMT pool funds on or around February 14, 2022 at FX Choice. Despite touting himself as an expert in forex trading, Carmon almost exclusively traded commodity CFDs such as the E-mini S&P 500 Index contracts, Mini-sized Dow (USD5) Index contracts, and Gold contracts during February and March 2022. Carmon's trading resulted in realized gains of approximately \$50,344 during the first two months of trading on behalf of GMT pool funds.

Starting in April 2022, Respondents began to incur heavy losses in the pools' trading account. For example, in April, May, and June 2022, Respondents lost approximately \$120,200; \$37,500; and \$1,300; respectively, by trading various forex currency pairs and commodity CFDs.

Overall, Respondents were unsuccessful in their trading on behalf of the GMT pools and lost approximately \$68,000 of the initial \$950,000 sent in by the two pools. Instead of disclosing their trading losses to the Pool Participants, Respondents concealed their losses and provided various excuses as to why they were unable to make distributions and payments to the Pool Participants.

For instance, after April 2022, Respondents stopped making their promised distributions to GMT Pool 2 participants. When GMT Pool 2 participants reached out to Respondents regarding the missed distributions, Respondents failed to inform the GMT Pool 2 participants of their trading losses. Instead, Respondents offered numerous excuses regarding why they were unable to make distributions to Pool Participants. Among other things, Respondents falsely claimed that the government was investigating GMT's large deposits, Carmon was unable to trade due to injury, and Carmon's pending divorce was affecting his mental state.

To date, Respondents have selectively repaid some, but not all of the Pool Participants. In total, Respondents have repaid approximately \$411,793 of the \$550,000 they received from the GMT Pool 1 participants and approximately \$276,200 of the \$400,000 they received from the GMT Pool 2 participants. Therefore, Respondents owe a total of \$262,007 to the Pool Participants.

4. Respondents Misappropriated Pool Participants' Funds

Carmon's agreement with the GMT Pool 1 allowed him to earn a commission on profits. Despite the fact that no trading had yet taken place, between November 2021 and January 2022, Carmon misappropriated funds from the GMT Pool 1 funds by making five unauthorized cash withdrawals totaling \$113,000. Carmon used some of the misappropriated funds to pay for his personal expenses, including payments to the IRS, restaurants and retail store purchases.

III. LEGAL DISCUSSION

A. **Respondents Violated Section 4b(a)(2)(A) and (C) of the Act and Regulation 5.2(b)(1) and (3)**

Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A), (C), provides, in relevant part, that it shall be unlawful for any person, in or in connection with any order to make, or the making of, any contract of sale for future delivery that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market—(A) to cheat or defraud or attempt to cheat or defraud another person; . . . ; or (C) willfully to deceive or attempt to deceive such other person by any means whatsoever in connection with such contract. Section 2(c)(2)(C)(ii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(ii)(I), makes forex transactions, agreements, or contracts described in Section 2(c)(2)(C)(i) of the Act, and accounts or pooled investment vehicles described in Section 2(c)(2)(C)(vii) of the Act, 7 U.S.C. § 2(c)(2)(C)(vii), “subject to” Section 4b of the Act. Additionally, as provided by Section 2(c)(2)(C)(iv) of the Act, 7 U.S.C. § 2(c)(2)(C)(iv), Section 4b of Act applies to any retail forex agreement, contract, or transaction described in Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i), as if the agreement, contract, or transaction were a contract of sale of a commodity for future delivery. Furthermore, 7 U.S.C. § 2(c)(2)(C)(vii) of the Act states that the CFTC has jurisdiction over an account or pooled investment vehicle that is offered for the purpose of trading, or that trades, any agreement, contract, or transaction in foreign currency described in Section 2(c)(2)(C)(i) of the Act.

Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2023), makes it unlawful for a person, by use of the mails, or any means or instrumentality of interstate commerce, directly or indirectly, in or in connection with any retail forex transaction: (1) to cheat or defraud or attempt to cheat or defraud any person; (2) willfully to make any false report or statement to any person; or (3) willfully to deceive or attempt to deceive any person by any means whatsoever.

