

# **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF FLORIDA**

	:	
	:	
COMMODITY FUTURES TRADING	:	
COMMISSION,	:	
Plaintiff,	:	Civil Action No. 6:20-cv-01657-CEM-
	:	GGK
v.	:	
	:	Hon. Judge Carlos E. Mendoza
	:	
HIGHRISE ADVANTAGE, LLC, BULL RUN	:	
ADVANTAGE, LLC, GREEN KNIGHT	:	
INVESTMENTS, LLC, KING ROYALTY LLC,	:	
SR&B INVESTMENT ENTERPRISES, INC.,	:	
AVINASH SINGH, RANDY ROSSEAU,	:	
DANIEL COLOGERO, HEMRAJ SINGH, and	:	
SURUJPAUL SAHDEO	:	
Defendants.	:	

**CONSENT ORDER FOR PERMANENT INJUNCTION CIVIL MONETARY PENALTY  
AND OTHER EQUITABLE RELIEF  
AGAINST DEFENDANTS DANIEL COLOGERO and GREEN KNIGHT  
INVESTMENTS, LLC**

**I. INTRODUCTION**

On September 9, 2020, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint (ECF No. 1) against Defendants Highrise Advantage, LLC, Bull Run Advantage, LLC, Green Knight Investments, LLC (“Green Knight”), King Royalty LLC, SR&B Investment Enterprises, Inc., Avinash Singh, Randy Rosseau, Daniel Cologero (“Cologero”), Hemraj Singh, and Surujpaul Sahdeo, 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 (2022). The Court entered a statutory restraining order against Defendants on September 16, 2020. (ECF No. 45). On September 30, 2020, the

Court Issued an Order of Preliminary Injunction and Other Relief against Defendants (“PI Order”). (ECF No. 73). The PI Order froze the assets of individual Defendant Avinash Singh and all five Corporate Defendants, including Green Knight, prohibited further violations of the Act and the Regulations, ordered an accounting of assets, permitted CFTC access to all of Defendants’ books and records, and prohibited the destruction of documents. On February 1, 2021, the Commission filed an Amended Complaint. (ECF No. 98). Green Knight and Cologero answered on February 17, 2021. (ECF No. 103).

## **II. CONSENTS AND AGREEMENTS**

To effect settlement of all charges alleged in the Amended Complaint against Defendants Green Knight and Cologero without a trial on the merits or any further judicial proceedings, Defendants Green Knight and Cologero:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Green Knight and Cologero (“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 Amended 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 Section 6c(e) of the Act, 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 (2022), 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, §§ 201–253, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this 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 Consent Order;
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 Green Knight and Cologero now or in the future reside outside the jurisdiction of this Court;
9. Agree that 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 waive 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 Amended Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Amended 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 legal positions in other proceedings to which the Commission is not a party. Defendants Green Knight and Cologero shall comply with this agreement, and shall undertake all steps necessary to ensure that all of their agents 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 Amended 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; and
14. 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 Defendants Green Knight and Cologero 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 findings and conclusions in this Consent Order are not binding on any other party to this action.

#### THE PARTIES AGREE AND THE COURT HEREBY FINDS:

##### A. Findings of Fact

###### i. The Parties to this Consent Order

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

16. Defendant **Green Knight Investments, LLC (“Green Knight”)** is a Florida limited liability company with its business address in Kissimmee, Florida. Green Knight’s articles of organization were filed with the State of Florida on August 11, 2016. Green Knight has never been registered with the Commission in any capacity.

17. Defendant **Daniel Cologero (“Cologero”)** is the registered agent, manager, owner and operator of Green Knight. Cologero is a resident of Kissimmee, Florida. He solicited and accepted funds from pool participants for participation in the Green Knight Pool and transferred the majority of those funds to Highrise. He is a signatory on Green Knight’s bank accounts. Cologero has never been registered with the Commission in any capacity.

