

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

COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff,

v.

TRADERS DOMAIN FX LTD. d/b/a
THE TRADERS DOMAIN; FREDIRICK
TEDDY JOSEPH SAFRANKO a/k/a
TED SAFRANKO; DAVID WILLIAM
NEGUS-ROMVARI; ARES GLOBAL
LTD. d/b/a TRUBLUEFX; ALGO
CAPITAL LLC; ALGO FX CAPITAL
ADVISOR LLC n/k/a QUANT5
ADVISOR; LLC; ROBERT COLLAZO,
JR.; JUAN HERMAN a/k/a JJ HERMAN;
JOHN FORTINI; STEVEN LIKOS;
MICHAEL SHANNON SIMS; HOLTON
BUGGS, JR; CENTURION CAPITAL
GROUP INC.; ALEJANDRO
SANTUESTABAN a/k/a ALEX SANTI;
GABRIEL BELTRAN; and ARCHIE
RICE,

Defendants.

Civil Case No.

**PLAINTIFF COMMODITY FUTURES TRADING COMMISSION'S
MOTION TO SEAL NEW CIVIL ACTION**

Plaintiff Commodity Futures Trading Commission (“Commission”) moves *ex parte*, pursuant to Local Rule 141(b) and 7 U.S.C. § 13a-1, for an order to seal the entire docket and case file in this matter for the shorter of (1) seventy-two (72) hours (excluding weekends); or (2) when counsel for the Commission informs the Clerk of Court that the seal is no longer necessary. This will allow the Commission to (1) obtain a Statutory Restraining Order freezing Defendants’

assets, prohibiting destruction of records, and authorizing the Commission's immediate inspection of such records and (2) serve relevant financial institutions with the Court's Statutory Restraining Order to effectuate the asset freeze, without notice to Defendants. Avoiding notice will minimize dissipation of assets and destruction of relevant records. The limited duration of the requested seal is narrowly tailored to the Commission's interests as balanced against the public's interest in access to court records.

In support of this Request to Seal, the Commission respectfully states as follows:

I. FACTUAL BACKGROUND

From at least November 2019 through the present, Defendants have engaged, and continue to engage, in a multi-layered, ongoing fraudulent scheme that has solicited and received at least \$280 million. The Expedited *Ex Parte* Motion for Statutory Restraining Order, Appointment of Temporary Receiver, and Other Equitable Relief and Memorandum of Points and Authorities in Support Thereof ("SRO Motion") and the Complaint for Injunctive Relief, Civil Monetary Penalties, Restitution, and Other Equitable Relief ("Complaint"), filed contemporaneously herewith, provide additional detail regarding this complex fraudulent scheme and disposition of customer funds.

II. DOCUMENTS SOUGHT TO BE TEMPORARILY SEALED

The Commission seeks to seal the entire docket and case file in this matter, including, but not limited to this Request and the following documents filed concurrently herewith, as well as any other documents the Commission subsequently files or which become part of the case file prior to the expiration of the seal, including:

- Civil Cover Sheet;
- Complaint for Injunctive Relief, Civil Monetary Penalties, Restitution, and Other

Equitable Relief;

- Expedited *Ex Parte* Motion for Statutory Restraining Order, Appointment of Temporary Receiver, and Other Equitable Relief and Memorandum of Points and Authorities in Support Thereof;
- [Proposed] Order Granting Plaintiff’s Expedited *Ex Parte* Motion for a Statutory Restraining Order, Appointment of Temporary Receiver, and Other Equitable Relief;
- Plaintiff’s Motion for Leave to File SRO Memorandum in Excess of the Page Limit;
- [Proposed] Order Granting Plaintiff’s Motion for Leave to File SRO Memorandum in Excess of the Page Limit;
- [Proposed] Order Temporarily Sealing New Civil Action; and
- Summonses.

III. LEGAL AUTHORITY FOR SEALING

The Court may, in its discretion, seal documents if its decision is necessitated by a compelling government interest and the seal is narrowly tailored to that interest. *See Nixon v. Warner Commc’ns, Inc.*, 435 U.S. 589, 598–608 (1978) (stating that compelling reasons justifying the sealing of court documents exist when such documents might “become a vehicle for improper purposes”). The public’s right to access the sealed information “may be overcome by a showing of good cause, which requires balanc[ing] the asserted right of access against the other party’s interest in keeping the information confidential.” *Romero v. Drummond Co., Inc.*, 480 F.3d 1234, 1246 (11th Cir. 2007) (brackets in original). *See, Times Mirror Co. v. United States*, 873 F.2d 1210, 1214–19 (9th Cir. 1989) (finding that governmental interest in not tipping off suspects justifies pre-service sealing of search warrant materials); *see also In re Sealed Search Warrant*, 622 F.Supp.3d 1257, 1261 (S.D. Fla. August 22, 2022) (noting that “[i]n

