

FILED

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

2017 FEB 13 PM 3:13

UNITED STATES COMMODITY FUTURES
TRADING COMMISSION,

Plaintiff,

v.

GOLD CHASERS, INC., ROYAL LEISURE
INTERNATIONAL, INC., and CARLOS
JAVIER RAMIREZ,

Defendants.

Civil Action No.

0:17-CV-256-ORL-37-DCI

COMPLAINT FOR INJUNCTIVE AND
OTHER EQUITABLE RELIEF AND FOR
CIVIL MONETARY PENALTIES UNDER
THE COMMODITY EXCHANGE ACT
AND COMMISSION REGULATIONS

I. INTRODUCTION

Plaintiff, U.S. Commodity Futures Trading Commission ("Commission"), by its attorneys, alleges as follows:

1. Since at least February 14, 2012 through at least January 31, 2016 ("the Relevant Period"), Carlos Javier Ramirez ("Ramirez") operated two schemes to defraud members of the public who purchased gold. The first was a Ponzi scheme that was perpetrated by Ramirez through Gold Chasers, Inc. ("GCI") and Royal Leisure International, Inc. ("RLI") (the "GCI Scheme") and operated from at least February 14, 2012 thru January 31, 2013. The second scheme was perpetrated by Ramirez and RLI (the "RLI Scheme") and operated from at least February 14, 2012 through January 31, 2016. In both the GCI and RLI Schemes, Ramirez directed other individuals to solicit customers on behalf of both GCI and RLI.

2. During the Relevant Period, Defendants obtained at least \$1.31 million from at least 20 customers in the United States, Puerto Rico and abroad. Further, based upon information and belief, Defendants obtained at least \$2.8 million in additional funds from customers who sought to purchase gold from Defendants. During the GCI Scheme, Defendants

used false contracts and emails to defraud customers who purportedly purchased kilograms of gold from GCI and RLI. During the RLI Scheme, Ramirez and RLI used a website, www.mygolddesk.com (the “MGD website”), that contained false representations to defraud customers who purportedly purchased gold from RLI. During the Relevant Period, Defendants misappropriated almost all of the cash received from their customers, using some customer funds for Ramirez’s personal expenses, and using other customer funds to pay false profits to some customers, in furtherance of the GCI Scheme. By such conduct, Defendants violated 7 U.S.C. § 9(1) (2012), and 17 C.F.R. § 180.1(a) (2016).

3. Accordingly, pursuant to 7 U.S.C. § 13a-1 (2012), the Commission brings this action to enjoin such acts and practices and compel compliance with the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1 *et seq.* (2012), and Commission Regulations (“Regulations”), 17 C.F.R. §§ 1.1 *et seq.* (2016). In addition, the Commission seeks civil monetary penalties, restitution and remedial ancillary relief, including, but not limited to, trading and registration bans, disgorgement, rescission, post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

4. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

II. JURISDICTION AND VENUE

5. This Court possesses jurisdiction over this action pursuant to 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive and other relief 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.

6. Venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e) because Defendants were found in, inhabited, or transacted business in this District, and the acts and practices in violation of the Act and Regulations occurred, are occurring, or are about to occur, within this District.

III. THE PARTIES

7. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act and the Regulations. The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W. Washington, D.C. 20581.

8. Defendant **Carlos Javier Ramirez** was, during the Relevant Period, a resident of Orlando, Florida. Ramirez is the owner, President, Chief Executive Officer and registered agent of GCI and RLI. Ramirez has never been registered with the Commission.

9. Defendant **Gold Chaser's, Inc.** was a Florida corporation that had offices at 121 South Orange Avenue, Suite 1500, Orlando, Florida 32801-3241. GCI was incorporated in December 2011 and administratively dissolved in September 2013. GCI has never been registered with the Commission.

10. Defendant **Royal Leisure International, Inc.** was a Florida corporation that had offices at 121 South Orange Avenue, Suite 1500, Orlando, Florida 32801-3241. RLI was incorporated in August 2008 and administratively dissolved in September 2013. RLI was also incorporated in Anguilla. RLI has never been registered with the Commission.

IV. FACTS

A. Summary

11. During the Relevant Period, Defendants obtained at least \$1.31 million, and upon information and belief at least another \$2.8 million, from customers residing in the United States, Puerto Rico and abroad for the purpose of entering into contracts to purchase gold from GCI and RLI.

