

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

SWAPNIL REGE and SWAPSTAR CAPITAL
LLC,

Defendants,

and

REEMA REGE,

Relief Defendant.

Case No. 21-CV-19337

Hon. Zahid N. Quraishi

**FINAL JUDGMENT AND CONSENT ORDER FOR PERMANENT INJUNCTION,
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF AGAINST
DEFENDANTS SWAPNIL REGE AND SWAPSTAR CAPITAL LLC, AND RELIEF
DEFENDANT REEMA REGE**

I. INTRODUCTION

On October 26, 2021, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint against Defendants Swapnil Rege and Swapstar Capital LLC (collectively, “Defendants”) and Reema Rege (“Relief Defendant”) seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1–26, and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. pts. 1–190 (2021).

II. CONSENTS AND AGREEMENTS

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

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Swapnil Rege and Swapstar Capital LLC, and Relief Defendant Reema Rege (“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;

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;

5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act;

6. Admit that venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e);

7. Waive:

- (a) 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 (2021), 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, 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. 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 or Relief Defendant now or in the future reside outside the jurisdiction of this Court;

9. Agree they 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. 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 positions in other proceedings to which the Commission is not a party. Defendants and Relief Defendant shall comply with this agreement, 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;

11. Consent 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 they admit;

12. Consent 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 agree that they shall be taken as true and correct and be given preclusive effect therein, without further proof;

13. Do 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. Defendants and Relief Defendant do not consent to the use of this Consent Order, including the findings of fact or conclusions or law herein, by any other party in any other proceeding;

14. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 76 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

15. 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 them 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, permanent injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

The Parties to this Consent Order

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 Swapnil Rege (“Rege”) is an individual who resides in Monmouth Junction, New Jersey. Previously, Mr. Rege was a Portfolio Manager on the U.S. Rates Desk at a Commodity Pool Operator (“CPO”) from June 2015 until his termination in April 2017. Defendant Rege has never been registered with the Commission in any capacity.

18. Defendant SwapStar Capital LLC (“SwapStar”) is a limited liability company with its principal place of business in North Brunswick, New Jersey. It was founded in January 2019 by Defendant Rege and he is the sole owner. SwapStar has never been registered with the Commission in any capacity.

19. Relief Defendant Reema Rege is an individual who resides in Monmouth Junction, New Jersey and is the spouse of Swapnil Rege. Relief Defendant has never been registered with the Commission in any capacity.

Defendant Rege’s Violation of 2019 Order

20. On July 18, 2019, the Commission issued an Order Instituting Proceedings against Defendant Rege pursuant to Section 6(c) and (d) of the Act. *In re Rege*, CFTC No. 19-14, 2019 WL 4267850, at *1-3 (July 18, 2019) (“2019 Order”). Defendant Rege was charged with engaging in a fraudulent scheme to mismark the valuations for certain interest rate swaps on the books of his employer, a commodity pool operator, in violation of Section 6(c)(1) of the Act,

7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1)–(3), 17 C.F.R. § 180.1(a)(1)–(3) (2018).

21. At the same time, the Commission accepted Defendant Rege’s offer of settlement, and entered the 2019 Order, which ordered Defendant Rege to pay a civil monetary penalty of \$100,000, and to comply with his agreement to pay disgorgement of \$600,000 plus pre-judgment interest in the amount of \$49,170.84, among other sanctions and undertakings.

22. The 2019 Order also: (1) found that, during the Relevant Period, Defendant Rege violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3)(2018); and (2) ordered that Rege cease and desist from violating Section 6(c)(1) of the Act, 7 U.S.C. § 9(1) (2012), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3) (2018).

23. In addition, the 2019 Order prohibited Defendant Rege 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) (2012)), for a period of: (a) at least three years after the date of entry of the 2019 Order; and (b) until after payment and satisfaction in full of the disgorgement and civil monetary penalty amounts and any applicable interest, and all registered entities were to refuse him trading privileges during that period.