deciding whether good cause exists to overcome common law right of access to judicial records, courts consider, among other facts, whether allowing access would impair court functions”). Additionally, the Eleventh Circuit has been clear that “findings in a public order as to the need for sealing ‘need not be extensive. Indeed, should a court say too much the very secrecy which sealing was intended to preserve could be impaired. The findings need only be sufficient for a reviewing court to be able to determine, *in conjunction with a review of the sealed documents themselves*, what important interest or interests the district court found sufficiently compelling to justify the denial of public access.” *U.S. v. Steinger*, 626 F.Supp. 2d 1231, 1234 (S.D. Fla. 2009) (Jordan, J.) (citing and adding emphasis to *U.S. v. Kooistra*, 796 F.2d 1390, 1391 (11th Cir. 1986)).

The temporary seal sought here is justified. The Commission has not given Defendants notice of this lawsuit. Absent the requested temporary seal, Defendants will have the opportunity to hinder the Court’s consideration of this case and potentially render ineffective any relief this Court may enter as part of the ultimate disposition of this matter. For example, if Defendants receive advance notice of the *ex parte* Statutory Restraining Order, they will be able to: (1) conceal, dissipate, or transfer assets to avoid a restitution, disgorgement, and/or civil monetary penalty order; and (2) conceal, destroy, or alter business records. Providing the public or Defendants with notice of these filings would potentially defeat their very purpose: safeguarding against the dissipation of assets and the destruction of documents. Therefore, there is no reasonable alternative to the seal of brief duration sought herein. Accordingly, the Commission respectfully requests that the entire docket and case file, including but not limited to pleadings, motions, memoranda, exhibits, proposed orders, and orders, be sealed temporarily.

The [Proposed] Order Temporarily Sealing a New Civil Action (“Proposed Sealing Order”) provides that the proposed seal expires automatically upon the earlier of (1) seventy-two (72) hours (excluding weekends) following issuance of the requested *ex parte* Statutory Restraining Order or (2) when counsel for the Commission informs the Clerk of Court that the seal is no longer necessary. As such, the Commission’s *ex parte* request for a seal is of brief duration and narrowly tailored to its interests as balanced against those of the public. In addition, the Proposed Sealing Order provides that if the Court grants the SRO Motion, the sealing of the record and case file as requested shall not affect the ability of the Commission to notify financial institutions and other entities or persons who hold or have held, control or have controlled, or maintain or have maintained custody of any of Defendants’ assets or documents pursuant to the [Proposed] Order Granting Plaintiff’s *Ex Parte* Motion for a Statutory Restraining Order, Appointment of a Temporary Receiver, and Other Equitable Relief (“Proposed SRO”).

Courts in this circuit have granted similar requests on behalf of federal agencies to temporarily seal in similar circumstances. *See, e.g., SEC v. MCC Int’l Corp.*, 2:22-CV-14129, 2022 WL 2341216 (S.D. Fla. Apr. 26, 2022), at *6-*7 (granting the seal “will reduce the likelihood that defendants will be able to further dissipate or hide assets before such assets can be effectively safeguarded.” (internal quotes omitted)); *U.S. v. Devallon*, 20-62492-CIV, 2021 WL 1968326 (S.D. Fla. May 11, 2021), at *2 (finding it appropriate to proceed *ex parte* based on the likelihood that defendants would dissipate or transfer assets if given notice of the motion for temporary restraining order).

IV. PROPOSED DURATION OF THE SEAL

The Commission requests that the docket and case file be sealed until the earlier of (1) seventy-two (72) hours (excluding weekends) following issuance of the requested *ex parte*

Statutory Restraining Order or (2) when counsel for the Commission informs the Clerk of Court that the seal is no longer necessary.

V. IDENTITY OF PERSONS TO BE PERMITTED ACCESS TO THE DOCUMENTS

For the duration of the seal, only the following persons will be permitted access to the sealed documents: (1) Court personnel (all documents); (2) Commission personnel (all documents); and (3) personnel at financial institutions and other entities or persons who hold or have held, control or have controlled, or maintain or have maintained custody of any of Defendants' assets or documents (Proposed SRO only).

