

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

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Office of Proceedings  
Proceedings Clerk

**3:30 pm, Sep 26, 2022**

**In the Matter of:**

**Jason Gospodarek and  
Quantum Financial Network,  
LLC,**

**Respondents.**

**CFTC Docket No. 22-37**

**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 between July 2017 and January 2019 (“Relevant Period”), Jason Gospodarek (“Gospodarek”) and Quantum Financial Network, LLC (“Quantum Financial”) (together, “Respondents”) violated Section 4d(g) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 6d(g), and Gospodarek violated Section 4k(3) of the Act, 7 U.S.C. § 6k(3). 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.<sup>1</sup>

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<sup>1</sup> 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 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.

## II. FINDINGS

The Commission finds the following:

### A. Summary

During the Relevant Period, Quantum Financial acted as an Introducing Broker (“IB”) on behalf of two overseas, leveraged foreign currency and leveraged precious metals trading platforms, Trading Platform One and Trading Platform Two (collectively, “the Trading Platforms”). In so doing, Quantum Financial introduced eight commodity pools comprised of U.S. retail customers to the Trading Platforms. Quantum Financial was not registered with the Commission as an IB. Thus, Quantum Financial’s conduct violated Section 4d(g) of the Act, 7 U.S.C. § 6d(g). As the controlling person of Quantum Financial, Gospodarek is liable for Quantum Financial’s violations of Section 4d(g) pursuant to Section 13c(b) of the Act, 7 U.S.C. § 13c(b).

Further, during the Relevant Period, Gospodarek, without being registered with the Commission, acted as an associated person (“AP”) of a commodity trading advisor (“CTA”) to these same customers. Gospodarek thus violated Section 4k(3) of the Act, 7 U.S.C. § 6k(3).

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In accepting the Offer, the Commission recognizes Respondents’ substantial cooperation with the Commission’s Division of Enforcement. The Commission notes that Respondents’ substantial cooperation is reflected in the form of a substantially reduced civil monetary penalty.

### B. Respondents

**Jason Gospodarek** is a resident of Wisconsin. Gospodarek has never been registered with the Commission.

**Quantum Financial Network, LLC** is a company registered by Gospodarek in Wisconsin. Gospodarek is Quantum Financial’s principal and sole employee. Quantum Financial has never been registered with the Commission.

### C. Facts

During the Relevant Period, Quantum Financial introduced eight commodity pools, comprising more than 150 U.S. retail customers to the Trading Platforms for purposes of trading in forex and metals on a leveraged basis.<sup>2</sup> In soliciting and introducing for Trading Platform One, Quantum Financial had an arrangement under which as compensation for acting as an agent of the platform in introducing the pools, it was provided with a funded account with which to trade on the platform. Similarly, in soliciting and introducing for Trading Platform Two, Quantum Financial entered into an agreement to act as an agent to introduce the pools to the platform. Quantum Financial was compensated through a mark-up of each round-trip trade made on behalf of the pools. Under this latter arrangement, Quantum Financial received seven

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<sup>2</sup> Neither the pools nor any of the pool participants were eligible contract participants (“ECP”) within the meaning of Section 1a(18) of the Act, 7 U.S.C. § 1a(18). Additionally, there was no actual delivery of the forex or metals.

payments from Trading Platform Two during the Relevant Period totaling approximately \$185,789, approximately half of which Quantum Financial transferred to an individual and entity (collectively, “the CTA”) together acting as a CTA to the pools. During the Relevant Period, Gospodarek was Quantum Financial’s principal and sole employee, and controlled all of its activity.

Concurrent with this activity, Gospodarek as the CTA’s “forex expert” assisted the CTA who for compensation or profit, advised customers as to the value or advisability of trading in forex and leveraged precious metals including recommending to clients that the commodity pools were an appropriate investment and, once they were pool participants, that they should remain invested in the pools. Specifically, Gospodarek: (i) assisted the CTA in soliciting customers and in engaging in the business of advising customers as to the advisability of trading in forex and leveraged precious metals through Gospodarek’s webinar appearances, videos, and responding to individual customer questions; and (ii) identified and formulated manual and algorithmic forex and leveraged metals trading strategies that he promoted to customers through his webinar appearances, videos, and responses to individual customer questions on behalf of the CTA. In total, customers invested approximately \$2.7 million with the commodity pools.

### III. LEGAL DISCUSSION

The Act’s registration requirements for certain commodity professionals are the cornerstone of the regulatory framework enacted by Congress to protect the public. “Registration is the kingpin in . . . [the Commission’s] statutory machinery giving the Commission the information about participants in commodity trading which it so vitally requires to carry out its other statutory functions of monitoring and enforcing the Act.” *Flaxman v. CFTC*, 697 F.2d 782, 787 (7th Cir. 1983) (quoting *CFTC v. British Am. Commodity Options Corp.*, 560 F.2d 135, 139-40 (2d Cir. 1977)). Failure to register with the Commission is a serious offense, and not a mere technical violation of the Act. See *British Am. Commodity Options Corp.*, 560 F.2d at 139-40.

