

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION**

COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

BLUPRINT LLC,

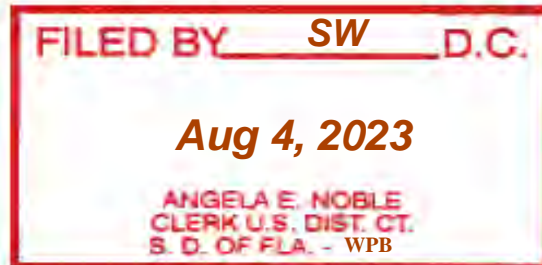
Defendant

and

KALPANA PATEL,

Relief Defendant.

Case No. 22-cv-80092-MATTHEWMAN



**CONSENT ORDER FOR EQUITABLE RELIEF AGAINST DEFENDANT BLUPRINT  
LLC**

**I. INTRODUCTION**

On January 18, 2022, Plaintiff Commodity Futures Trading Commission (“CFTC”) filed a Complaint [DE 1] against Rajiv Patel (“Patel”) (deceased) and Defendant Blueprint LLC (“Blueprint” or “Defendant”) alleging that between at least June 2019 and continuing through January 21, 2022, Patel and his Florida limited liability company, Blueprint, engaged in a fraudulent scheme to solicit and misappropriate money invested with Defendant Blueprint and Patel for the purpose of trading commodity futures and securities in a commodity pool. The Complaint sought 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 CFTC’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. pts. 1–190 (2021). The Court entered an *ex parte* statutory restraining order against Patel and Blueprint on January 20, 2022. [DE 11]. On February 17, 2022, the Court entered a preliminary injunction continuing to freeze Patel’s and

Blueprint's assets. [DE 41]. On March 29, 2022, the Court appointed as receiver ("Receiver") Melanie E. Damian, Damian and Valori LLP, 1000 Brickell Avenue, Suite 1020, Miami, Florida. *See* Order Appointing Receiver [DE 50]. Among other duties and powers, the Court authorized the Receiver to marshal, preserve, account for, and liquidate the assets of Patel and Blueprint for the purpose of distributing the proceeds to Blueprint pool participants. After the Complaint was filed, Patel died, and in light of his death, the CFTC voluntarily dismissed him from the litigation. [DE 80]. On November 3, 2022, the CFTC filed an Amended Complaint joining Relief Defendant Kalpana Patel and amending factual allegations. [DE 84].

## II. CONSENTS AND AGREEMENTS

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

1. Consents to the entry of this Consent Order for Equitable Relief Against Defendant Blueprint ("Consent Order");
2. Affirms that it has read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the CFTC or any member, officer, agent, or representative thereof, or by any other person, to induce consent to this Consent Order;
3. Acknowledges service of the summons and Amended Complaint;
4. Admits the jurisdiction of this Court over it and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;
5. Admits the jurisdiction of the CFTC over the conduct and transactions at issue in this action pursuant to the Act;
6. Admits that venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e);
7. Waives:

- a) Any and all claims that it 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 CFTC 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 it 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 action;

8. Acknowledges for purposes of the waiver of any and all rights under the Equal Access to Justice Act and the Small Business Regulatory Enforcement Fairness Act of 1996 specified in paragraph 7, that the Commission is the prevailing party in this action;

9. Consents to the continued jurisdiction of this Court over it for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action;

10. Agrees that it 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;

11. Agrees that neither it nor any of its agents or employees under its 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 its: (a) testimonial obligations, or (b) right to take legal positions in other proceedings

to which the CFTC is not a party. Defendant Blueprint shall comply with this agreement, and shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement; and

12. Admits to all of the findings made in this Consent Order and all of the allegations in the Amended Complaint.

### **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, 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.

#### **A. Findings of Fact**

##### **The Parties to this Consent Order**

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

14. Defendant Blueprint LLC is a Florida limited liability company formed in June 2018 that operated from Patel's residence in Wellington, Florida. During the Relevant Period, Defendant operated as a commodity pool operator ("CPO") by accepting and receiving funds from pool participants to trade commodity futures and securities in a commodity pool (the "Blueprint Pool"). Defendant has never been registered with the CFTC in any capacity. Patel was the Managing Director of Defendant and also described himself as its CEO. Eventually, Patel planned to share control of Defendant with a family member. During the Relevant Period, Patel acted as an

Associated Person (“AP”) for Defendant by soliciting pool participants for participation in the Blueprint Pool. Patel was never registered with the CFTC in any capacity.

**1. Defendant Blueprint and Patel Misappropriated and Commingled Pool Participants’ Funds with Patel’s Personal Trading and Bank Accounts.**

15. Between at least June 2019 and continuing through January 21, 2022 (“Relevant Period”), Patel and his Florida limited liability company, Defendant Blueprint, engaged in a fraudulent scheme to solicit and misappropriate money invested with Defendant and Patel for the purpose of trading commodity futures and securities in a commodity pool. Defendant and Patel, solicited and/or accepted at least \$11.8 million from at least sixteen individuals and entities (“Pool Participants”) to trade commodity futures and securities in the Blueprint Pool.