**ii. Summary**

18. Green Knight operated a feeder pool that accepted pool participant funds in its own name for subsequent direction to a “master pool” (hereinafter “Master Pool”). The Master Pool was comprised of Green Knight funds, along with other pool participant funds and commingled the pool participant funds with other non-pool participant funds. A portion of the participant funds deposited into the Master Pool were subsequently transferred into retail foreign currency (“forex”) trading accounts carried under the Master Pool’s own name. Defendant Cologero was the sole operator of the feeder pool Green Knight. Cologero opened six financial accounts in Green Knight’s name at five banks and one payment processor financial institutions and is a signatory on each of these accounts. He controlled all the Green Knight bank accounts, solicited its pool participants, and, through Green Knight, issued monthly statements to them.
19. By at least August 2016, Cologero began marketing Green Knight as a private investment club to prospective participants for the purpose of trading forex. He instructed pool participants to sign contracts with Green Knight that were entitled “Terms and Conditions” document. This contract provided that Green Knight Pool participant funds would be “traded on FOREX only.”
20. Cologero told prospective Green Knight pool participants that they could expect to receive 2-5% profits per month.
21. At least two Green Knight Pool participants stated that the forex trading of their funds would only be done by Cologero.
22. The contract provided to Green Knight Pool participants did not disclose that the operator of the Master Pool took 50% of the purported profits before Green Knight took its 25% fee.

23. By at least September 2016, Green Knight began to transfer funds from the Green Knight Pool to the Master Pool for investment in forex contracts.
24. The operator of the Master Pool issued monthly account statements (“Monthly Statements”) to Green Knight via email. The Monthly Statements provided participants in the Master Pool (including Green Knight) with their respective account information, including opening balance, profit, deposit, withdrawal, and account balance. The Monthly Statements did not disclose the Master Pool’s trading activity, profits or losses, or net balances, and also did not identify the participant’s respective participation units in the Master Pool. The Monthly Statements from the Master Pool misrepresented the profits and balances of the Green Knight Pool’s interest in the Master Pool.
25. In turn, Green Knight issued monthly account statements to its pool participants that were based, in part, upon the information contained in the Monthly Statements from the Master Pool, thereby causing the forex trading activity and the profits and balances of the Green Knight Pool participants’ respective interests in the Green Knight Pool to be misrepresented.
26. During the period from at least February 2013 to the filing of the Complaint, the operator of the Master Pool solicited and accepted \$57,901,423 from individual pool participants and from feeder pools such as Green Knight. Of the more than \$57.9 million the Master Pool received from pool participants, including Green Knight Pool participants, the Master Pool used only a combined amount of less than \$2.4 million for forex trading.
27. Commencing in at least February 2017, Cologero began issuing a newsletter to Green Knight’s pool participants. The newsletters were based, in part, on information provided by the Master Pool that falsely claimed that Green Knight was making consistent profits



and continued issuing this newsletter through at least December 2017. Among the false statements made in the Green Knight newsletters:

- a. “From September 2016 through January 31<sup>st</sup>, 2017, ALL Green Knight accounts have grown by over 26 percent;”
- b. “[M]onthly returns have been averaging between 3-5% of account balance;”
- c. “[F]rom January 1<sup>st</sup> through June 30<sup>th</sup>, 2017, ALL Green Knight accounts have grown by over 36%!”;
- d. Green Knight’s “customers made over an 86% return through the course of the year!”;
- e. Green Knight’s “average monthly return was over 5%;” and
- f. Green Knight had experienced growth in 2017 of 4.25% to 6.16% per month for a total 2017 ROI of 86.74.

28. Between August 2016 and the filing of the Complaint, Green Knight received at least \$2,353,060 in funds from at least 62 Green Knight Pool participants and transferred at least that same amount to the Master Pool. The Master Pool transferred some funds back to Green Knight between February 2019 and the filing of the Complaint.

29. None of Green Knight’s pool participants were eligible contract participants (“ECPs”) under Section 1a(18)(A)(xi) of the Act, 7 U.S.C. § 1a(18)(A)(xi).