12. During the GCI Scheme, from at least February 14, 2012 through at least January 31, 2013, Ramirez, and agents operating on Defendants' behalf, fraudulently solicited customers residing in the United States to purchase gold, a commodity in interstate commerce, through GCI and RLI. Thereafter, Defendants entered into agreements with their customers in which Defendants purported to sell their customers kilograms of gold and in which Defendants promised to pay profits on or before specific days. Rather than buy gold for their customers, Defendants used customer funds for their personal benefit and used newer customers' funds to pay false profits to some older customers, in furtherance of the GCI scheme, in the manner of a Ponzi scheme.

13. During the RLI Scheme, from at least February 14, 2012 through at least January 31, 2016, Ramirez and RLI operated the MGD website, which offered gold to its customers for purchase. Ramirez, and agents operating on behalf of Ramirez and RLI, solicited customers residing in the United States, Puerto Rico and abroad to purchase gold through the MGD website. Thereafter, using the MGD website, Defendants purported to sell their customers ounces and kilograms of gold, promised to pay profits and issued false documents, including invoices that falsely stated that customers purchased gold from RLI.

14. As part of their fraudulent schemes, Defendants used the mails or other instrumentalities of interstate commerce to solicit and contact customers, to misrepresent

material facts to their customers, to omit material facts that should have been disclosed to their customers in order to make their representations not misleading in the context in which they were made and to disseminate false account documents to their customers, including invoices that falsely stated that Defendants sold gold to their customers.

B. Defendants Misappropriated Their Customers' Funds

15. In connection with the GCI Scheme, Defendants obtained \$832,001 from at least eight customers plus, upon information and belief, an additional \$549,951 from other customers. Defendants paid \$173,169 in false profits to customers in furtherance of the GCI scheme. Defendants misappropriated \$658,832 (\$832,001 minus \$173,169), and upon information and belief, an additional \$549,951, of the funds transferred to them by customers of the GCI Scheme. Defendants used the remaining funds for their own benefit, including for Ramirez's personal expenses.

16. In connection with the RLI Scheme, Ramirez and RLI obtained \$486,948 from at least twelve customers plus, upon information and belief, an additional \$2,254,024 from other customers. Defendants misappropriated \$486,948, and upon information and belief an additional \$2,254,024, of their customers' funds. Ramirez and RLI used customers' funds for their own benefit, including for Ramirez's personal expenses,

17. Therefore, during the Relevant Period, Defendants misappropriated \$1,145,780 (\$658,832 plus \$486,948), and, upon information and belief, an additional at least \$2,803,975 (\$549,951 plus \$2,254,024).

18. As a specific example of Defendants' misappropriation, on or about April 3, 2012, "Customer A," a customer of the GCI Scheme, transferred \$48,104 to GCI's bank account for the purpose of purchasing gold through Defendants. Beginning the next day and continuing

through approximately April 12, 2012, Ramirez misappropriated at least \$14,500 of Customer A's funds. Ramirez spent Customer A's money on himself, including approximately five purchases through Copa Airlines, approximately four purchases through www.hotels.com and a payment of approximately \$3,500 to the Caesar Park Hotel in Sao Paolo, Brazil on or about April 11, 2012.

19. As an additional specific example of Defendants' misappropriation, on or about August 1, 2012, "Customer B," a customer of the GCI Scheme, transferred \$52,010 to GCI's bank account for the purpose of purchasing gold through Defendants. On the day of Customer B's purported purchase of gold, GCI's account was overdrawn and was incurring charges for insufficient funds. On or about August 6, 2012, Ramirez misappropriated at least \$3,600 of Customer B's funds by making purchases at a men's clothing store, a wine store, by paying Verizon \$900, by paying Enterprise Rent-a-Car over \$600, and by incurring a charge of approximately \$335 at a business that touted itself as "the #1 strip club in Miami."

20. During the Relevant Period, Defendants failed to disclose, and intentionally or recklessly omitted to disclose to Customers A and B and to the rest of their customers in both Schemes, that their funds would be misappropriated for Defendants' own financial benefit or for transfer to other customers in furtherance of the GCI Scheme.

C. In Connection with the GCI Scheme, Defendants Made Material False and Misleading Representations and Omissions

21. From at least February 14, 2012 through at least January 31, 2013, Ramirez, and agents acting on behalf of Defendants, fraudulently solicited at least eight United States customers to purchase kilograms of gold from GCI. From at least February 14, 2012 through at least January 31, 2013, Ramirez, and agents acting on behalf of Defendants, told customers that:

- a. If customers bought one, two or four kilograms of gold, they would receive either a ten, fifteen or twenty percent profit every ten days;
- b. Ramirez travelled to Brazil, Mexico and other Central and South American countries to buy gold directly at gold mines for sale to Defendants' customers; and,
- c. There was no risk purchasing gold through Defendants' program.