16. Defendant Blueprint and Patel misappropriated Pool Participant funds by 1) directing or depositing the funds into Patel’s personal bank and trading accounts, comingling Pool Participant funds with Patel’s funds and those of Relief Defendant Kalpana Patel and 2) personally trading, among other things, commodity futures and options in trading accounts held jointly with Relief Defendant. Defendant and Patel also used Pool Participant funds to support his and Relief Defendant’s lifestyle, including by making mortgage payments for two homes in Palm Beach County, Florida; making loan payments on several vehicles; and by making regular payments to credit card providers and personal loan financiers. Defendant and Patel’s trading was overall unprofitable and caused significant losses of Pool Participant funds. Meanwhile, Defendant and Patel reported to Pool Participants that their investments were earning interest, when in reality, as of January 21, 2022, the investments were largely depleted and earning no interest or at immediate risk of dissipation. By engaging in this conduct and the conduct further described herein, Defendant violated certain anti-fraud, commodity pool registration, and related provisions of the Act, namely, Sections 4b(a)(1)(A)-(C), 4c(b), 4k(2), 4m(1), 4o(1)(A)-(B), 7 U.S.C. §§

6b(a)(1)(A)-(C), 6c(b), 6k(2), 6m(1), 6o(1)(A)-(B), and Regulations 4.20(a)(1), (b), and (c), 4.21, 4.22, and 32.4, 17 C.F.R. §§ 4.20(a)(1), (b), and (c), 4.21, 4.22, 32.4 (2022).

17. During the Relevant Period, Defendant and Patel misappropriated and solicited at least \$11.8 million from at least sixteen Pool Participants. To conceal their fraud, Defendant and Patel provided Pool Participants with false account statements. Defendant and Patel also failed to register and properly operate the Blueprint Pool.

18. Defendant and Patel misappropriated and commingled Pool Participants' funds by accepting them and depositing or directing them into personal trading or bank accounts Patel held individually or with Relief Defendant. From there, Defendant and Patel largely traded the funds in commodity futures trading accounts and incurred significant overall losses, distributed funds back to other Pool Participants (akin to a Ponzi scheme), or used the funds on Patel's own personal spending. Consequently, as of January 21, 2022, Pool Participants' funds were largely depleted.

19. Specifically, during the Relevant Period, Patel deposited more than \$6,000,000 into futures accounts; he traded E-mini Nasdaq-100, Micro E-mini Nasdaq, E-mini Russell 2000 Index, E-mini S&P 500 Index, and Natural Gas futures, and he traded Natural Gas, Mini S&P, and other index options; and the accounts incurred overall trading losses of more than \$4,600,000 during the same timeframe. Patel paid more than \$605,000 in trading fees during the Relevant Period.

20. Defendant and Patel also distributed more than \$2,900,000 back to some Pool Participants during the Relevant Period in the manner of Ponzi payments.

21. Patel spent the remaining Pool Participant funds on personal expenses supporting his and Relief Defendant's lavish lifestyle, including by paying for the mortgages for two homes in Palm Beach County, Florida; loan payments on several vehicles totaling more than \$95,000;

personal loan payments totaling more than \$271,000; and regular credit card payments totaling more than \$407,000.

22. Defendant and Patel knowingly or recklessly defrauded Pool Participants by misappropriating Pool Participant funds instead of investing the Pool Participants' money as promised. At a minimum, this conduct operated as a fraud on pool participants.

**2. Defendant and Patel Made Material Misrepresentations and Issued False Account Statements to Pool Participants.**

23. To encourage Pool Participants to invest, Defendant and Patel entered into agreements with Pool Participants that purported to pay Pool Participants a specific interest rate in exchange for the Pool Participants' capital contributions to Defendant. As discussed below, these agreements contained a number of material misrepresentations.

24. Defendant and Patel also provided false periodic account statements to Pool Participants.

**a. Defendant and Patel's Investment Agreements with and Periodic Account Statements to Pool Participant A Contained Material Misrepresentations.**

25. On or around January 15, 2020, under the impression that Patel was a successful and experienced trader, a commodity pool participant ("Pool Participant A") provided to Defendant and Patel one million dollars (\$1,000,000) and entered into an "Investment Agreement" with Defendant and Patel. Patel personally guaranteed repayment, personally signed the Investment Agreement, and signed the Investment Agreement on behalf of Defendant as its Managing Director.