24. More specifically, Defendant Rege agreed that he would not, for that period: (a) enter into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2018)¹), for Defendant Rege’s own personal account or for any account in which Defendant Rege had a direct or indirect interest; (b) have any commodity interests traded on his behalf; (c) control or direct the trading for or on behalf of any other person or entity,

¹ Pursuant to Regulation 1.3, 17 C.F.R. § 1.3 (2021), the term “commodity interests” includes, among other things, commodity futures and commodity options contracts.

whether by power of attorney or otherwise, in any account involving commodity interests; (d) solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests; (e) apply for registration or claim exemption from registration with the Commission in any capacity, or engage in any activity requiring such registration or exemption from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2018); and/or (f) act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2018)), 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) (2012)), registered, required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9).

Defendants' Solicitation of Account Holders

25. From at least September 2019 to the present (the "Relevant Period"), Defendants solicited funds from at least 108 individuals (together, "Account Holders") for the purpose of making investments, including investments in the securities markets.

26. Defendants solicited Account Holders in person and through phone and/or e-mail communications.

27. Defendants executed written "Investment Advisory" agreements or "Private Loan Agreements" with many Account Holders. Through these agreements, Defendants promised to pay fixed rates of return in either the form of unsecured loans or through making investments.

28. As part of the solicitations, Defendants falsely represented to Account Holders that: (1) Account Holder funds would be used for investment purposes; (2) Account Holder funds would be invested, including in securities; (3) Account Holders would receive a fixed

monthly, quarterly, or annual return, in some cases as high as 40% to 60%; and (4) Account Holders could redeem their funds immediately or on short notice.

29. Defendants did not use Account Holders' funds solely for the purpose of investing or purchasing securities as they had represented to the Account Holders. Instead, from at least April 2021 to the present, Defendants used a portion of the funds in these accounts to trade futures and options on a registered entity, including E-mini S&P 500 and E-mini Nasdaq 100 futures and options. Defendants failed to advise Account Holders that at least a portion of their funds would be used to invest in commodity interests.

30. Defendants knowingly or recklessly made these material misrepresentations and omissions to induce Account Holders to lend to or invest with them, and Account Holders relied upon these material misrepresentations and omissions in deciding to lend or invest.

31. Defendants also misappropriated Account Holders' funds to pay for personal expenses. Further, Defendants also misappropriated Account Holders' funds to transfer among other Account Holders in a manner akin to a Ponzi scheme. Defendants used Account Holders' funds in this manner without disclosure to, or authorization from, Account Holders.

32. In their solicitation of prospective Account Holders, Defendants did not disclose that they intended to use Account Holders' funds to trade commodity futures and commodity options, to pay for personal expenses, or to pay returns to other Account Holders.

33. Further, Defendants failed to disclose that Defendant Rege was barred from trading any commodity futures or commodity options products as a result of the 2019 Order.

34. At various times during the Relevant Period, one or more Account Holders asked Defendant Rege about the 2019 Order. Defendant Rege failed to fully disclose the scope of the 2019 Order.

Defendants' Trading of Commodity Futures and Commodity Options in Violation of 2019 Order

35. During the Relevant Period, Defendants executed trades on behalf of many Account Holders.

36. Defendants directed many Account Holders to provide Defendant Rege with a limited power of authority ("POA") to their accounts at other financial institutions, including accounts held by Futures Commission Merchants that were used for trading commodity futures and commodity options. Using the limited POA, Defendant Rege logged into the accounts as himself or his spouse (i.e., rather than using the Account Holders' usernames and passwords) and executed trades, including trades in commodity interests.

37. In September 2019, after entry of the 2019 Order, BROKERAGE FIRM A terminated the limited POA on a joint account held by Defendant Rege and his spouse. Afterwards, many of the Account Holders transferred their accounts to BROKERAGE FIRM B, which allowed trading through a limited POA.

38. In October 2019, three months after the 2019 Order, Defendant Rege opened an account with BROKERAGE FIRM B in the name of his spouse, Relief Defendant Reema Rege.

39. In August 2020, Defendant Rege opened an account with BROKERAGE FIRM C in the name of his spouse, Relief Defendant Reema Rege. The account was funded in March 2021.

40. Following the closure of Defendant Rege's individual BROKERAGE FIRM A account and return of some funds at the request of certain Account Holders, Defendant Rege transferred the remaining Account Holder funds to accounts at BROKERAGE FIRM B and BROKERAGE FIRM C.

