

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

COMMODITY FUTURES TRADING COMMISSION,)	
)	
Plaintiff,)	Case No. 18-cv-00603
)	
v.)	Hon. Steven C. Seeger
)	
JAMES VORLEY,)	
)	
Defendant.)	
)	

**AMENDED FINAL JUDGMENT AND CONSENT ORDER FOR INJUNCTION,
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF
AGAINST DEFENDANT JAMES VORLEY**

I. INTRODUCTION

On January 26, 2018, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint against Defendant James Vorley (“Vorley” or “Defendant”) seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for engaging in a manipulative and deceptive scheme to spoof in the precious metals futures markets, in violation of Section 4c(a)(5)(C) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 6c(a)(5)(C) (2012), Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2017).

II. CONSENTS AND AGREEMENTS

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

1. Consents to the entry of this Final Judgment and Consent Order for Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendant James Vorley (“Consent Order”);
2. Affirms that he has 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;
3. Acknowledges service of the summons and Complaint;
4. Admits the jurisdiction of this Court over him and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2018), and 28 U.S.C. §§ 1331, 1345 (2018);
5. Admits the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act;
6. Admits that venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e);
7. Waives:
 - (a) Any and all claims that he may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2018) and 28 U.S.C. § 2412 (2018), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2020), relating to, or arising from, this action;
 - (b) Any and all claims that he may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–53, 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 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. Consents to the continued jurisdiction of this Court over him 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 Defendant now or in the future resides outside the jurisdiction of this Court;

9. Agrees that he will not oppose enforcement of this Consent Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and hereby waives any objection based thereon;

10. Agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, 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 his: (a) testimonial obligations, or (b) right to take positions in other proceedings to which the Commission is not a party. Defendant shall comply with this agreement, and shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement;

11. Consents to the entry of this Consent Order without admitting or denying the allegations of the Complaint or any findings or conclusions in this Consent Order, except as to jurisdiction and venue, which he admits;

12. Consents to the use of the findings of fact and conclusions of law 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;

13. Does not consent, however, to the use of this Consent Order, or the findings and conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party, other than a: statutory disqualification proceeding; proceeding in bankruptcy, or receivership; or proceeding to enforce the terms of this Order. Defendant does not consent to the use of this Consent Order, including the findings of fact or conclusions of law herein, by any other party in any other proceeding;

14. Agrees to provide immediate notice to this Court and the Commission of any bankruptcy proceeding filed by, on behalf of, or against him, whether inside or outside the United States by certified mail, in the manner required by paragraph 43 of Part VI of this Consent Order and by certified mail to:

Secretary of the Commission
Legal Division
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

15. Agrees 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 Defendant in any other proceeding.

III. 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, injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2018), as set forth herein.

THE PARTIES AGREE TO THE ENTRY OF THIS ORDER AND THE COURT HEREBY FINDS:

A. Findings of Fact

16. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act and the Regulations.

17. Defendant was employed by Bank A as a trader from at least 2008 to March 2015. For the duration of this time period, Bank A, together with its subsidiaries and affiliates, was one of the largest global banking and financial services companies in the world. Bank A had operations in the United States and around the world.

18. Bank A operated a global commodities trading business that included the trading of precious metals futures contracts. Bank A's primary precious metals futures trading desks were located in Singapore, London and New York.

19. Defendant was employed as a trader on the precious metals desk in London at Bank A. Defendant has never been registered with the Commission in any capacity. Defendant is a U.K. national domiciled in the U.K.

20. Beginning in at least July 2011 and continuing through at least July 2013 (the "Relevant Period"), Vorley engaged in a manipulative and deceptive scheme while placing orders and trading in the precious metals futures markets on a registered entity (the "Scheme"). Specifically, in furtherance of the Scheme, Vorley repeatedly engaged in manipulative or deceptive acts and practices by "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution). On numerous occasions, Vorley placed orders for COMEX gold, silver, platinum or palladium futures contracts that he wanted to get filled (the "Genuine Order")

and entered orders for the same contract on the opposite side of the market that he intended to cancel before execution (the “Spoof Order”). In placing these Spoof Orders, Defendant Vorley and intentionally or recklessly sent signals of increased supply or demand to induce market participants into executing against the orders Vorley wanted to get filled.