26. The Investment Agreements provided that "[i]n exchange for [Pool Participant A's] capital contribution . . . [Defendant] shall pay to [Pool Participant A] an annual rate of return of twenty percent (20%) on the Capital Contribution[s] . . . until the earlier of: (i) a period of three

(3) years . . . or (ii) until such time that [Defendant] returns the full amount of the Capital Contribution[s] to [Pool Participant A].”

27. The Investment Agreements further provided that Defendant and Patel

[J]ointly and severally represent[ed] and warrant[ed]: (a) the accuracy of all statements and representations made in any Written Report; (b) that no portion of [Pool Participant A’s] Book Capital Account balance shall be used for personal benefit by [Patel] or [Defendant], or for any purpose other than set forth in [the Investment Agreements]; and (c) that [Pool Participant A’s] Capital Contribution will be invested solely for the purpose of increasing the [Pool Participant A’s] Book Capital Account[.]

28. These representations were false. Instead of investing Pool Participant A’s funds as promised, Defendant and Patel misappropriated Pool Participant A’s capital contribution by using the funds for Patel’s personal trading (which suffered significant trading losses), spending the funds on personal expenses, and making payments to other Pool Participants. The funds never accumulated interest. Defendant and Patel never maintained a Book Capital Account for Pool Participant A. Moreover, Defendant and Patel knew, or were reckless in not knowing, that they had no past history of trading success or basis to represent to Pool Participant A that Defendant and Patel would generate trading profits that would allow them to pay a 20% annual rate of return on Pool Participant A’s investment.

29. Defendant and Patel also represented and warranted that the execution, delivery, and performance of the Investment Agreements and the “consummation of the transactions contemplated” within the Investment Agreements would not “violate any federal, foreign, state, county or local law, rule, regulation, order, writ injunction or decree applicable to [Defendant] or [Patel].” Defendant and Patel knew, however, that their operation of the Blueprint Pool and their failure to register or file a registration exemption violated federal law.



30. Periodically, Defendant and Patel provided Pool Participant A with account statements purporting to show the amount of “Principal” Pool Participant A provided, an “Annual Simple Interest Rate” of 20.00%, and a “Daily Interest Rate” of 0.05479%. Defendant and Patel provided Pool Participant A one such statement on Defendant’s letterhead dated October 31, 2021, which provided a table reflecting total “Principal” invested as \$1,500,000, and falsely show total interest accumulated as of October 31, 2021 as \$459,863.01.

31. These account statements were false. Pool Participant A’s capital contributions were largely or completely depleted and were not accruing any interest. Defendant and Patel did not direct any of Pool Participant A’s capital contributions to the Blueprint Pool. Instead, Defendant and Patel directed Pool Participant A’s capital contributions to Patel’s personal futures trading and bank accounts. Thereafter Patel used the funds to trade index futures and options products, which then suffered significant losses, and for personal expenses.

**b. Defendant and Patel’s Profit Sharing Agreements with and Periodic Account Statements to Pool Participant B Contained Material Misrepresentations.**

32. On or around January 29, 2021, under the impression that Patel was a successful and experienced trader, a commodity pool participant (“Pool Participant B”) entered into a “Profit Sharing Agreement” with Defendant and provided a “capital contribution of Two Hundred Thousand U.S. Dollars (\$200,000.00), in exchange for certain profit[-]sharing rights in [Defendant’s] investment activities.”

33. In the January 29, 2021 Profit Sharing Agreement, in exchange for the \$200,000, “[Defendant] agree[d] to pay [Pool Participant B] an annual return of fifteen percent (15%) on [Pool Participant B’s] Capital Contribution (“Annual Return”) for a period of three (3) years . . . or until such time that [Defendant] returns the capital to [Pool Participant B], whichever is first (“Agreement Term”).”

34. On or around March 29, 2021, still under the impression that Patel was a successful and experienced trader, Pool Participant B entered into a second Profit Sharing Agreement with Defendant, providing a “capital contribution of Twenty Thousand U.S. Dollars (\$20,000.00).” Likewise, on or around April 26, 2021, Pool Participant B entered into a third Profit Sharing Agreement with Defendant, providing a “capital contribution of One Hundred Thousand U.S. Dollars (\$100,000.00).” On or around August 2, 2021, Pool Participant B entered into a fourth Profit Sharing Agreement with Defendant (“August 2, 2021 Profit Sharing Agreement”), providing a “capital contribution of Two Hundred Thirty Thousand U.S. Dollars (\$230,000.00).” Other than the dates of the agreements and the amounts invested, the terms of all of the Profit Sharing Agreements were functionally the same.

35. Patel signed each of the Profit Sharing Agreements on behalf of Defendant as its Managing Director.

36. Defendant and Patel knew, or were reckless in not knowing, that Patel had no past history of trading success or basis to represent to Pool Participant B that Patel’s trading would generate profits that would allow Defendant or Patel to pay a 15% annual rate of return on Pool Participant B’s investment.