### **iii. Failure to Register**

30. During the Relevant Period, Green Knight acted as a commodity pool operator (“CPO”) for the Green Knight pool, in that it solicited and accepted funds from non-ECP pool participants for the purpose of pooling the funds in a commodity pool engaged in trading forex. Green Knight pooled its pool participant funds and sent more than \$2.3 million of the pooled funds to the Master Pool to trade forex. Thus, Green Knight acted as a CPO.

31. At no time did Green Knight register as a CPO with the Commission.

32. Likewise, Cologero did not register with the Commission as an associated person (“AP”) of Green Knight in its capacity as a CPO.

**iii. Failure to Comply with Regulations Relating to Pool Organizations and Operation**

33. Green Knight, while acting as a CPO of its pool, failed to operate the pool as a legal entity separate from the CPO. In addition, Green Knight failed to provide to prospective or current pool participants, pool disclosure documents containing information required by Regulation 4.21, 17 C.F.R. § 4.21 (2022).

**B. Conclusions of Law**

**i. Jurisdiction and Venue**

34. This Court has jurisdiction over this action under 28 U.S.C. § 1331 (federal question jurisdiction) and 28 U.S.C. § 1345 (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), authorizes the Commission to seek injunctive relief in any proper district court of the United States against any person whenever it shall appear to the Commission that such 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.

35. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e), because Defendants are found in and inhabit the Middle District of Florida, have transacted business in this District, and the acts and practices in violation of the Act and Regulations occurred, within this District.

**ii. Fraud by a Commodity Pool Operator**

36. Section 1a(11) of the Act, 7 U.S.C. §1a(11), in relevant part, defines a CPO as any person engaged in a business that is of the nature of a commodity pool, investment trust, syndicate or similar form of enterprise and who in connection therewith, solicits, accepts or receives from others funds, securities or property either directly or through capital contributions, the sale of stock or other forms of securities or otherwise for the purpose of trading in commodity interests. With regard to retail forex transactions, Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2022), defines a CPO for purposes of 17 C.F.R. part 5 as “any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an ECP as defined in 7 U.S.C. § 1a(18), and that engages in retail forex transactions.”
37. During the period from at least August 2016 to September 2020, Green Knight acted as a CPO for the Green Knight Pool within the meaning of 7 U.S.C. § 1a(11) and 17 C.F.R. § 5.1(d)(1), and solicited and accepted funds, using instrumentalities of interstate commerce, for a pooled investment vehicle from non-ECPs for the purpose of engaging in retail forex transactions.
38. Section 4o(1)(B) of the Act, U.S.C. § 6o(1)(B), in relevant part, makes it unlawful for CPOs, whether registered with the Commission or not, by use of the mails or any other means of interstate commerce, directly or indirectly, to engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any client or pool participant. 7 U.S.C. § 6o(1)(B) applies to the retail forex transactions, agreements or contracts, and accounts and pooled investment vehicles therein, offered by Green Knight, pursuant to Section 2(c)(2)(C)(ii)(I) and (vii) of the Act, 7 U.S.C. § 2(c)(2)(C)(ii)(I), (vii).

39. Due, in part, to false information provided by the Master Pool, Green Knight violated 7 U.S.C. § 6o(1)(B) in that it engaged in transactions, practices or a course of business which operated as a fraud or deceit upon commodity pool participants by: (1) representing that all of the funds deposited with Green Knight were being traded in forex, which was not true; and (2) issuing monthly statements to individual pool participants that deposited funds directly with Green Knight that contained false information about the profits and balances of each individual pool participant's interests in Green Knight and the Master Pool.
40. Each act of misrepresentation of material fact, and issuance of false statements constitutes a separate and distinct violation of 7 U.S.C. § 6o(1)(B).
41. Cologero held and exercised direct and indirect control over Green Knight and either did not act in good faith or knowingly induced Green Knight's violations and is therefore liable, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), for Green Knight's violations of 7 U.S.C. § 6o(1)(B).

