

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

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

BLUPRINT LLC,

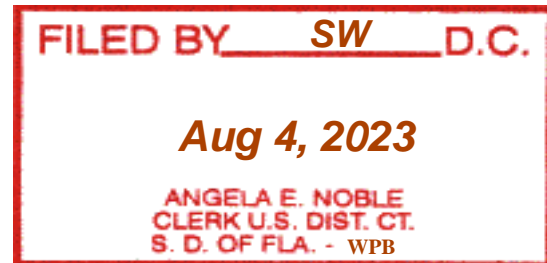
Defendant

and

KALPANA PATEL,

Relief Defendant.

Case No. 22-cv-80092-Matthewman



**CONSENT ORDER FOR EQUITABLE RELIEF AGAINST
RELIEF DEFENDANT KALPANA PATEL**

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”) 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 Melanie E. Damian, Damian and Valorie LLP, 1000 Brickell Avenue, Suite 1020, Miami, Florida. [DE 50]. Among other duties and powers, the Court authorized Ms. Damian 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]. The CFTC alleges that Kalpana Patel received pool funds to which she had no legitimate claim and seeks disgorgement of these funds.

II. CONSENTS AND AGREEMENTS

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

1. Consents to the entry of this Consent Order for Equitable Relief Against Relief Defendant Kalpana Patel (“Consent Order”);
2. Affirms that she 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 her 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 she 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 she 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. Agrees 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 her 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 Relief Defendant Kalpana Patel now or in the future resides outside the jurisdiction of this Court;
10. Agrees that she 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 she nor any of her agents or employees under her 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 her: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the CFTC is not a party. Relief Defendant Kalpana Patel shall comply with this agreement, and shall undertake all steps necessary to ensure that all of her agents and/or employees under her authority or control understand and comply with this agreement;

12. Consents 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 she admits;

13. Consents to the use of the findings and conclusions in this Consent Order in this proceeding and in any other proceeding brought by the CFTC or to which the CFTC is a party or claimant, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof;

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

15. Agrees that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Relief Defendant Kalpana Patel in any other proceeding.¹

¹ Nothing in this Consent Order is intended to affect any order entered in this matter relating to a bar of claims against Kalpana Patel.

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

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

17. Relief Defendant Kalpana Patel is a resident of Wellington, Florida, and she was married to and shared a household with Patel during the Relevant Period. Relief Defendant Kalpana Patel has never been registered with the CFTC in any capacity.

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

18. Between at least June 2019 and continuing through January 21, 2022 ("Relevant Period"), Patel and his Florida limited liability company, Blueprint, engaged in a fraudulent scheme to solicit and misappropriate money invested with Blueprint and Patel for the purported purpose of trading commodity futures and securities in a commodity pool. Blueprint and Patel, solicited and/or accepted at least \$11,830,000.00 from at least sixteen individuals and entities ("Pool Participants") to trade commodity futures and securities in a commodity pool (the "Blueprint Pool"). Instead of using Pool Participant funds to trade on behalf of the Blueprint Pool, Blueprint and Patel immediately misappropriated the funds.

19. Blueprint and Patel misappropriated Pool Participant funds by directing or depositing the funds into Patel's personal bank and trading accounts, commingling Pool Participant funds with funds held by Patel and funds held jointly with Patel and his wife Relief Defendant Kalpana Patel. Blueprint and Patel 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. Blueprint and Patel also used Pool Participant funds to personally trade, among other things, commodity futures and options in trading accounts. Patel opened many of these trading accounts jointly with Relief Defendant Kalpana Patel, who alleges that her name and personal identifying information were used by Patel without her knowledge or consent. Blueprint and Patel's trading was overall unprofitable and caused significant losses of Pool Participant funds. Meanwhile, Blueprint 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.

2. Relief Defendant Kalpana Patel's Receipt of Pool Participant Funds

20. Blueprint and Patel defrauded Pool Participants and misappropriated Pool Participant funds. As a Relief Defendant, Kalpana Patel is not alleged to have committed fraud.

21. During the Relevant Period, Relief Defendant Kalpana Patel received \$2,334,467.25 in funds transferred, directly or indirectly, into several bank and trading accounts held jointly with Patel, from Blueprint Pool Participants as a result of Blueprint and Patel's fraudulent conduct and misappropriation.

22. Relief Defendant Kalpana Patel had no legitimate entitlement to funds received as a result of Blueprint and Patel's fraudulent conduct and/or misappropriation, and consents to returning those funds to the Receivership estate.

23. In connection with this action, the Receiver and Relief Defendant Kalpana Patel reached a settlement where, upon Court approval and among other things, Relief Defendant Kalpana Patel will release her rights to \$4,165,940.00 in life insurance proceeds held in trust by the Receiver and her rights to trading accounts held in the names of Relief Defendant Kalpana Patel and Patel, which she assigned to the Receiver.²

B. Conclusions of Law

1. Jurisdiction and Venue

24. 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.

25. 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 Relief Defendant Kalpana Patel will also release and assign to the Receiver her rights to \$134,060.00 held in trust by counsel for a custom home builder.

2. Relief Defendant Kalpana Patel Possessed Ill-Gotten Gains to Which She Had No Legitimate Claim

26. By the conduct described above, Blueprint and Patel violated certain anti-fraud and related provisions of the Act, namely, Sections 4b(a)(1)(A)-(C), 4c(b), and 4o(1)(A)-(B) of the Act, 7 U.S.C. §§ 6b(a)(1)(A)-(C), 6c(b), 6o(1)(A)-(B), and Regulation 32.4, 17 C.F.R. § 32.4 (2022).

27. Relief Defendant Kalpana Patel was in possession of \$2,334,467.25 of ill-gotten gains to which she had no legitimate claim. These funds were obtained by Patel and Blueprint in connection with their fraudulent conduct. Accordingly, Relief Defendant Kalpana Patel must disgorge \$2,334,467.25 (the “Disgorgement Obligation”).

28. On December 15, 2022, the Receiver and Relief Defendant Kalpana Patel advised the Court that they reached a settlement in principle, pending court approval, among other things (the “Receiver/Kalpana Patel Settlement”).

29. Under the terms of the Receiver/Kalpana Patel Settlement, Relief Defendant Kalpana Patel, among other things, granted ownership to the Receivership Estate of \$4,165,940.00 currently held in trust by the Receiver. Relief Defendant Kalpana Patel shall receive a dollar-for-dollar credit against her Disgorgement Obligation for her settlement with Receiver.

30. Payment of this Disgorgement Obligation in the Receiver/Kalpana Patel Settlement fully resolves the CFTC’s claim against Relief Defendant Kalpana Patel in this matter and fully satisfies her obligation as a relief defendant. Relief Defendant Kalpana Patel is hereby dismissed from this matter, *CFTC v. Blueprint LLC*, Case No. 22-cv-80092, pending in this U.S. District Court for the Southern District of Florida.

IV. MISCELLANEOUS PROVISIONS


31. 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.

32. 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.

33. 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 Relief Defendant Kalpana Patel to modify or for relief from the terms of this Consent Order.

34. 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.

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