37. Approximately monthly, Defendant and Patel provided Pool Participant B account statements purporting to show the amount of “Principal” Pool Participant A invested, an “Annual Simple Interest Rate” of 15.00%, and a “Daily Interest Rate” of 0.04110%. Defendant and Patel provided Pool Participant B one such statement on Defendant’s letterhead dated September 30, 2021, which provided a table reflecting the total Pool Participant B invested as \$550,000.00 and total interest accumulated as of September 30, 2021 as \$33,571.23. The statement also provided a “Projected Schedule,” projecting accumulated interest of \$54,365.75 by December 31, 2021.

38. These account statements were false. Pool Participant B's capital contributions were largely or completely depleted and were not accruing any interest. Defendant and Patel did not direct any of Pool Participant B's capital contributions to the Blueprint Pool. Instead, Defendant and Patel directed Pool Participant B's capital contributions to Patel's personal futures trading and bank accounts. Thereafter Patel used the funds to trade index futures and options products, which then suffered significant losses, and for personal expenses.

**c. Defendant and Patel's Investment Agreements with and Periodic Account Statements and Verbal Communications to Pool Participant C Contained Material Misrepresentations.**

39. On or around February 2, 2021, under the impression that Patel was a successful and experienced trader, a Pool Participant ("Pool Participant C") entered into a "Profit Sharing Agreement" with Defendant and provided a "capital contribution of Seventy Five Thousand U.S. Dollars (\$75,000.00), in exchange for certain profit[-]sharing rights in [Defendant's] investment activities."

40. According to the Profit Sharing Agreement, in exchange for the \$75,000.00 investment, "[Defendant] agree[d] to pay [Pool Participant C] an annual return of fifteen percent (15%) on [Pool Participant C's] Capital Contribution ("Annual Return") for a period of three (3) years . . . or until such time that [Defendant] returns the capital to [Pool Participant C], whichever is first ("Agreement Term")."

41. On or around April 9, 2021, Pool Participant C and Defendant entered into a second Profit Sharing Agreement, this time for one hundred thousand dollars (\$100,000). Other than the amount invested and the date, the Profit Sharing Agreements' terms were functionally the same.

42. Patel signed both Profit Sharing Agreements on behalf of Defendant as its Managing Director.

43. Defendant and Patel knew, or were reckless in not knowing, that Patel had no past history of trading success or basis to represent to Pool Participant C that Patel's trading would generate profits that would allow Defendant to pay a 15% annual rate of return on Pool Participant C's investment.

44. Approximately monthly, Defendant and Patel provided Pool Participant C account statements purporting to show the amount of "Principal" Pool Participant C invested, an "Annual Simple Interest Rate" of 15.00%, and a "Daily Interest Rate" of 0.04110%. Defendant and Patel provided Pool Participant C one such statement on Defendant's letterhead dated September 30, 2021, which provided a table reflecting total "Principal" invested as \$175,000.00 and total interest accumulated as of September 30, 2021 as \$14,578.77. The statement also provided a "Projected Schedule," projecting accumulated interest of \$21,195.21 by December 31, 2021.

45. These account statements were false. Pool Participant C's capital contributions were largely or completely depleted and were not accruing any interest. Defendant and Patel did not direct any of Pool Participant C's capital contributions to the Blueprint Pool. Instead, Defendant and Patel directed Pool Participant C's capital contributions to Patel's personal futures trading and bank accounts. Thereafter Patel used the funds to trade index futures and options products, which then suffered significant losses, and for personal expenses.

46. Furthermore, during the Relevant Period, Patel verbally told Pool Participant C that Defendant traded "S&P E-Mini futures." Defendant, however, had no futures trading accounts and never traded any futures.

### **3. Defendant and Patel Violated Registration and Other Commodity Pool-Related Requirements.**

47. Patel, a self-described "Investor, Serial Entrepreneur, [and] Advisor," founded Defendant in June 2018. Patel, Defendant's Managing Director and CEO, described Defendant as

a “special purpose investment vehicle that was formed by [Patel] for purposes of engaging in investment activities.” Patel also described Defendant as a “consulting” business.

48. During the Relevant Period, Defendant, by and through its officers, employees or agents, used the mails, electronic mails, wire transfers, websites, and other means or instrumentalities of interstate commerce, to solicit pool participants and to receive property from pool participants.

49. Defendant acted as a CPO of the Blueprint Pool because it engaged in a business that is of the nature of a commodity pool and, in connection with that business, solicited and/or accepted pool funds for a pooled investment vehicle that is not an ECP and that engaged in futures and options transactions.

50. Defendant was not statutorily exempt or excluded from registration as a CPO. Moreover, Defendant never filed any electronic or written notice with the NFA that it was exempt or excluded from registration as a CPO, as required by Regulations 4.5(c) and 4.13(b)(1).