#### A. Respondents Violated Section 4d(g) of the Act

Section 4d(g) of the Act, 7 U.S.C. § 6d(g), makes it unlawful to act as an IB unless registered with the Commission.

Section 1a(31) of the Act, 7 U.S.C. § 1a(31), in relevant part defines an IB as any person “who—(I) is engaged in soliciting or in accepting orders for—. . . (bb) any agreement, contract, or transaction described in section 2(c)(2)(C)(i) or section 2(c)(2)(D)(i) [of the Act] . . . and (II) does not accept any money, securities, or property (or extend credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.”

Section 2(c)(2)(C)(i)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(i)(I), in relevant part, applies to any agreement, contract, or transaction, in foreign currency that is offered to, or entered into with, a person that is not an ECP “on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis,” subject to certain exceptions not applicable here. Section 2(c)(2)(D)(i) of the Act, 7 U.S.C. § 2(c)(2)(D)(i), applies to “any agreement, contract, or transaction in any commodity”

that is entered into with, or offered to (even if not entered into with), a non-ECP “on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis,” subject to certain exceptions not applicable here.

During the Relevant Period, without being registered as an IB, Quantum Financial acted as an IB by soliciting orders from the commodity pools for forex and leveraged precious metals transactions as defined by Sections 2(c)(2)(C)(i) and 2(c)(2)(D)(i) of the Act, respectively. Neither the pools or any of their participants were ECPs. Thus, Quantum Financial violated Section 4d(g) of the Act. During the Relevant Period, Gospodarek controlled Quantum Financial and did not act in good faith or knowingly induced directly, or indirectly, the acts constituting its violations. Thus, pursuant to Section 13c(b) of the Act, 7 U.S.C. § 13c(b), Gospodarek, as the controlling person of Quantum Financial, is liable for its violations of Section 4d(g).

### **B. Gospodarek Violated Section 4k(3) of the Act**

Section 4k(3) of the Act, 7 U.S.C. § 6k(3), states, in relevant part and with certain specified exceptions and exemptions not applicable here: “It shall be unlawful for any person to be associated with a commodity trading advisor as a partner, officer, employee, consultant, or agent (or any person occupying a similar status or performing similar functions), in any capacity which involves (i) the solicitation of a client’s or prospective client’s discretionary account . . . unless such person is registered with the Commission . . . .”

Commission Regulation (“Regulation”) 1.3, 17 C.F.R. § 1.3 (2022), in relevant part defines an AP of a CTA as any natural person who is associated with “A commodity trading advisor as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves: (i) The solicitation of a client’s or prospective client’s discretionary account . . . .”

During the Relevant Period, without being registered as an AP, Gospodarek acted as an AP of a CTA, when, acting as an agent of the CTA he solicited the pools to trade leveraged forex and leveraged precious metals in discretionary accounts. *See United States v. Aldridge*, 642 F.3d 537, 541 (7th Cir. 2011) (defining agency under the Restatement (Third) of Agency as “‘the fiduciary relationship that arises when one person (a ‘principal’) manifests assent to another person (an ‘agent’) that the agent shall act on the principal’s behalf and subject to the principal’s control, and the agent manifests assent or otherwise consents so to act.’”). None of the discretionary account customers was an ECP. Accordingly, Gospodarek violated Section 4k(3) of the Act.

#### **IV. FINDINGS OF VIOLATION**

Based on the foregoing, the Commission finds that, during the Relevant Period, Respondents violated Section 4d(g) of the Act, 7 U.S.C. § 6d(g), and that Gospodarek violated Section 4k(3) of the Act, 7 U.S.C. § 6k(3).

#### **V. OFFER OF SETTLEMENT**

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

- A. Acknowledge service of this Order;
- B. 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;
- C. Waive:
  - 1. The filing and service of a complaint and notice of hearing;
  - 2. A hearing;
  - 3. All post-hearing procedures;
  - 4. Judicial review by any court;
  - 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
  - 6. 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, relating to, or arising from, this proceeding;
  - 7. 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 proceeding; and
  - 8. 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;
- D. 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