21. During the Relevant Period, Vorley engaged in the Scheme, which followed the general pattern set forth herein. Vorley, both individually and in coordination with other traders at Bank A, manually placed Spoof Orders for precious metals futures contracts with the CME through Globex, which he intended to cancel before execution, opposite Genuine Orders for precious metals futures contracts, which he desired to execute. For example, Vorley would enter Genuine Orders as Iceberg Orders with small quantities visible to the market, and within a short time thereafter, placed visibly larger Spoof Orders on the other side of the Order Book. Vorley’s Spoof Orders were often placed within 5 ticks behind the best price so as to reduce the likelihood of them being filled. The Spoof Orders also were typically at least 10 lots, and were often placed and cancelled within a 5 second window. Vorley intended to cancel the Spoof Orders before execution, and often did so after the Genuine Orders were filled.

22. By engaging in the Scheme as described herein, Defendant entered Spoof Orders to intentionally send a signal to the market that he actually wanted to buy or sell the number of contracts specified in the Spoof Orders, or did so while recklessly disregarding the fact that entering his Spoof Orders would send such a signal—a signal that injected information about supply and demand into the market that could affect market activity. Defendant engaged in this Scheme to induce other market participants into executing against his or his colleagues’ Genuine Orders on the opposite side of the market—allowing them to fill sooner, at a better price, or in larger quantities than they otherwise would. Defendant knew or recklessly disregarded that the

Spoof Orders would create the appearance of market depth and result in misinformation, thereby luring market participants to trade based on Defendant's spoofing. The risk that the Spoof Orders could cause other market participants to believe there was genuine interest in purchasing or selling the specified number of contracts represented by Defendant's Spoof Orders was so obvious that Defendant must have been aware of it. He knew that his Spoof Orders would appear in the Order Book and that traders often consider order-book information in making trading decisions; thus, Defendant was, at least, reckless with respect to the danger that his Spoof Orders would affect other market participants.

Examples of Vorley's spoofing include the following:

January 28, 2013 Spoofing

23. On January 28, 2013, at approximately 15:32:43.198, Vorley placed a 34-lot Genuine Order as an Iceberg Order to show 1 lot to the market, to buy Gold Futures at \$1655.20.

24. After approximately 30 seconds during which the Genuine Order did not fill, at 15:33:12.415, Vorley placed a 110-lot Spoof Order, to sell Gold Futures at \$1655.70 that he intended to cancel before execution. The 110-lot order was placed 3 ticks away from the best offer at the time of placement.

25. Before the Spoof Order was placed, the market was relatively balanced, with 13% more offers than bids. As a result of the Spoof Order, the market became one where there were 96% more offers than bids.

26. Approximately 1 second after the Spoof Order to sell was placed, the Genuine Order to buy begins to fill rapidly, 1 lot at a time, until all 34 lots fill over the course of a few milliseconds.

27. Approximately 1.6 seconds after the last lot of the Genuine Order filled, Vorley cancelled the 110-lot Spoof Order to sell in its entirety. That Spoof Order was on the market for an overall time of just under 3 seconds.

July 9, 2013 Spoofing

28. On July 9, 2013, at 15:51:59.661, Vorley placed a 50-lot Genuine Order as an Iceberg Order showing 1 lot to the market, to sell Gold Futures at \$1247.00.

29. Almost immediately, 10 lots of the sell order filled. Then approximately 5 seconds passed without further fills, so Vorley placed a 100-lot Spoof Order to buy Gold Futures at \$1246.80 that he intended to cancel before execution.

30. At the time the Spoof Order was placed, the market was slightly imbalanced, with 58% more bids than offers. As a result of the Spoof Order, the market became one where the Order Book had 207% more bids than offers.

31. Almost immediately after the Spoof Order to buy was placed, within 3 milliseconds, 8 additional lots filled from the Genuine Order.