51. Defendant was never registered with the CFTC as a CPO.

52. Patel acted as an AP of a CPO because he solicited funds or property for participation in a pooled investment vehicle that is not an ECP and that engaged in futures and options.

53. During the Relevant Period, Patel was never registered with the CFTC as an AP of a CPO.

54. Defendant and Patel were aware of their obligations to register with the CFTC. In former litigation, Patel, under oath, said that he knew about the CFTC and its registration requirements for CPOs. Defendant and Patel avoided registering Defendant as a CPO with the

CFTC to avoid detection of Defendant and Patel's illegally operated commodity pool and associated fraud.

55. Defendant and Patel did not operate the Blueprint Pool as a separate legal entity. Defendant and Patel failed to open trading accounts in the name of the Blueprint Pool, and Defendant and Patel received pool funds that were not in the name of the Blueprint Pool when they received pool funds in Patel's name and deposited them into bank accounts Patel personally held instead of separate trading and bank accounts.

56. Defendant, while acting as the CPO of the Blueprint Pool, failed to provide pool disclosure documents and other documents required by Regulations 4.21 and 4.22, 17 C.F.R. §§ 4.21, 4.22 (2022), including but not limited to required cautionary statements, risk disclosures, fees and expenses incurred by the Blueprint Pool, past performance disclosures, a statement that the CPO is required to provide to all pool participants with monthly or quarterly account statements, and an annual report containing financial statements certified by an independent public accountant.

## **B. Conclusions of Law**

### **1. Jurisdiction and Venue**

57. 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 CFTC 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 CFTC 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.

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

**2. Defendant Blueprint Violated Section 4b(a)(1)(A)-(C) of the Act, 7 U.S.C. § 6b(a)(1)(A)-(C), by Defrauding Pool Participants in Connection with Commodity Futures Transactions by Misappropriating Pool Participant Funds, Making Material Misrepresentations, and Issuing False Account Statements (Count I of the Amended Complaint).**

59. 7 U.S.C. § 6b(a)(1)(A)-(C) makes it unlawful:

(1) [F]or any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person . . .

(A) to cheat or defraud or attempt to cheat or defraud the other person;

(B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; [or]

(C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for . . . the other person[.]

60. Defendant and Patel engaged in a fraud by: (1) misappropriating Pool Participants' funds, including when Defendant and Patel directed or deposited Pool Participants' funds into Patel's personal bank and trading accounts instead of investing the funds in the Blueprint Pool, used Pool Participants' funds to pay for Patel's and Relief Defendant's lavish lifestyle, and made Ponzi payments to some Pool Participants; (2) making material misrepresentations regarding Defendant and Patel's use of Pool Participant funds, ability to generate trading returns and pay interest as promised, and the legality of Defendant's operations; (3) issuing false account statements to Pool Participants; and (4) making material misrepresentations to FCMs and an IB to conceal their fraud.

61. By reason of the conduct above, Defendant and Patel, in or in connection with any order to make, or the making of, commodity futures transactions made on or subject to the rules of a designated contract market knowingly or recklessly: (1) cheated or defrauded or attempted to cheat or defraud Pool Participants; and/or (2) deceived or attempted to deceive Pool Participants by any means whatsoever.

62. By reason of the foregoing, Defendant and Patel violated 7 U.S.C. § 6b(a)(1)(A) and (C).

63. By reason of the conduct described above, Defendant and Patel knowingly or recklessly made or caused to be made to Pool Participants false reports or statements.

64. By reason of the foregoing, Defendant and Patel violated 7 U.S.C. § 6b(a)(1)(B).

65. Defendant and Patel committed the acts and practices described herein willfully, knowingly, or with reckless disregard for the truth.

66. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count I of the Amended Complaint.

67. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count I of the Amended Complaint, pursuant to 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 (2022).

**3. Defendant Blueprint Violated Section 4c(b) of the Act, 7 U.S.C. § 6c(b), and Regulation 32.4, 17 C.F.R. § 32.4 (2022), by Defrauding Pool Participants in Connection with Commodity Options Transactions by Misappropriating Pool Participant Funds, Making Material Misrepresentations, and Issuing False Account Statements (Count II of the Amended Complaint).**

68. 7 U.S.C. § 6c(b) provides, in relevant part:



No person shall offer to enter into, enter into or confirm the execution of, any transaction involving any commodity regulated under this chapter which is of the character of, or is commonly known to the trade as, an “option”, “privilege”, “indemnity”, “bid”, “offer”, “put”, “call”, “advance guaranty”, or “decline guaranty”, contrary to any rule, regulation, or order of the CFTC prohibiting any such transaction or allowing any such transaction under such terms and conditions as the CFTC shall prescribe.