To establish liability for fraud based on misrepresentations and omissions under Section 4b of the Act and Regulation 5.2, the Commission must prove that: (1) a misrepresentation, false or misleading statement, or deceptive omission was made; (2) with scienter; and (3) the misrepresentation, false or misleading statement, or deceptive omission was material. *CFTC v. R.J. Fitzgerald & Co.*, 310 F.3d 1321, 1328 (11th Cir. 2002); *In re Slusser*, CFTC No. 94-14, 1999 WL 507574, at *9, *12 (July 9, 1999), *aff’d and remanded on other grounds sub nom.*, *Slusser v. CFTC*, 210 F.3d 783 (7th Cir. 2000). Those elements are met here.

1. Fraud by Material Misrepresentations and Omissions and False Statements

Respondents made material misrepresentations and failed to disclose material facts to Pool Participants. Whether a misrepresentation or omission has been made is determined objectively, through examination of the “overall message” and the “common understanding of the information conveyed.” *R.J. Fitzgerald*, 310 F.3d at 1328. A statement or omission is material if “a reasonable investor would consider it important in deciding whether to make an investment.” *Id.* at 1328-29. “Misrepresentations concerning profit and risk go to the heart of a customer’s investment decision and are therefore material as a matter of law.” *CFTC v. Noble*

Wealth Data Info. Servs., Inc., 90 F. Supp. 2d 676, 686 (D. Md. 2000) (citation omitted), *aff'd sub nom. CFTC v. Baragosh*, 278 F. 3d 319 (4th Cir. 2002).

Carmon, individually and while acting on behalf of GMT, knowingly made material misrepresentations and omissions to attract and retain Pool Participants, including:

- (1) misrepresenting the likelihood of profits to be earned by Pool Participants;
- (2) misrepresenting Carmon's forex trading success; (3) failing to disclose the risks involved in trading; (4) failing to inform pool participants of trading losses; (5) falsely representing to GMT Pool 1 participants that their principal investment was guaranteed against loss; (6) guaranteeing GMT Pool 2 participants that their investments would be doubled within four months; and
- (7) omitting to inform Pool Participants that Carmon misappropriated their funds for his personal use.

The misrepresentations and omissions are material because a reasonable investor would have considered them important when deciding whether to invest or continue their investment with the Respondents.

2. Fraud by Misappropriating Pool Participants' Funds

Misappropriation of customer funds constitutes fraud in violation of Section 4b(a)(2)(A) and (C) of the Act. *See CFTC v. Driver*, 877 F. Supp. 2d 968, 978 (C.D. Cal. 2012) (finding that “[s]oliciting or obtaining funds from investors for trading, then failing to trade the funds while using them for personal and business expenses, is misappropriation” and granting summary judgment to CFTC on claims that CPO's misappropriation of customer funds violated Sections 4b and 4o of the Act), *aff'd*, 585 Fed. Appx. 366, *367 (9th Cir. 2014); *CFTC v. Weinberg*, 287 F. Supp. 2d 1100, 1106 (C.D. Cal. 2003) (“Defendant's misappropriation of funds entrusted to him for trading purposes is ‘willful and blatant fraudulent activity’ that clearly violates Section 4b(a) of the Act.”) (quoting *Noble Wealth*, 90 F. Supp. 2d at 687)).

Respondents misappropriated at least \$113,000 of the funds solicited from the Pool Participants, in violation of Section 4b(a)(2)(A) and (C) of the Act and Regulation 5.2(b)(1) and (3). Respondents accepted Pool Participants' funds for the purpose of trading in off-exchange forex, the funds were deposited into a bank account in the name of GMT, and then prior to any trading taking place and thus no commissions being earned, Carmon withdrew \$113,000 in cash to which he was not entitled. In this manner, Respondents misappropriated funds from the Pool Participants.