32. Less than a second after the 8th lot of the Genuine Order to sell was filled, Vorley cancelled the 100-lot Spoof Order to buy in its entirety. The Spoof Order was on the market for approximately 7 tenths of a second.

B. Conclusions of Law

Jurisdiction and Venue

33. This Court possesses jurisdiction over this action pursuant to 28 U.S.C. § 1331 (2018) (codifying federal question jurisdiction) and 28 U.S.C. § 1345 (2018) (providing that U.S. district courts have original jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress). Section 6c(a) of the Act, 7 U.S.C.

§ 13a-1(a) (2018), provides that the Commission may bring actions for injunctive relief or to enforce compliance with the Act or any rule, regulation, or order thereunder in the proper district court of the United States whenever it shall appear to the Commission that any 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.

34. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e), because the acts and practices in violation of the Act occurred within this District. Venue is also proper pursuant to 28 U.S.C. § 1391(c)(3) (2018).

35. By the conduct described in paragraphs 16 through 32 above, in the time period from July 2011 through at least July 2013, Defendant Vorley engaged in trading, practices, or conduct on or subject to the rules of a registered entity that is, is of the character of, or is commonly known as, “spoofing” (bidding or offering with the intent to cancel the bid or offer before execution), in violation of Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C) (2018).¹

36. By the conduct described in paragraphs 16 through 32 above, in the time period from approximately August 2011 through at least July 2013, Defendant Vorley, in connection with a contract for future delivery on a registered entity, intentionally or recklessly, (1) used or employed, or attempted to use or employ, manipulative devices, schemes, or artifices to defraud, or . . . (3) engaged, or attempted to engage, in acts, practices, or courses of business, which operated or would have operated as a fraud or deceit upon market participants, in violation of

¹ Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C) (2012), became effective on July 16, 2011.

Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2018), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2020).²

IV. INJUNCTION

IT IS HEREBY ORDERED THAT:

37. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2018), Defendant is permanently restrained, enjoined and prohibited from directly or indirectly:

- a. engaging in trading, practices, or conduct on or subject to the rules of a registered entity that is, is of the character of, or is commonly known as “spoofing” (bidding or offering with the intent to cancel the bid or offer before execution), in violation of Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C) (2018);
- b. intentionally or recklessly (1) using or employing, or attempting to use or employ, any manipulative device, scheme or artifice to defraud, or ... (3) engaging, or attempting to engage, in any act, practice, or course of business, which would operate as a fraud or deceit upon any person, in violation of Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1) and (3), 17 C.F.R. § 180.1(a)(1), (3) (2020).

38. Defendant is also restrained, enjoined and prohibited, for a period of five years from the date of entry of this consent order, from directly or indirectly:

- a. 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) (2018));

² Commission Regulation 180.1, 17 C.F.R. § 180.1 (2020), became effective on August 15, 2011.

- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2020)), for his own personal account or for any account in which he has a direct or indirect interest;
- c. Having any commodity interests traded on his 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 interests;
- e. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- 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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2020); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2020)), agent or any other officer or employee of any person (as that term is defined in 7 U.S.C. § 1a(38) (2018)), registered, exempted from registration or required to be registered with the Commission except as provided for in 17 C.F.R. § 4.14(a)(9).

V. CIVIL MONETARY PENALTY

A. **Civil Monetary Penalty**

39. Defendant shall pay a civil monetary penalty in the amount of one hundred and fifty thousand dollars (\$150,000) (“CMP Obligation”), within thirty days of the date of entry of this Consent Order. If the CMP Obligation is not paid in full within thirty days of the date of

entry of this Consent Order, then 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 (2018).

40. Defendant shall pay his 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, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

Commodity Futures Trading Commission
Division of Enforcement
C/O ESC/AMK-326; HQ RM 265
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
9-AMC-AR-CFTC@faa.gov

If payment by electronic funds transfer is chosen, Defendant shall contact Marie Thorne or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendant shall accompany payment of the CMP Obligation with a cover letter that identifies Defendant and the name and docket number of this proceeding. Defendant 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.