69. 17 C.F.R. § 32.4 provides:

In or in connection with an offer to enter into, the entry into, or the confirmation of the execution of, any commodity option transaction, it shall be unlawful for any person directly or indirectly:

- (a) To cheat or defraud or attempt to cheat or defraud any other person;
- (b) To make or cause to be made to any other person any false report or statement thereof or cause to be entered for any person any false record thereof; or
- (c) To deceive or attempt to deceive any other person by any means whatsoever.

70. Defendant and Patel engaged in a fraud by: (1) misappropriating Pool Participants’ funds, including when Defendant and Patel directed or deposited Pool Participants’ funds into Patel’s personal bank and trading accounts instead of investing the funds in the Blueprint Pool, used Pool Participants’ funds to pay for Patel’s and Relief Defendant’s lavish lifestyle, and made Ponzi payments to some Pool Participants; (2) making material misrepresentations regarding Defendant and Patel’s use of Pool Participant funds, ability to generate trading returns and pay interest as promised, and the legality of Defendant’s operations; (3) issuing false account statements to Pool Participants; and (4) making material misrepresentations to FCMs and an IB to conceal their fraud.

71. By reason of the conduct described above, Defendant and Patel, in connection with offers to enter into, entry into, or confirmation of the execution of commodity option transactions, directly or indirectly, and knowingly or recklessly: (1) cheated or defrauded or attempted to cheat

or defraud Pool Participants; and (2) deceived or attempted to deceive Pool Participants by any means.

72. By reason of the foregoing, Defendant and Patel violated 7 U.S.C. § 6c(b) and 17 C.F.R. § 32.4(a) and (c).

73. By reason of the conduct described above, Defendant and Patel knowingly or recklessly made or caused to be made to Pool Participants false reports or statements.

74. By reason of the foregoing, Defendant and Patel violated 7 U.S.C. § 6c(b) and 17 C.F.R. § 32.4(b).

75. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count II of the Amended Complaint.

76. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count II of the Amended Complaint, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2.

**4. Defendant Blueprint, a Commodity Pool Operator, and Patel, an Associated Person of Blueprint, Violated Section 4o(1)(A)-(B) of the Act, 7 U.S.C. § 6o(1)(A)-(B), by Defrauding and Deceiving Pool Participants (Count III of the Amended Complaint).**

77. Section 1a(10) of the Act, 7 U.S.C. § 1a(10), in part, defines a commodity pool as “any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading in commodity interests, . . . .”

78. Section 1a(11)(A)(i) of the Act, 7 U.S.C. § 1a(11)(A)(i), defines a CPO, in relevant part, as any person:

[E]ngaged 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, including any— (I) commodity for future delivery, security futures product, or swap[.]

79. During the Relevant Period, Defendant engaged in a business, for compensation or profit, that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and in connection therewith, solicited, accepted, or received 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; therefore, Defendant acted as a CPO, as defined by 7 U.S.C. § 1a(11).

80. Under Section 4k(2) of the Act, 7 U.S.C. § 6k(2), in relevant part, a person is an AP of a CPO if that person is associated with a CPO as

[A] partner, officer, employee, consultant, or agent (or any person occupying a similar status or performing similar functions), in any capacity that involves

- (i) the solicitation of funds, securities, or property for a participation in a commodity pool or
- (ii) the supervision of any person or persons so engaged[.]

81. During the Relevant Period, Patel was a partner, officer, employee, consultant, or agent of Defendant (or occupied a similar status or performed similar functions), in a capacity that involved the solicitation of funds, securities, or property for participation in the Blueprint Pool.

82. 7 U.S.C. § 6o(1) prohibits CPOs and APs of CPOs, whether registered with the CFTC or not, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, from employing devices, schemes, or artifices to defraud any client or participant or prospective client or participant, or engaging in transactions, practices, or courses of business which operate as a fraud or deceit upon any client or participant or prospective client or participant.

83. Defendant and Patel engaged in a fraud by: (1) misappropriating Pool Participants' funds, including when Defendant and Patel directed or deposited Pool Participants' funds into

Patel's personal bank and trading accounts instead of investing the funds in the Blueprint Pool, used Pool Participants' funds to pay for Patel's and Relief Defendant's lavish lifestyle, and made Ponzi payments to some Pool Participants; (2) making material misrepresentations regarding Defendant and Patel's use of Pool Participant funds, ability to generate trading returns and pay interest as promised, and the legality of Defendant's operations; (3) issuing false account statements to Pool Participants; and (4) making material misrepresentations to FCMs and an IB to conceal their fraud.

84. By reason of the conduct described above, Defendant and Patel, through use of the mails or any means of instrumentality of interstate commerce: (1) knowingly or recklessly employed devices, schemes or artifices to defraud Pool Participants and prospective Pool Participants, or (2) engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon pool participants or prospective pool participants, by misappropriating Pool Participant funds and making material misrepresentations to Pool Participants.