**iii. Fraud by Associated Persons of a Commodity Pool Operator**

42. Beginning at least in August 2016, Cologero acted as an AP of a CPO for the Green Knight Pool by soliciting individuals to become pool participants in regard to a business that is of the nature of an investment trust, syndicate, or similar form of enterprise, for the purpose of trading commodity interests.
43. Beginning at least in August 2016, Cologero engaged in conduct that operated as a fraud or deceit upon prospective and existing pool participants in violation of 7 U.S.C. § 6o(1)(B) by: (1) representing that all of the funds deposited with Green Knight were being traded in forex, which was not true; and (2) issuing Monthly Statements to individual pool participants that deposited funds directly with Green Knight with false information about

the profits and balances of the individual pool participant's respective interests in Green Knight and Highrise.

44. Cologero was acting as an agent of Green Knight when he violated the Act and, therefore, Green Knight, as his principal, is liable for his acts, omissions and failures in violation of 7 U.S.C. § 6o(1)(B) pursuant to 7 U.S.C. § 2(a)(1)(B) and Regulation 1.2, 17 C.F.R. § 1.2 (2022).
45. Cologero used or is using the mails, telephone services, or other instrumentalities of interstate commerce to engage in business in connection with retail forex transactions.
46. 7 U.S.C. § 6o(1)(B) applies to the retail forex transactions, agreements or contracts, and accounts and pooled investment vehicles therein, offered by, Cologero, pursuant to 7 U.S.C. § 2(c)(2)(C)(ii)(I) and (vii).
47. Each misrepresentation or omission of material fact, issuance of a false statement or report, constitutes a separate and distinct violation of 7 U.S.C. § 6o(1)(B).

**iv. Failure to Register as a Commodity Pool Operator**

48. With certain specified exceptions and exemptions not applicable here, Section 4m(1) of the Act, 7 U.S.C. § 6m(1), makes it unlawful for any CPO to make use of the mails or any means or instrumentality of interstate commerce in connection with its business unless it is registered with the CFTC. Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc), also makes it unlawful for a CPO to operate a pooled investment in foreign currency whose participants are not ECPs without registration.
49. Similarly, Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2022), makes it unlawful for any CPO, as defined in Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2022), to be engaged in retail forex transactions without being so registered. 17 C.F.R. § 5.1(d)(1) defines a CPO

as “any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an eligible contract participant as defined in 7 U.S.C. § 1a(18), and that engages in retail forex transactions.”

50. During the period from August 2016 until September 2020, Green Knight acted as CPO for the Green Knight Pool, within the meaning of Section 1a(11) of the Act, 7 U.S.C. § 1a(11), and 17 C.F.R. § 5.1(d)(1), and solicited and accepted funds, using instrumentalities of interstate commerce, for a pooled investment vehicle from non-ECPs for the purpose of engaging in retail forex transactions while failing to register as a CPO in violation of 7 U.S.C. § 6m(1).

51. Green Knight violated 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i) by engaging in these activities without having registered as a CPO.

52. Cologero held and exercised direct and indirect control over Green Knight and either did not act in good faith or knowingly induced Green Knight’s violations and is therefore liable, pursuant to 7 U.S.C. § 13c(b), for Green Knight’s violations of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i).

53. Each use by Green Knight of the mails or any means or instrumentality of interstate commerce in connection with its business as a CPO without proper registration constitutes a separate and distinct violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and 17 C.F.R. § 5.3(a)(2)(i).

**v. Failure to Register as AP of a Commodity Pool Operator and allowing Unregistered AP to Remain Associated with a CPO**

54. With certain exemptions and exclusions not applicable here, it is unlawful for a person to be associated with a CPO as a partner, officer, employee, consultant, or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the

solicitation of funds, securities, or property for participation in a retail forex pool unless registered with the Commission as an AP of the CPO pursuant to Section 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulation 5.3(a)((2)(ii), 17 C.F.R. § 5.3(a)(2)(ii) (2022).

55. 7 U.S.C. § 6k(2) also makes it unlawful for a CPO to permit such a person to become or remain associated with the CPO in any such capacity if the CPO knew or should have known that the person was not registered as an AP.