B. Provisions Related to Monetary Sanctions

41. Partial Satisfaction: Acceptance by the Commission of any partial payment of Defendant's CMP Obligation shall not be deemed a waiver of his 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.

C. **Cooperation**

42. Subject to all applicable rights, privileges, protections or immunities, Vorley 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. Vorley shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this action ("the Proceedings"). Vorley's counsel, designated in paragraph 43 of Part VI of this Consent Order, is hereby designated as his agent for service of any subpoena issued by the Commission in connection with this action, and Vorley agrees that he will comply with such a subpoena.

VI. MISCELLANEOUS PROVISIONS

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

Notice to Commission:

Manal Sultan
Deputy Director
Division of Enforcement
Commodity Futures Trading Commission
290 Broadway, 6th Floor
New York, NY 10007
Phone: 646-746-9761
Email: msultan@cftc.gov

Notice to Defendant James Vorley:

Roger A. Burlingame
Matthew L. Mazur
Dechert LLP
160 Queen Victoria Street
London, UK EC4V 4QQ
Phone: +44 20 7184 7487

Email: matthew.mazur@dechert.com

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

44. Change of Address/Phone: Until such time as Defendant satisfies in full his CMP Obligation or until the termination of the Proceedings as set forth in this Consent Order, Defendant shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten calendar days of the change.

45. 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.

46. 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.

47. Waiver: The failure of any party to this Consent Order at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party 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 or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

48. 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 Defendant to modify or for relief from the terms of this Consent Order.

49. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendant, upon any person under his 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 Defendant.

50. 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.

51. Contempt: Defendant understands that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings he may not challenge the validity of this Consent Order.

52. Agreements and Undertakings: Defendant shall comply with all of the undertakings and agreements set forth in this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Final Judgment and Consent Order for Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendant James Vorley* forthwith and without further notice.

Date: April 7, 2022



Steven C. Seeger
United States District Judge

CONSENTED TO AND APPROVED BY:

By: _____
James Vorley

Date: _____

Roger A. Burlingame
Matthew L. Mazur
Dechert LLC
160 Queen Victoria Street
London, UK EC4V 4QQ
Phone: +44 20 7184 7487
Email: matthew.mazur@dechert.com

Janine Gargiulo
Katie Rasor
Patryk Chudy
Manal Sultan

Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005
Phone: (646) 746-9700

Date: _____

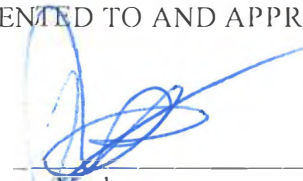
Date: _____

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Final Judgment and Consent Order for Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendant James Vorley* forthwith and without further notice.

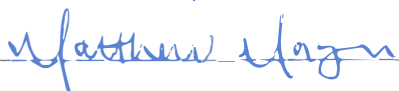
IT IS SO ORDERED on this _____ day of _____, 2021.

Hon. Steven C. Seeger, U.S.D.J.

CONSENTED TO AND APPROVED BY:

By: 
James Vorley

Date: 1/6/22



Roger A. Burlingame
Matthew L. Mazur
Dechert LLC
160 Queen Victoria Street
London, UK EC4V 4QQ
Phone: +44 20 7184 7487
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Janine Gargiulo
Katie Rasor
Ptryk Chudy
Manal Sultan

Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005
Phone: (646) 746-9700

Date: _____

Date: 1/6/22

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Final Judgment and Consent Order for Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendant James Vorley* forthwith and without further notice.

IT IS SO ORDERED on this ____ day of _____, 2022.

Hon. Steven C. Seeger, U.S.D.J.

CONSENTED TO AND APPROVED BY:

By: _____
James Vorley

Date: _____

Roger A. Burlingame
Matthew L. Mazur
Dechert LLC
160 Queen Victoria Street
London, UK EC4V 4QQ
Phone: +44 20 7184 7487
Email: matthew.mazur@dechert.com

Date: _____

Patryk Chudy
Janine Garguilo
Katie Rasor
Patryk Chudy
Manal Sultan

Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005
Phone: (646) 746-9700

Date: _____
March 9, 2022