85. By reason of the foregoing, Defendant and Patel violated 7 U.S.C. § 6o(1)(A) and (B).

86. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count III of the Amended Complaint.

87. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count III of the Amended Complaint, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2.

**5. Defendant Blueprint Violated Section 4m(1) of the Act, 7 U.S.C. § 6m(1), by Failing to Register as a Commodity Pool Operator (Count IV of the Amended Complaint).**

88. Subject to certain exceptions not relevant here, 7 U.S.C. § 6m(1) states that it shall be "unlawful for any . . . [CPO], unless registered under this chapter, to make use of the mails or

any means or instrumentality of interstate commerce in connection with his business as such . . . [CPO] . . . .”

89. By reason of the foregoing, Defendant engaged in a business, for compensation or profit, that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and in connection therewith, solicited, accepted, or received 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; therefore, Defendant acted as a CPO, as defined by 7 U.S.C. § 1a(11).

90. Defendant, while using the mails or means of interstate commerce in connection with its business as a CPO, was not registered with the CFTC as a CPO.

91. By reason of the foregoing, Defendant acted as an unregistered CPO in violation of 7 U.S.C. § 6m(1).

92. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant’s acts constituting the violations set forth in Count IV of the Amended Complaint.

**6. Defendant Blueprint Violated Section 4k(2) of the Act, 7 U.S.C. § 6k(2), When Patel Failed to Register as an Associated Person of a Commodity Pool Operator (Count V of the Amended Complaint)**

93. Subject to certain exceptions not relevant here, 7 U.S.C. § 6k(2) makes it “unlawful for any person to be associated with a [CPO] as a partner, officer, employee, consultant, or agent . . . in any capacity that involves . . . the solicitation of funds, securities, or property for a participant in a commodity pool[.]”

94. 7 U.S.C. § 6k(2) makes it “unlawful for any commodity pool operator to permit [an unregistered AP] to become or remain associated with the [CPO] in such capacity if the [CPO] knew or should have known that such person was not so registered[.]”

95. During the Relevant Period, Patel was associated with Defendant as a member, partner, officer, employee, consultant, agent, or in a similar capacity, and Patel solicited funds for participation in the Blueprint Pool.

96. Patel has never been registered with the CFTC in any capacity.

97. By reason of the foregoing, Patel acted as an unregistered AP of Defendant, a CPO, in violation of 7 U.S.C. § 6k(2).

98. During the Relevant Period, Defendant knew that Patel acted as an unregistered AP of Defendant, in violation of 7 U.S.C. § 6k(2).

99. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count V of the Amended Complaint.

100. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count V of the Amended Complaint, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2 (2022).

**7. Defendant Blueprint Violated Regulation 4.20(a)(1), (b), and (c), 17 C.F.R. § 4.20(a)(1), (b), (c) (2022), by Failing to Operate the Blueprint Pool as a Separate Entity, Failing to Receive Pool Participants' Funds in the Blueprint Pool's Name, and Commingling Pool Participants' Funds (Count VI of the Amended Complaint).**

101. 17 C.F.R. § 4.20(a)(1) requires a CPO, whether registered or not, to operate its pool as a legal entity separate from that of the CPO.

102. 17 C.F.R. § 4.20(b) prohibits CPOs, whether registered or not, from receiving pool participants' funds in any name other than that of the pool.

103. 17 C.F.R. § 4.20(c) prohibits CPOs from commingling the property of any pool that it operates or that it intends to operate with the property of any other person.

104. During the Relevant Period, Defendant, while acting as a CPO for the Blueprint Pool, failed to operate the Blueprint Pool as a legal entity separate from itself and from Patel as an individual. Defendant and Patel received pool participants' funds in their own names rather than the name of a legally cognizable commodity pool. Defendant and Patel commingled Pool Participants' funds with Patel's funds in Patel's personal trading and bank accounts.

105. By reason of the foregoing, Defendant violated 17 C.F.R. § 4.20(a)(1), (b), and(c).

106. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count VI of the Amended Complaint.

107. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count VI of the Amended Complaint, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2.

**8. Defendant Blueprint Violated Regulations 4.21 and 4.22, 17 C.F.R. §§ 4.21, 4.22 (2022), by Failing to Provide Pool Disclosures and Other Required Documents to Pool Participants (Count VII of the Amended Complaint).**

108. 17 C.F.R. § 4.21, in relevant part, provides that:

[E]ach [CPO] 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 . . . .

109. During the Relevant Period, Defendant did not provide to prospective Pool Participants a Disclosure Document with the necessary disclosures in accordance with 17 C.F.R. §§ 4.24 and 4.25.

110. 17 C.F.R. § 4.22 requires, in relevant part, that CPOs (registered or required to be registered) provide periodic account statements to investors—presented and computed in accordance with generally accepted accounting principles—itemizing, among other things, the

total amount of realized net gain or loss on commodity interest positions liquidated during the reporting period, the total amount of unrealized net gain or loss on commodity interest positions during the reporting period, and the total amount of net gain or loss from all other transactions in which the pool engaged during the reporting period.