- E. 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 Section 4d(g) of the Act, 7 U.S.C. § 6d(g);
  2. Makes findings by the Commission that Gospodarek violated Section 4k(3) of the Act, 7 U.S.C. § 6k(3);
  3. Orders Respondents to cease and desist from violating Section 4d(g) of the Act;
  4. Orders Gospodarek to cease and desist from violating Section 4k(3) of the Act;
  5. Orders Respondents to pay a civil monetary penalty in the amount of one hundred thousand dollars (\$100,000), plus any post-judgment interest within thirty days of the date of entry of this Order; and
  6. Orders Respondents 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 Section 4d(g) of the Act, 7 U.S.C. § 6d(g).
- B. Gospodarek shall cease and desist from violating Section 4k(3) of the Act, 7 U.S.C. § 6k(3).
- C. Respondents shall pay, jointly and severally, a civil monetary penalty in the amount of one hundred thousand dollars (\$100,000) ("CMP Obligation"), within thirty days of the date of the entry of this Order. If the CMP Obligation is not paid in full within thirty days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of 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, 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 facsimile  
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic funds transfer, Respondents shall contact Tonia King or her successor at the above 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 the 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, D.C. 20581, and to Harry E. Wedewer, Three Lafayette Centre, Commodity Futures Trading Commission, 1155 21st Street, N.W., Washington, D.C. 20581.

D. Respondents 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 agents or employees under their 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': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents 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.
2. Disgorgement: Respondents agree to pay, jointly and severally, disgorgement in the amount of ninety-two thousand eight hundred ninety four dollars and eighty-five cents (\$92,894.85) ("Disgorgement Obligation"), representing gains received in connection with violations of Section 4d(g) of the Act, within thirty days of the date of the entry of this Order. If the Disgorgement Obligation is not paid in full within thirty days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the Disgorgement 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.

To effect payment by Respondents of the Disgorgement Obligation and the distribution of disgorgement to Respondents' clients, the Commission appoints the National Futures Association as "Monitor." The Monitor shall receive payments of the Disgorgement 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 the Disgorgement Obligation and any post-judgment interest under this Order in the name of the “Quantum Financial Settlement 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 Respondents and the name and docket number of this proceeding. The paying 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, D.C. 20581.

The Monitor shall oversee Respondents’ Disgorgement Obligation and shall have the discretion to determine the manner of distribution of funds in an equitable fashion to the Respondents’ clients or may defer distribution until such time as the Monitor may deem appropriate. In the event that the amount of payments of the Disgorgement Obligation to the Monitor are of a de minimis nature such that the Monitor determines that the administrative cost of making a disgorgement distribution 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. To the extent any funds accrue to the U.S. Treasury for satisfaction of Respondents’ Disgorgement Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in this Order.

Any amounts paid by Respondents toward the Total Monetary Obligation shall first be paid in satisfaction of the Disgorgement Obligation.

3. Cooperation with the Monitor: Respondents shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Respondents’ clients, whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any disgorgement 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 Disgorgement Obligation.
4. Cooperation with the Commission: Respondents shall cooperate fully and truthfully with the Commission, including the Division of Enforcement (“Division”), in this action and in any current or future Commission investigation or action related thereto. As part of such cooperation, Respondents agree to:
  - a. preserve and produce to the Commission in a responsive and prompt manner, as requested by Division staff, all relevant non-privileged



documents, information, and other materials wherever located, in the appropriate possession, custody, or control of Respondents;

b. utilize their knowledge and skill to explain transactions, interpret information and terminology, or identify new and productive lines of inquiry;

c. prepare and appear for interviews and testimony at such times and places as requested by Division staff;

d. respond completely and truthfully to all inquiries and interviews, when requested to do so by Division staff;

e. identify and authenticate relevant documents and other evidentiary materials, execute affidavits and/or declarations, and testify completely and truthfully at depositions, trial, and other judicial proceedings, when requested to do so by Division staff;

f. enter into tolling agreements, when requested to do so by Division staff, during the period of cooperation;

g. waive any defense based on the statute of limitations applicable to any charges brought in connection with any proceedings;

h. consent to procedural matters, when requested to do so by Division staff, in connection with the Proceedings;

i. accept service by mail, electronic mail, or facsimile transmission of notices or subpoenas for documents and/or testimony;

j. waive the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules in connection with requests or subpoenas of Division staff; and

k. serve by hand delivery or by next-day mail all written notices and correspondence required by or related to Respondents' cooperation to the Director of the Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, unless otherwise directed in writing by Division staff.

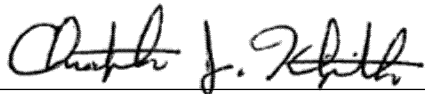
5. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission of any partial payment of Respondents' CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

6. Change of Address/Phone: Until such time as Respondents satisfy in full their CMP and Disgorgement Obligations 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 ten calendar days of the change.
7. Until such time as Respondents satisfy in full their CMP Obligation, and Disgorgement Obligation upon the commencement by or against either Respondent of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Respondents' debts, all notices to creditors 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 N.W.  
Washington, D.C. 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: September 26, 2022