41. Some or all of these BROKERAGE FIRM B accounts, and others held by Account Holders, were “linked” to the account of Defendant Rege’s spouse, which allowed a user to access multiple accounts with a single user ID and password. In this manner, Defendant Rege used his spouse’s account to access and execute trades, including trades of commodity interests, in the Account Holders’ accounts.

42. In March 2021, Defendant Rege closed the BROKERAGE FIRM B account in the name of his spouse, Relief Defendant Reema Rege.

43. From April 2021 through September 2021, Defendant Rege accessed the BROKERAGE FIRM C account in the name of Relief Defendant Reema Rege to actively trade commodity interests, including E-mini S&P 500 and E-mini Nasdaq 100 futures and options, among other products. As such, Defendant Rege traded commodity interests on or subject to the rules of a CFTC-registered entity, including the Chicago Mercantile Exchange.

44. Defendants did not provide Account Holders with account statements referencing their trading of funds in commodity futures and commodity options.

Defendants Misappropriated Account Holders’ Funds

45. During the Relevant Period, Defendants failed to achieve sufficient profits from trading commodity futures and commodity options (or other trading) necessary to meet the fixed rates of returns promised to the Account Holders. As a result, Defendants used funds from certain Account Holders to pay back other Account Holders in a manner akin to a Ponzi scheme.

46. Defendants also misappropriated Account Holders’ funds for personal use and expenses.

B. Conclusions of Law

Jurisdiction and Venue

47. This Court possesses jurisdiction over this action pursuant to 28 U.S.C. § 1331 (codifying federal question jurisdiction) and 28 U.S.C. § 1345 (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), 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.

48. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e), because Defendants and Relief Defendant reside in this jurisdiction and the acts and practices in violation of the Act occurred within this District.

Fraud by Deceptive Device or Contrivance

49. By the conduct described in paragraphs 1 through 46 above, Defendants violated Section 6(c)(1) of the Act, 7 U.S.C. § 9(1), and Regulation 180.1(a)(1)–(3), 17 C.F.R. § 180.1(a)(1)–(3) (2021), by, among other things, in connection with swaps, contracts of sale of commodities in interstate commerce, or for future delivery, making or attempting to make untrue or misleading statements of material fact or omitting to state material facts necessary in order to make statements made not untrue or misleading, such as the following: (1) Account Holder funds would be used for investment purposes; (2) Account Holder funds would be invested, including in securities; (3) Account Holders would receive a fixed monthly, quarterly, or annual

return, in some cases as high as 40% to 60%; (4) Account Holders could redeem their funds immediately or on short notice; and (5) failing to disclose that Defendant Rege was barred from trading any commodity interests as a result of the 2019 Order. In addition, in their solicitation of prospective Account Holders, Defendants did not disclose that they intended to use Account Holders' funds to trade commodity futures and commodity options, to pay for personal expenses, or to pay returns to other Account Holders. Defendants intentionally or recklessly made these material misrepresentations and omissions to induce Account Holders to lend to or invest with them, and Account Holders relied upon these material misrepresentations and omissions in deciding to lend or invest.

50. During the Relevant Period, as described above, Defendants also violated 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a)(1)–(3) by, among other things, using funds solicited from Account Holders to trade commodity futures for personal benefit, including to pay for personal expenses and to pay returns to other Account Holders in a manner akin to a Ponzi scheme.

51. Defendants engaged in the acts and practices described above intentionally or recklessly.

52. Defendant Rege committed the acts, omissions, and/or failures alleged herein within the scope of his employment, agency, or office with Defendant SwapStar. Therefore, Defendant SwapStar is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2 (2021), as principal for Defendant Rege's acts, omissions, or failures as alleged herein.

53. Each act of: (1) using or employing, or attempting to use or employ, a manipulative device, scheme, or artifice to defraud; (2) making, or attempting to make, untrue or

misleading statements of material fact, or omitting to state material facts necessary to make the statements not untrue or misleading; and (3) engaging, or attempting to engage, in any act, practice, or course of business, which operated or would operate as a fraud or deceit upon any person, including but not limited to those specifically found herein, constitutes a separate and distinct violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a)(1)–(3).

54. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

Violation of 2019 Order

55. By the conduct described in paragraphs 1 through 46 above, Defendant Rege violated his 2019 Order, which required Defendant Rege to cease and desist from violating Section 6(c)(1) of the Act and Regulation 180.1(a)(1)–(3), and imposed other obligations on Defendant Rege as further described at paragraphs 21 through 24 above.

56. Following entry of the 2019 Order and during the Relevant Period, Defendant continued to trade on or subject to the rules of any registered entity, in violation of the cease and desist provisions of the 2019 Order.

57. Each violation of the 2019 Order, including but not limited to those specifically found herein, constitutes a separate and distinct violation of the 2019 Order.

58. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations.

Equitable Relief Against Relief Defendant

59. Relief Defendant Reema Rege received and possesses money or profits illegally obtained by Defendants, and is not legally entitled to and has no legitimate claim to those funds. Accordingly, Relief Defendant is ordered to pay disgorgement as set forth below.

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

60. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Defendants are permanently restrained, enjoined and prohibited from directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, intentionally or recklessly: (1) using or employing, or attempting to use or employ, any manipulative device, scheme or artifice to defraud, (2) making, or attempting to make, any untrue or misleading statement of material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading, 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), and Regulation 180.1(a)(1)–(3), 17 C.F.R. § 180.1(a)(1)–(3) (2021).

61. 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(40) of the Act, 7 U.S.C. § 1a(40));

- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2021), for their own personal account or for any account in which they have a direct or indirect interest;
- c. Having any commodity interests 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 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) (2021); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2021)), agent or any other officer or employee of any person (as that term is defined in 7 U.S.C. § 1a(38)), 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. DISGORGEMENT AND CIVIL MONETARY PENALTY

A. Disgorgement

62. Defendants and Relief Defendant shall pay, jointly and severally, disgorgement, that will be paid back to Account Holders, in the amount of four-million, eight-hundred ninety-four-thousand, two-hundred twenty-five dollars (\$4,894,225) and prejudgment interest in the

amount of one-hundred sixty-one thousand, three-hundred thirty-five dollars (\$161,335) (together, “Disgorgement Obligation”), representing the gains received in connection with such violations.² If the Disgorgement Obligation is not paid immediately, then post-judgment interest shall accrue on the Disgorgement 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.

63. To effect payment of the Disgorgement Obligation and the distribution of any disgorgement payments to Defendants’ Account Holders, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall receive disgorgement payments from Defendants and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA’s appointment as Monitor, other than actions involving fraud.

64. Defendants shall make Disgorgement Obligation payments, and any post-judgment interest payments, under this Consent Order to the Monitor in the name “REGE/SWAPSTAR CAPITAL–DISGORGEMENT Fund” and shall send such payments by electronic funds transfer, or by 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 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

² Relief Defendant Reema Rege’s Disgorgement Obligation shall be limited as set forth in Paragraph 71, below.

Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

65. The Monitor shall oversee the Disgorgement Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' Account Holders identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Disgorgement 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 Account Holders is impractical, the Monitor may, in its discretion, treat such disgorgement 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 Part V.B below.

66. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Defendants' Account Holders to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Disgorgement 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 Disgorgement Obligation.

67. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' Account Holders 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, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

68. The amounts payable to each Account Holder shall not limit the ability of any Account Holder 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 Account Holder that exist under state or common law.

69. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each Account Holder 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 disgorgement 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.

70. Defendants and Relief Defendant are parties to a related civil action styled as *SEC v Rege*, No. 3:21-cv-19313-ZNQ-TJB (D.N.J. filed Oct. 26, 2021) (the “SEC Action”). The SEC Action charges Defendants and Relief Defendant for conduct similar to that which is at issue in this matter. For payments made in satisfaction of disgorgement ordered in the SEC Action, Defendants and Relief Defendant shall receive dollar-for-dollar credit against the Disgorgement Obligation. Within ten days of any disgorgement payment in the SEC Action, Defendants and Relief Defendant shall, under a cover letter that identifies the name and docket number of this proceeding, and transmitted to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, NW, Washington, D.C. 20581, that identifies the sums so claimed.