111. During the Relevant Period, Defendant did not provide periodic account statements to Pool Participants that itemized the total amount of realized net gain or loss on commodity interest positions liquidated during the reporting period, the total amount of unrealized net gain or loss on commodity interest positions during the reporting period, and the total amount of net gain or loss from all other transactions in which the Blueprint Pool engaged during the reporting period.

112. By reason of the foregoing, Defendant violated 17 C.F.R. §§ 4.21 and 4.22.

113. Patel was a controlling person of Defendant and failed to act in good faith, or knowingly induced, directly or indirectly, Defendant's acts constituting the violations set forth in Count VII of the Amended Complaint.

114. Defendant is liable as a principal for the acts, omissions, or failures of Patel, and any other agents, employees, or persons otherwise acting for it as set forth in Count VII of the Amended Complaint, pursuant to 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2.

115. Upon termination of the Receivership Estate, the Receiver intends to administratively dissolve Blueprint.

#### **IV. RESTITUTION**

116. Blueprint and Patel solicited and received at least \$11,830,000.00 from Blueprint Pool Participants in connection with the Blueprint Pool during the Relevant Period. During that same period, Blueprint and Patel returned \$2,966,246.23 back to Pool Participants. Accordingly, Blueprint shall pay to the Blueprint Pool Participants restitution in the amount of eight million, eight hundred sixty-three thousand, seven hundred fifty-three and seventy-seven cents (\$8,863,753.77)



(“Restitution Obligation”), plus post-judgment interest. Post-judgment interest shall accrue 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. The Receivership Obligation shall be reduced by any amount of the \$8,863,753.77 that is paid to Blueprint Pool Participants by the Receiver from the Receivership Estate, as defined by the Order Appointing Receiver [DE 50].

117. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Blueprint Pool Participants, the Court directs the Receiver to receive restitution payments from Defendant Blueprint and make distributions as set forth below. Because the Receiver is acting as an officer of this Court in performing these services, the Receiver shall not be liable for any action or inaction arising from her appointment, other than actions involving fraud.

118. The Receiver shall oversee the Restitution Obligation and shall have the discretion to determine and recommend to the Court the amount payable to each pool participant and an equitable manner of distribution.

119. Upon the termination of the Receivership Estate, the Receiver shall provide the CFTC with a report detailing the disbursement of funds to Blueprint Pool Participants. The Receiver 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. Upon discharge, the Receiver shall have no further obligation as to Blueprint or the Blueprint Restitution Obligation.

120. The amounts payable to each Blueprint Pool Participant shall not limit the ability of any Blueprint Pool Participant from proving that a greater amount is owed from Blueprint or any

other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any Blueprint Pool Participant that exist under state or common law.

121. The provision of the preliminary injunction entered against Blueprint on February 17, 2022, continuing a freeze on assets or funds in its name or under its management or control shall remain in full force and effect until such time as the Court orders otherwise pursuant to a request by the Receiver or the CFTC.

122. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Blueprint's Restitution Obligation, such funds shall be transferred to the Receiver for disbursement in accordance with the procedures set forth above.

#### **V. MISCELLANEOUS PROVISIONS**

123. Until such time as Blueprint satisfies in full its Restitution Obligation under this Consent Order, upon the commencement by or against Blueprint of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Blueprint debts, all notices to creditors required to be furnished to the CFTC 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

124. Notice: All notices required to be given by any provision in this Consent Order, except as set forth in paragraph 123, above, shall be sent certified mail, return receipt requested, as follows:

Notice to CFTC:

Charles D. Marvine, Deputy Director  
Division of Enforcement  
Commodity Futures Trading Commission  
2600 Grand Blvd., Suite 210  
Kansas City, MO 64108

Notice to Defendant Blueprint:

Melanie E. Damian, Court-Appointed Receiver for Blueprint LLC  
Damian and Valori LLP  
1000 Brickell Avenue, Suite 1020  
Miami, Florida 33131

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

125. 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.

126. 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.

127. Waiver: The failure of any party to this Consent Order or of any Blueprint 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 investor 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.

128. 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 Blueprint to modify or for relief from the terms of this Consent Order.

129. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendant Blueprint, upon any person under its authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendant Blueprint.

130. Authority: Melanie E. Damian hereby warrants that she is appointed as Receiver of Blueprint and she has been duly empowered to sign and submit this Consent Order on behalf of Blueprint.

131. 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.

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

**DONE AND ORDERED** in Chambers at West Palm Beach, Palm Beach County, in the Southern District of Florida, this 4th day of August, 2023.

  
WILLIAM MATTHEWMAN  
United States Magistrate Judge