56. Regulation 3.12, 17 C.F.R. § 3.12 (2022), prohibits any person from being associated with a CPO as an AP unless that person shall have registered with the CFTC as an AP of that sponsoring CPO.

57. Cologero violated 7 U.S.C. § 6k(2) and 17 C.F.R. §§ 3.12 and 5.3(a)(2)(ii), in that he acted as an AP of Green Knight without the benefit of registration as an AP of a CPO;

58. Green Knight violated 7 U.S.C. § 6k(2) in that, acting as a CPO, it allowed Cologero to act as its AP when it knew or should have known that Cologero was not registered as an AP.

59. Each act by Cologero of soliciting funds, securities, or property for participation in a retail forex pool while being associated with Green Knight as a partner, officer, employee, consultant, or agent without being registered as an AP of a CPO, and each act by Green Knight of allowing Cologero to be associated with it in such a capacity when Green Knight should have known Cologero was not registered as an AP, constitutes a separate and distinct violation of 7 U.S.C. § 6k(2) and 17 C.F.R. §§ 3.12 and 5.3(a)(2)(ii).

**vi. Failure to Operate Commodity Pool As a Separate Legal Entity**

60. Regulation 5.4, 17 C.F.R. § 5.4 (2022), states that Part 4 of the CFTC's Regulations, 17 C.F.R. pt. 4 (2022), applies to any person required to register as a CPO pursuant to Part 5 of the CFTC's Regulations relating to forex transactions, 17 C.F.R. pt. 5 (2022).

61. Regulation 4.20(a)(1), 17 C.F.R. § 4.20(a)(1) (2022), requires a CPO to operate its commodity pool as an entity cognizable as a legal entity separate from that of the pool operator, with certain specified exceptions not applicable here.
62. Regulation § 4.20(b), 17 C.F.R. § 4.20(b) (2022), requires that all funds, securities, or other property received by a CPO from a prospective or existing pool participant must be received in the commodity pool's name.
63. By accepting or depositing pool funds in bank accounts held in the name of Green Knight and not into a separate legal entity, Green Knight failed to operate its pool as a legal entity separate from itself as pool operator, in violation of 17 C.F.R. § 4.20(a)(1) and (b).
64. From at least August 2016 to the time of filing of the Commission's Complaint, Green Knight while acting as CPO, violated 17 C.F.R. § 4.20(a)(1) and (b) by failing to operate its retail forex pool as a legal entity separate from itself.
65. Defendant Cologero controls Green Knight, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, Green Knight's, conduct alleged in this Count. Therefore, pursuant to 7 U.S.C. § 13c(b), Cologero is liable for Green Knight's violations of 17 C.F.R. § 4.2(a)(1) and (b).
66. Each instance of accepting funds in the name of the Green Knight and not into a separate legal entity, from at least August 2016 through the filing of the Complaint, constitutes a separate and distinct violation of 17 C.F.R. § 4.20(a)(1) and (b).

**vii. Failure to Provide Pool Disclosures**

67. Regulation 4.21(a)(1), 17 C.F.R. § 4.21(a)(1) (2022), provides that "each commodity pool operator registered or required to be registered under the Act must deliver or cause to be delivered to a prospective participant in a pool that it operates or intends to operate a



Disclosure Document for the pool prepared in accordance with §§ 4.24 and 4.25 by no later than the time it delivers to the prospective participant a subscription agreement for the pool . . . .”

68. Defendant Green Knight failed to provide prospective pool participants with pool disclosure documents in the form specified in Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24, 4.25 (2022). By reason of the foregoing, Green Knight violated 17 C.F.R. § 4.21.

69. Defendant Cologero controls, directly or indirectly, Green Knight and did not act in good faith or knowingly induced, directly or indirectly, Green Knight’s, conduct alleged in this Count. Therefore, pursuant to 7 U.S.C. § 13c(b), Cologero is liable for Green Knight’s violations of 17 C.F.R. § 4.21.