22. Defendants entered into "Memoranda of Understanding" and Promissory Notes with customers, which stated that Defendants would:

- a. Buy gold at gold mines;
- b. Sell the purchased gold to Defendants' customers;
- c. Pay a profit to Defendants' customers by a specific day;
- d. Provide Defendants' customers with the opportunity to take physical possession of gold bars;
- e. Use the entirety of the funds transferred to them by their customers to purchase gold on behalf of their customers; and,
- f. Sell gold to Defendants' customers at a price that was related to the London Bullion Market Association's prices.

23. From at least February 14, 2012 through at least January 31, 2013, Defendants knew or should have known that:

- a. Ramirez did not buy gold at gold mines in Central and South America;
- b. Of the \$1,381,952 transferred to Defendants by customers of the GCI Ponzi scheme (\$549,951 alleged herein based upon information and belief), Defendants used \$291,487, or only approximately 21 percent, to purchase precious metals, contrary to

Defendants' representations to their customers, including that Defendants would use the entirety of the funds transferred to them by their customers to purchase gold on behalf of their customers;

c. Defendants never possessed a sufficient amount of gold that was anywhere close to being able to honor their promises to sell gold to their customers, or to pay bonuses to their customers;

d. they would not be able to pay profits in the form of either gold or cash to their customers because they never bought sufficient gold on behalf of their customers;

e. the documents they provided to their customers that stated that customers owned gold held by Defendants were false because Defendants did not purchase sufficient gold on behalf of their customers; and,

f. their customers' purchases were at risk because Defendants failed to disclose to their customers that Defendants did not have gold to sell to them and because Defendants failed to disclose that they were misappropriating newer customers' funds to pay false profits to some older customers and for Ramirez's personal expenses.

24. The following two examples illustrate the misappropriations and material misrepresentations and omissions that Defendants made in connection with the GCI scheme.

Customer A

25. Between March and May 2012, Customer A, paid GCI approximately \$133,000 for the purchase of three kilograms of gold.

26. Specifically, on or about March 30, 2012, Customer A entered into a Memorandum of Understanding ("MOU") with Defendants in which Customer A agreed to buy one kilogram of gold from GCI. Accordingly, on or about March 30, 2012, Customer A transferred \$48,104 to a bank account held by GCI and controlled by Ramirez. In addition, in a

March 30, 2012 e-mail, Ramirez told Customer A that, after ten business days, Customer A would receive either one kilogram of gold, or Customer A's purchase price plus ten percent, which was \$53,449.

27. On or about March 30, 2012, Ramirez issued a Promissory Note ("PN") in which he promised to pay \$53,449 in gold to Customer A by April 13, 2012.

28. On or about April 18, May 3 and June 4, 2012, Defendants used money transferred to them by other customers to pay false profits to Customer A, in the total amount of approximately \$43,000, in furtherance of the GCI Scheme.

29. Relying upon Ramirez's representations and the alleged profits paid by GCI, Customer A entered into another MOU with Defendants in which Customer A paid \$84,933 to buy two kilograms of gold from GCI. On or about May 18, 2012, Customer A transferred \$84,933 to a bank account held by GCI and controlled by Ramirez.

30. On or about May 18, 2012, Ramirez issued a second PN in which he promised to pay \$99,922 in gold to Customer A by May 16, 2013. However, even though Ramirez enticed Customer A to purchase gold by using a PN in which he promised to pay a significant profit to Customer A, Ramirez did not pay that profit. Instead, Ramirez caused GCI to pay false profits to Customer A on June 4, 2012 as alleged above, and he misappropriated the remainder of Customer A's investments with GCI.

31. On or about July 5, August 1, September 30, November 14 and November 17, 2012, Ramirez sent emails to Customer A promising that Customer A would receive the gold purchased.

32. In reality, during the Relevant Period, Defendants failed to purchase gold on behalf of Customer A, failed to deliver gold to Customer A, and instead misappropriated

approximately \$90,000 of Customer A's funds, which Defendants used to pay false profits to other customers and for Ramirez's personal expenses.

Customer B

33. Customer B entered into a MOU with Defendants in which Customer B agreed to pay \$52,010 to buy one kilogram of gold from GCI. On or about July 30, 2012, Customer B transferred \$52,010 to a bank account held by GCI and controlled by Ramirez.