3. Scienter

Carmon, individually and while acting on behalf of GMT, acted with the requisite scienter to violate Section 4b(a)(2) of the Act. Scienter requires proof that a defendant committed the alleged wrongful acts intentionally or with reckless disregard for the truth. *See CFTC v. Noble Metals Int'l*, 67 F.3d 766, 774 (9th Cir. 1995) (holding that scienter is established when defendants act intentionally or with “careless disregard”); *see also Lawrence v. CFTC*, 759 F.2d 767, 773 (9th Cir. 1985) (finding that the Commission only needed to show that a defendant's actions were “intentional as opposed to accidental”). The Commission can establish scienter by showing that a defendant “knew the representations were false and were calculated to cause harm or by showing that the representations were made with a reckless disregard for their

truth or falsity.” *CFTC v. Nat’l Invest. Consultants, Inc.*, No. C 05-02641, 2005 WL 2072105, at *8 (N.D. Cal. Aug. 26, 2005) (citing *Noble Wealth*, 90 F. Supp. 2d at 686), *see also Drexel Burnham Lambert Inc. v. CFTC*, 850 F.2d 742, 748 (D.C. Cir. 1988) (stating that “a degree of intent beyond carelessness or negligence” is required under Section 4b of the Act, and that “recklessness is sufficient to satisfy [S]ection 4b’s scienter requirement”) (internal quotation marks and citation omitted). The Commission need not prove “an evil motive or intent to injure a customer.” *Cange v. Stotler & Co.*, 826 F.2d 581, 589 (7th Cir. 1987).

Carmon, as the trader and managing member of GMT and the sole signatory on GMT’s bank accounts, certainly knew that the misrepresentations he made to Pool Participants were false. Carmon knew, or acted with careless disregard of the fact that, contrary to what Carmon stated to Pool Participants, Carmon was not a successful forex trader, Respondents did not use all of the Pool Participants’ funds for forex trading as stated, that Carmon misappropriated Pool Participants’ funds for personal use. As the sole managing member of GMT with sole signatory authority over its bank accounts, Carmon had personal knowledge of the amount of funds accepted from Pool Participants and how those funds were misappropriated.

4. Principal-Agent Liability

Carmon’s acts, omissions, and failures, as discussed above, occurred within the scope of his position as an official or agent of GMT or when he was otherwise acting for GMT. Therefore, GMT is liable for Carmon’s acts, omissions, and failures in violation of Section 4b(a)(2)(A) and (C) of the Act and Regulation 5.2(b)(1) and (3), pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2023).

B. Respondents Violated Section 4o(1)(A) and (B) of the Act

Section 4o(1) of the Act, 7 U.S.C. § 6o(1), makes it unlawful for a CPO or an AP of a CPO using the instrumentalities of interstate commerce, directly or indirectly:

- (A) [T]o employ any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or
- (B) [T]o 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.

Section 2(c)(2)(C)(ii)(I) of the Act makes forex transactions, agreements, or contracts described in Section 2(c)(2)(C)(i) of the Act, and accounts or pooled investment vehicles described in Section 2(c)(2)(C)(vii) of the Act “subject to” Section 4o of the Act. Furthermore, 7 U.S.C. § 2(c)(2)(C)(vii) of the Act states that the CFTC has jurisdiction over an account or pooled investment vehicle that is offered for the purpose of trading, or that trades, any agreement, contract, or transaction in foreign currency described in Section 2(c)(2)(C)(i) of the Act.

The same conduct that constitutes violations of Section 4b(a) described above (i.e., Respondents’ misappropriations, misrepresentations, and omissions) also constitutes violations of Section 4o(1). *See Weinberg*, 287 F. Supp. 2d at 1108, *see also Skorupskas*, 605 F. Supp. 923,

932 (E.D. Mich. 1985) (defendant violated Section 4b when she misappropriated pool funds by soliciting funds for trading and then trading only a small percentage of those funds, while disbursing the rest of the funds to pool participants, herself, and her family).

Carmon's acts, omissions, and failures in violation of the Act, as discussed above, occurred within the scope of his position as an official or agent of GMT or when he was otherwise acting for GMT; therefore, GMT is liable for Carmon's acts, omissions, and failures in violation of Section 4o(1) of the Act, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2023).