71. Relief Defendant’s Disgorgement Obligation is limited to the entire balance in the accounts listed in Section I of the Final Judgment as to Relief Defendant Reema Rege in the SEC Action.

B. Civil Monetary Penalty

72. Defendants shall pay, jointly and severally, a civil monetary penalty in the amount of two-hundred thousand dollars (\$200,000) (“CMP Obligation”). If the CMP Obligation is not paid immediately, 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.

73. Defendants shall pay their 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:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
HQ Room 181
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
Tonia.King@faa.gov

If payment by electronic funds transfer is chosen, Defendants shall contact Tonia King 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, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

C. Provisions Related to Monetary Sanctions

74. Partial Satisfaction: Acceptance by the Commission of any partial payment of Defendants' or Relief Defendant's Disgorgement Obligation or CMP Obligation, as applicable, 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

75. Defendants and Relief Defendant 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. Defendants and Relief Defendant shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this action.

VI. MISCELLANEOUS PROVISIONS

76. 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 M. Sultan, Deputy Director
Commodity Futures Trading Commission
290 Broadway, 6th Floor
New York, NY 10007

Notice to Defendants and Relief Defendant:

John E. Jenkins
Lubiner, Schmidt & Palumbo
123 North Union Ave.
Cranford, NJ 07016

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

77. Change of Address/Phone: Until such time as Defendants and Relief Defendant satisfy in full their Disgorgement Obligation and CMP Obligation, as applicable, as set forth in this Consent Order, Defendants and Relief 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.

78. 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.

79. 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.

80. Waiver: The failure of any party to this Consent Order or of any client at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or client 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.

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

82. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants and Relief Defendant, 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 or Relief Defendant.

83. Authority: Defendant Swapnil Rege hereby warrants that he is the sole owner of Defendant SwapStar, and that this Consent Order has been duly authorized by Defendant SwapStar and he has been duly empowered to sign and submit this Consent Order on behalf of Defendant SwapStar.

84. 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.

85. Contempt: Defendants and Relief Defendant 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.

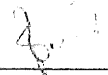
86. Agreements and Undertakings: Defendants and Relief Defendant shall comply with all of the undertakings and agreements set forth in this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Final Judgment and Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants Swapnil Rege, SwapStar Capital LLC and Relief Defendant Reema Rege* forthwith and without further notice.


IT IS SO ORDERED on this 15 day of SEPTEMBER, 2022.


UNITED STATES DISTRICT JUDGE

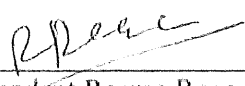
CONSENTED TO AND APPROVED BY:



Defendant Swapnil Rege
Date: 5/31/22



Defendant SwapStar Capital LLC
Date: 5/31/22

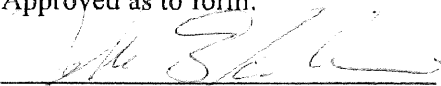


Relief Defendant Reema Rege
Date: 05/31/2022

Ptryk J. Chudy, Esq.
Benjamin J. Rankin, Esq.
Division of Enforcement
Commodity Futures Trading Commission
290 Broadway, 6th Floor
New York, New York 10007
(646) 746-9700
(646) 746-9938 (facsimile)
pchudy@cftc.gov
brankin@cftc.gov

Date: _____

Approved as to form:



John E. Jenkins, Esq.
Lubiner, Schmidt & Palumbo
123 North Union Ave.
Cranford, NJ 07016
Attorney for Defendants Swapnil Rege,
SwapStar Capital LLC and Relief Defendant Reema Rege

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Final Judgment and Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants Swapnil Rege, SwapStar Capital LLC and Relief Defendant Reema Rege* forthwith and without further notice.

IT IS SO ORDERED on this 15 day of SEPTEMBER, 2022.


UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

Defendant Swapnil Rege

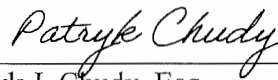
Date: _____

Defendant SwapStar Capital LLC

Date: _____

Relief Defendant Reema Rege

Date: _____



Patryk J. Chudy, Esq.
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Date: 7/28/2022

Approved as to form:

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123 North Union Ave.
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Attorney for Defendants Swapnil Rege,
SwapStar Capital LLC and Relief Defendant Reema Rege