VI. BASIS FOR EXCLUDING DEFENDANTS FROM SERVICE

As set forth above, to avoid dissipation of assets and destruction of records that may arise from Defendants' knowledge of the Complaint and the relief requested, the Commission has not yet served any documents on Defendants.

VII. CONCLUSION

The scope of the Commission's requested seal is narrowly tailored and recognizes the general rule that records of this Court are presumptively open to the public. For good cause shown, the Commission respectfully requests that the docket and case file for this matter, including but not limited to pleadings, motions, memoranda, exhibits, proposed orders, and orders, as detailed herein, be sealed until the earlier of: (1) seventy-two (72) hours (excluding weekends) following issuance of the Proposed SRO or (2) when counsel for the Commission informs the Clerk of Court that the seal is no longer necessary.

Date: September 30, 2024

Respectfully Submitted,

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SANTIESTABAN a/k/a ALEX SANTI;
GABRIEL BELTRAN; and ARCHIE
RICE,

Defendants.

Civil Case No.

**[PROPOSED] ORDER GRANTING
PLAINTIFF COMMODITY FUTURES TRADING COMMISSION'S
REQUEST TO TEMPORARILY SEAL NEW CIVIL ACTION**

Plaintiff Commodity Futures Trading Commission (“CFTC” or “Commission”) filed a Complaint for Injunctive Relief, Civil Monetary Penalties, Restitution, and Other Equitable Relief under the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1–26, and Commission Regulations, 17 C.F.R. p. 1–190 (2023), against Defendants Traders Domain FX LTD. d/b/a/ The Traders Domain and any and all of its successors in interest, including, but not limited to, Ares Global d/b/a/ Trubluefx; Ted Safranko; David Negus-Romvari; Algo Capital LLC; Algo

FX Capital Advisor, LLC, now known as Quant5 Advisor, LLC; Robert Collazo, Jr.; Juan Herman; John Fortini; Steven Likos; Michael Sims; Holton Buggs, Jr.; Centurion Capital Group, Inc.; Alex Santi; Gabriel Beltran; and Archie Rice. The Commission has also filed an *Ex Parte* Motion for a Statutory Restraining Order, Appointment of a Temporary Receiver, and Other Equitable Relief and Memorandum of Points and Authorities In Support Thereof (“SRO Motion”). In addition, pursuant to Local Rule 141(b), the Commission filed a Request to Temporarily Seal New Civil Action (“Request to Seal”).

The Court has considered the pleadings, declarations, exhibits, and memorandums filed in support of the SRO Motion and Request to Seal. Based upon the entire record, the Court finds that:

1. This Court has jurisdiction over the parties and over the subject matter of this case pursuant to 28 U.S.C. §§ 1331 and 1345 and 7 U.S.C. § 13a-1;
2. Venue lies properly within this District pursuant to 7 U.S.C. § 13a-1(e);
3. 7 U.S.C. § 13a-1 authorizes *ex parte* relief;
4. In light of the Commission’s showing that Defendants orchestrated a fraudulent scheme to solicit and misappropriate money from customers, and that notice to the Defendants at this time would frustrate the emergency relief the Commission seeks by providing an incentive and opportunity to Defendants to dissipate assets and/or destroy records before the CFTC obtains and serves the [Proposed] Order Granting Plaintiff’s Motion For An *Ex Parte* Statutory Restraining Order, Appointment of a Temporary Receiver, and Other Equitable Relief (“Proposed SRO”), this is a proper case for granting the relief sought in the Request to Seal to enable the Commission to fulfill its statutory duties;
5. The Commission’s Request to Seal is of brief duration and thus narrowly tailored to its interests as balanced against those of the public.

THEREFORE, for good cause shown:

IT IS HEREBY ORDERED that the Request to Seal is **GRANTED** and that the docket and case file in this matter, including, but not limited to, pleadings, motions, memorandums,

exhibits, proposed orders, and orders, be sealed until the earlier of: (1) seventy-two (72) hours (excluding weekends) following issuance of the requested *ex parte* Statutory Restraining Order; or (2) when counsel for the Commission informs the Clerk of Court that the seal is no longer necessary.

In addition, the sealing of the record and case file, as set forth herein, shall not affect the ability of the Commission to notify financial institutions and other entities or persons who hold or have held, control or have controlled, or maintain or have maintained custody of any of Defendants' assets of the issuance and terms of the Proposed SRO.

IT SO ORDERED, at Miami, Florida on this _____ day of _____, 2024, at _____.

UNITED STATES DISTRICT JUDGE