C. GMT Violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act and Regulation 5.3(a)(2)(i)

Section 4m(1) of the Act, 7 U.S.C. § 6m(1), provides that it is unlawful for any CPO to make use of the mails or any means or instrumentality of interstate commerce in connection with its business as a CPO without being registered with the Commission, unless excluded or exempt from registration. Similarly, Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), states that a person shall not operate or solicit funds for any pooled investment vehicle that is not an ECP³ in connection with forex transactions, unless registered pursuant to Commission Regulations. Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), requires forex CPOs, as defined by Regulation 5.1(d)(1)(2023), 17 C.F.R. § 5.1(d)(1) (2023), to register as such with the Commission.

During the Relevant Period, GMT violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1), 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), by not being registered with the Commission, and using the mails and other means or instrumentalities of interstate commerce (including email and the internet), to solicit and accept funds, securities, or property, for the purpose of trading in forex.

D. Carmon Violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4k(2) of the Act and Regulation 5.3(a)(2)(ii)

Section 4k(2) of the Act, 7 U.S.C. § 6k(2), requires that any person associated with a CPO as a partner, officer, employee, consultant, or agent (or similar status), in any capacity which involves the solicitation, or supervision of solicitation, of participant funds, be registered as an AP. Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), states that a person shall not operate or solicit funds for any pooled investment vehicle that is not an ECP in connection with forex transactions, unless registered pursuant to Commission Regulations. Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023), requires any AP of a CPO, as defined in Regulation 5.1(d)(2)(i), 17 C.F.R. § 5.1(d)(2)(i) (2023), to be registered as such. As noted above, GMT acted as a CPO, and Carmon acted as an AP of a CPO. Moreover, in connection with GMT's conduct as a CPO and Carmon's conduct as an AP of a CPO, Respondents used the mails

³ GMT does not qualify as an ECP both because it did not have assets exceeding \$5 million and had participants who were non-ECPs. See Section 1a(18)(iv)(I) and (II) and (xi) of the Act, 7 U.S.C. § 1a(18)(iv)(I), (II), (xi) (defining an ECP, in relevant part, as a commodity pool with total assets in excess of \$5 million and also excluding any commodity pool with any non-ECP participants).

and other means or instrumentalities of interstate commerce, directly or indirectly, to engage in their businesses as a CPO and AP of a CPO.

Because Carmon acted as an AP of a CPO without registering with the Commission as such, Carmon violated Sections 2(c)(2)(C)(iii)(I)(cc) and 4k(2) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023).

E. Respondents' Violations of Regulation 4.20(a)(1), (b) and(c)

Regulation 4.20(a), 17 C.F.R. § 4.20(a) (2023), requires a CPO, whether registered or not, to operate its commodity pool as a legal entity separate from that of the CPO. Regulation 4.20(b) prohibits CPOs, whether registered or not, from receiving pool participants' funds in any name other than that of the pool. Regulation 4.20(c) prohibits a CPO, whether registered or not, from commingling the property of any pool it operates with the property of any other person. Regulation 5.4, 17 C.F.R. § 5.4 (2023), states that Part 4 of the Regulations, 17 C.F.R. pt. 4, apply to any person required to register as a CPO pursuant to Part 5 of the Regulations, 17 C.F.R. pt. 5, relating to forex transactions.

During the Relevant Period, GMT, while acting as a CPO, violated Regulation 4.20(a)(1), (b), and (c), by: (1) failing to operate a commodity pool as a legal entity separate from Carmon or GMT; (2) receiving pool participants' funds in the names of Carmon or GMT rather than the commodity pools; and (3) commingling the property of the pools it operated with property of the other pools, or Carmon's personal property, as evidenced through Respondents' bank records and forex trading records.

As described above, Carmon held and exercised direct control over GMT and either did not act in good faith or knowingly induced GMT's violations of Regulation 4.20(a)-(c). As a controlling person of GMT, Carmon is liable for GMT's violations of Regulation 4.20(a)(1), (b) and (c), pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that, during the Relevant Period, Respondents violated Sections 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A) and (C), and 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6b(a)(2)(A), (C), 6o(1)(A), (B), and Regulations 4.20(a)(1), (b), and (c), and 5.2(b)(1) and (3), 17 C.F.R. §§ 4.20(a)(1), (b), (c), 5.2(b)(1), (3) (2023). Additionally, Respondent GMT violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), and Respondent Carmon violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023).