70. Each failure to furnish the required disclosure documents to prospective pool participants and pool participants constitutes a separate and distinct violation of 17 C.F.R. § 4.21.

71. 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.

#### **IV. PERMANENT INJUNCTION**

##### **IT IS HEREBY ORDERED THAT:**

72. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Defendants Green Knight and Cologero are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Engaging in transactions, practices or courses of business which operate as a fraud or deceit upon commodity pool participants in violation of Section 4o(1)(B) of the Act, 7 U.S.C. § 6o(1)(B);

- b. With respect to Cologero, being associated with a CPO as a partner, officer, employee, consultant, or agent, or a person occupying a similar status or performing similar functions, in any capacity that involves the solicitation of funds, securities, or property for participation in a retail forex pool without being registered with the Commission as an AP of the CPO; and with respect to Green Knight with permitting such a person from becoming or remaining associated with the CPO in any such capacity if Green Knight knew or should have known that the person was not registered as an AP, in violation of 4k(2) of the Act, 7 U.S.C. § 6k(2), and Regulations 3.12 and 5.3(a)(2)(ii) 17 C.F.R. §§ 3.12, 5.3(a)(2)(ii) (2022);
- c. Failing to operate a commodity pool as an entity cognizable as a legal entity separate from that of the pool operator, in violation of Regulation 4.20(a)(i), 17 C.F.R. § 4.20(a)(1) (2022);
- d. Failing to require that all funds, securities, or other property received by a CPO from a prospective or existing pool participant be received in the commodity pool's name., in violation of Regulation 4.20(b), 17 C.F.R. § 4.20(b) (2022); and
- e. Failing to provide prospective pool participants with pool disclosure documents in the form specified in Regulations 4.24 and 4.25, 17 C.F.R. §§ 4.24, 4.25 (2022), in violation of Regulation 4.21; 17 C.F.R. § 4.21 (2022).

73. Defendant Green Knight is permanently restrained, enjoined and prohibited from engaging in retail forex transactions without being registered as a CPO, in violation of Sections

2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc) and 6m(1) and Regulation 5.3(a)(2)(i), 17C.F.R. § 5.3(a)(2)(i) (2022).

74. Defendants Green Knight and Cologero 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)); and
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2022), 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 of any commodity interests;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring 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) (2022); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2022)), agent, or any other officer or employee of any person 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. RESTITUTION AND CIVIL MONETARY PENALTY**

### **A. Restitution**

75. Defendants Green Knight and Cologero shall pay, jointly and severally, restitution in the amount of One-hundred seventy-five three-hundred and seventy-eight dollars (\$175,378) (“Restitution Obligation”). This amount will be reduced by any disbursements to Defendants’ pool participants from funds frozen pursuant to the PI Order in this case. If the Restitution Obligation is not paid immediately in full post-judgment interest shall accrue on the unpaid balance 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.
76. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants’ pool participants, the Court appoints the National Futures Association (“NFA”) as Monitor (“Monitor”). The Monitor shall receive restitution 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.
77. Defendants shall make Restitution Obligation payments, and any post-judgment interest payments, under this Consent Order to the Monitor in the name “Defendants Green Knight and Cologero Settlement/Restitution 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 Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

78. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants' pool participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution 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 pool participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part B below.

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

80. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' pool participants 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.

81. The amounts payable to each pool participant shall not limit the ability of any pool participant 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 pool participant that exist under state or common law.
82. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each pool participant 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 restitution 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.
83. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants' Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

**B. Civil Monetary Penalty**

84. Defendants shall pay, jointly and severally, a civil monetary penalty in the amount of Five-hundred thousand dollars \$500,000 ("CMP Obligation"). If the CMP Obligation is not paid in full immediately, then post-judgment interest shall accrue on the unpaid portion of 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.

85. 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  
6500 S. MacArthur Blvd.  
HQ Room 266  
Oklahoma City, OK 73169  
9-amz-ar-cftc@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**

86. Partial Satisfaction: Acceptance by the Commission or the Monitor of any partial payment of Defendants' Restitution Obligation, or CMP Obligation 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.