V. OFFER OF SETTLEMENT

Respondents have submitted the Offer in which they, without admitting or denying the finding and conclusions herein, knowingly and voluntarily:

A. Consent to the resolution of this matter in an administrative proceeding;

- B. Acknowledge service of this Order;
- C. Admit the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- D. Waive:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;
 - 3. All post-hearing procedures;
 - 4. Any and all rights or defenses that they have or might have for the matter to be adjudicated in a federal district court in the first instance, including any associated right to a jury trial;
 - 5. Judicial review by any court;
 - 6. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 - 7. 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 Regulations, 17 C.F.R. pt. 148 (2023), relating to, or arising from, this proceeding;
 - 8. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201-253, 110 Stat. 847, 857-74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
 - 9. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- E. Agree, for purposes of the waiver of any and all rights under the Equal Access to Justice Act specified in Paragraph D, subpart 7 above, the Commission is the prevailing party in this action;
- F. Stipulate that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondents have consented in the Offer; and
- G. Consent, solely on the basis of the Offer, to the Commission's entry of this Order that:

1. Makes findings by the Commission that: Respondents violated Sections 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A) and (C), and 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc); 6b(a)(2)(A), (C), 6o(1)(A), (C), and Regulations 4.20(a)(1), (b), and (c), and 5.2(b)(1) and (3), 17 C.F.R. §§ 4.20(a)(1), (b), (c), 5.2(b)(1), (3) (2023); Respondent GMT violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023), and Respondent Carmon violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023).
2. Orders: Respondents to cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(cc), 4b(a)(2)(A) and (C), and 4o(1)(A) and (B) of the Act, and Regulations 4.20(a)(1), (b), and (c), and 5.2(b)(1) and (3), Respondent GMT to cease and desist from violating Section 4m(1) of the Act and Regulation 5.3(a)(2)(i); and Respondent Carmon to cease and desist from violating Section 4k(2) of the Act and Regulation 5.3(a)(2)(ii);
3. Orders Respondents to pay, jointly and severally, restitution in the amount of two-hundred-sixty-two-thousand dollars (\$262,000), plus any post-judgment interest, within fourteen days of the date of the entry of this Order;
4. Orders Respondents to pay, jointly and severally, a civil monetary penalty in the amount of two-hundred-sixty-two-thousand dollars (\$262,000) within fourteen days of the date of the entry of this Order, plus post-judgment interest, if applicable; provided, however, that the restitution payment to Semyon Sims will be offset by the amount of any restitution payment made pursuant to the Settlement Agreement between Semyon Sims and Respondents in the matter of *Semyon Sims v. Carmon, et al.*, Case Number 1201766 (Civil Court, Harris County, TX, November, 2023) (“Sims Settlement Agreement”);
5. Orders that Respondents be permanently prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40), and all registered entities shall refuse them trading privileges; and
6. Orders Respondents and their successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order,

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

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondents shall cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(cc); 4b(a)(2)(A) and (C); and 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc); 6b(a)(2)(A), (C), and 6o(1)(A), (C), and Regulations 4.20(a)(1), (b), and (c), and 5.2(b)(1) and (3), 17 C.F.R. §§ 4.20(a)(1), (b), (c), 5.2(b)(1), (3)(2023); Respondent

GMT shall cease and desist from violating Section and 4m(1) of the Act, 7 U.S.C. § 6m(1), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2023); and Respondent Carmon shall cease and desist from violating Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)(2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2023);

- B. Respondents shall pay, jointly and severally, restitution in the amount of two-hundred-sixty-two-thousand dollars (\$262,000) within fourteen days of the date of the entry of this Order (“Restitution Obligation”). If the Restitution Obligation is not paid in full within fourteen business days of the date of the entry of this Order, then post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Order and shall be determined using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 29 U.S.C. § 1961. The restitution payment to Semyon Sims will be offset by the amount of any restitution payment made pursuant to the Sims Settlement Agreement. Respondents shall provide proof of any payment pursuant to the Sims Settlement Agreement including the case name(s) and number(s) in connection with which such payment has been made, and the amount by which the restitution obligation to Semyon Sims is to be reduced, within fourteen days of making such payment to:

Paul G. Hayeck
Deputy Director, Division of Enforcement
Commodity Futures Trading Commission
1155 21st St. NW
Washington, DC 20581

To effect payment by Respondents and the distribution of restitution to Respondents’ customers, the Commission appoints the NFA as “Monitor.” The Monitor shall receive payments of the Restitution Obligation and any post-judgment interest from Respondents and make distributions as set forth below. Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, it shall not be liable for any action or inaction arising from its appointment as Monitor other than actions involving fraud.

Respondents shall make their payments of any portion of the Restitution Obligation that has not been offset and any post-judgment interest under this Order in the name of the “Get Money Tradez Fund” and shall send such payments by electronic funds transfer, or U.S. postal money order, certified check, bank cashier’s check, or bank money order to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606, under a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

The Monitor shall oversee Respondents’ Restitution Obligation and shall have the discretion to determine the manner of distribution of funds in an equitable fashion to the Respondents’ customers or may defer distribution until such time as the Monitor may deem appropriate. In the event that the amount of payments of the Restitution Obligation

to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a restitution distribution is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission, as discussed below. To the extent any funds accrue to the U.S. Treasury for satisfaction of Respondents' Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Order.

- C. Respondents shall pay, jointly and severally, a civil monetary penalty in the amount of two-hundred-sixty-two-thousand dollars (\$262,000) (the "CMP Obligation") within fourteen days of the date of the entry of this Order. If the CMP Obligation is not paid in full within fourteen days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Respondents shall pay the CMP Obligation and any post-judgment interest 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, the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic transfer, Respondents shall contact the Federal Aviation Administration at the above email address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the CMP Obligation with a cover letter that identifies Respondents and the name and docket number of this proceeding. Respondents shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581.

- D. Respondents are permanently prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40), and all registered entities shall refuse them trading privileges; and
- E. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Public Statements: Respondents agree that neither they nor any of their successors, assigns, agents, or employees under her authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents' and/or their agents' and/or employees' (i) testimonial obligations; or (ii) right to take positions in other proceedings to which the Commission is not a party. Respondents and their successors and assigns shall comply with this Order, and 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. Trading Ban: Respondents agree that they are permanently restrained, enjoined and prohibited from directly or indirectly:
 - a. entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2023)) for their own personal accounts or for any accounts in which they have a direct or indirect interest;
 - b. have any commodity interests traded on their behalf;
 - c. 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, including forex;
 - d. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests, including forex;
 - e. applying for registration or claim exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2023); and/or
 - f. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2023)), 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, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2023).
3. Cooperation with Monitor: Respondents shall cooperate fully and expeditiously with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Respondents' customers, whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any restitution payments. Respondents shall execute any

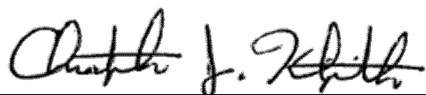
documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation.

4. Cooperation, in General: Respondents shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement, in this action, and in any current or future Commission investigation or action related thereto. Respondents shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, the subject matter of this action.
5. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission of partial satisfaction of their Restitution Obligation and/or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order or a waiver of the Commission's right to seek to compel payment of any remaining balance.
6. Change of Address: Until such time as Respondents satisfy their Restitution and CMP Obligation as set forth in this Order, Respondents shall provide written notice to the Commission by certified mail of any change to their telephone number and mailing address within fourteen days of the change.
7. Until such time as Respondents satisfy their Restitution Obligation and CMP Obligation, upon the commencement by or against Respondents of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Respondents' debts, all notices to creditor required to be furnished to the Commission under Title 11 of the United States Code or other applicable law with respect to such insolvency, receivership bankruptcy, or other proceedings shall be sent to the address below:

Secretary of the Commission
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The provisions of this Order shall be effective as of this date.

By the Commission.



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

Dated: August 20, 2024