87. Asset Freeze: On September 16, 2020, the court entered an asset freeze order prohibiting the transfer, removal, dissipation and disposal of Defendant Green Knight's assets ("Asset Freeze Order"). The court hereby lifts the Asset Freeze Order as to Green Knight's assets.

**D. Cooperation**

88. Defendants Green Knight and Cologero shall cooperate fully and expeditiously with the CFTC including the CFTC's Division of Enforcement, and any other governmental agency in this action, and in any current or future Commission investigation or action related thereto. As part of such cooperation, Defendants Green Knight and Cologero shall comply, to the full extent of their abilities, promptly and truthfully with any inquiries or requests for information including but not limited to, requests for production of documents and authentication of documents, shall provide assistance at any trial, proceeding, or investigation related to the subject matter of this action, including but not limited to, requests for testimony, depositions, and/or interviews. Should the CFTC file any additional action(s) related to the subject matter of this action, Defendants Green Knight and Cologero are directed to appear in the judicial district in which such action(s) is pending, or in a suitable judicial district agreed to by the parties, to provide deposition testimony and trial testimony should such testimony be necessary.

**VI. MISCELLANEOUS PROVISIONS**

89. Until such time as Defendants satisfy in full their CMP and Restitution obligations under this Consent Order, upon the commencement by or against Defendants of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Defendants' 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  
Legal Division  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street N.W.  
Washington, DC 20581

90. 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:

Robert Howell  
Deputy Director, Division of Enforcement  
Commodity Futures Trading Commission  
77 W. Jackson Blvd., Suite 800  
Chicago, IL 60604

Notice to Defendants Green Knight and Cologero:

Matt Mueller  
Fogerty Mueller Harris, PLLC  
501 E. Kennedy Blvd., Suite 790  
Tampa, FL 33602

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

91. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants 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.

92. 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.

93. **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.
94. **Waiver:** The failure of any party to this Consent Order or of any pool participant at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or pool participant 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.
95. **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 Green Knight or Cologero to modify or for relief from the terms of this Consent Order.
96. **Injunctive and Equitable Relief Provisions:** The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants Green Knight and Cologero, 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 Green Knight and Cologero.

97. Authority: Cologero hereby warrants that he is the manager of Green Knight, and that this Consent Order has been duly authorized by Green Knight and he has been duly empowered to sign and submit this Consent Order on behalf of Green Knight.

98. 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.

99. Defendants Green Knight and Cologero understand that the terms of the Consent Order, except with respect to restitution or the civil monetary penalty, are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.


100. Agreements and Undertakings: Defendants Green Knight and Cologero 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 *Consent Order For Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants Green Knight LLC, Inc. and Daniel Cologero* forthwith and without further notice.

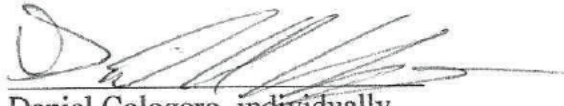
**IT IS SO ORDERED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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**Honorable Judge Carlos E. Mendoza**  
**UNITED STATES DISTRICT JUDGE**

By: ~~GREEN KNIGHT INVESTMENTS, LLC~~  
  
Daniel Cologero  
President

Date: 4/24/2023

By:   
Daniel Cologero, individually

Date: 4/24/2023

Approved as to form: 

Matt Mueller  
Fogerty Mueller Harris, PLLC  
100 E. Madison Street, Suite 202  
Tampa, FL 33602  
(813) 682-1730 (phone)  
(813) 682-1731 (fax)  
[matt@fmhlegal.com](mailto:matt@fmhlegal.com)

Date: 4/24/2023

CONSENTED TO AND APPROVED BY:

By: /s/ Susan B. Padove

Susan B. Padove  
Senior Trial Attorney  
Commodity Futures Trading Commission  
77 West Jackson,  
Chicago, IL 60604  
Tel. (312) 596-0700  
Fac. (312) 596-0714  
spadove@cftc.gov

Date: 6/23/2023