34. On or about July 30, 2012, Ramirez issued a PN in which he promised to pay \$62,413 in gold to Customer B by September 18, 2013.

35. In late December 2012 or early January 2013, during a telephone call, Ramirez told Customer B that Customer B would receive a profit, that Customer B's principal was safe and that Customer B's purchase from Defendants carried no risk. None of Ramirez's statements to Customer B were true.

36. During the Relevant Period, rather than earning a profit or keeping Customer B's principal safe, Defendants misappropriated the entirety of Customer B's funds.

37. Moreover, during the Relevant Period, Defendants failed to purchase gold on behalf of Customer B and failed to deliver gold to Customer B.

D. In Connection with the RLI Scheme, Ramirez and RLI Made Material False and Misleading Representations and Omissions and Issued False Invoices

38. From at least February 14, 2012 through at least January 31, 2016, Ramirez and RLI used the MGD website and individual agents operating on their behalf to fraudulently solicit at least 12 customers in the United States, Puerto Rico and abroad to buy gold from RLI.

39. From at least February 14, 2012 through at least January 31, 2016, Ramirez and RLI, and agents operating on their behalf, made the following material false and misleading representations and omissions, including through the MGD website:

a. The My Gold Desk gold-buying program was similar to Amazon and Ebay;

b. By purchasing gold through Ramirez and RLI, and through the MGD website, customers could “[a]ccumulate more monthly than what you would in a CD [or] Savings account”;

c. “My Gold Desk gives private investors around the world access to the professional bullion markets”; and,

d. By purchasing gold through Ramirez and RLI, and through the MGD website, customers would receive a “20% free bonus” payable in gold.

40. From at least February 14, 2012 through at least January 31, 2016, Ramirez and RLI intentionally or recklessly failed to disclose, and omitted, that:

a. The My Gold Desk gold-buying program was not similar to Amazon and Ebay;

b. By purchasing gold through Ramirez and RLI, and through the MGD website, customers would not and did not accumulate more in a month than they would in a CD or savings account;

c. That customers who purportedly purchased gold through the MGD website did not have access to the “professional bullion markets”; and

d. That Ramirez and RLI would not pay bonuses or profits to their customers.

41. From at least February 14, 2012 through at least January 31, 2016, Ramirez and RLI caused the issuance of invoices to customers who bought gold through the MGD website,

including as email attachments, that falsely claimed that customers purchased gold from RLI, that customers received bonuses from RLI and that RLI held gold on their behalf.

42. The following two examples illustrate misappropriations and material misrepresentations and omissions by Ramirez and RLI, and their issuance of false invoices, in connection with the RLI Scheme.

Customer C

43. In January 2014, an agent acting on behalf of Ramirez and RLI told Customer C that the agent had earned profits by purchasing gold through Ramirez and RLI, and through the MGD website. In January 2014, the agent also referred Customer C to the MGD website, and told Customer C that he would earn profits and a bonus by purchasing gold from Ramirez and RLI through the MGD website.

44. On or about February 3, 2014, using the MGD website, Customer C and his spouse transferred \$20,192 to RLI's bank account in Anguilla, controlled by Ramirez, in order to purchase sixteen ounces of gold.

45. Despite receiving funds from Customer C, Ramirez and RLI failed to purchase gold on behalf of Customer C and failed to deliver gold to Customer C.

46. Further, between March and December 2014, Ramirez and RLI caused Customer C to receive invoices that falsely claimed that RLI sold gold to Customer C and that Customer C received bonuses from RLI.

47. Ramirez and RLI failed to pay any profit to Customer C, failed to pay back Customer C's principal and misappropriated \$20,192 from Customer C and his spouse.

Customer D

48. In March 2014, agents acting on behalf of Ramirez and RLI falsely told Customer D that Ramirez and RLI obtained gold at mines in South America and that Customer D could earn profits by purchasing gold through the MGD website.

49. On or about March 5, 2014, using the MGD website, Customer D transferred \$5,348 to RLI's bank account in Anguilla, controlled by Ramirez, in order to purchase four ounces of gold.

50. Despite receiving funds from Customer D, Ramirez and RLI failed to purchase gold on behalf of Customer D and failed to deliver gold to Customer D.

51. Between March and October 2014, Ramirez and RLI caused Customer D to receive invoices that falsely claimed that RLI sold gold to Customer D.

52. Further, on October 6, 2014, Ramirez sent Customer D an email in which Ramirez promised to deliver to Customer D the gold promised by Ramirez and RLI. Despite this promise, delivery never occurred.

53. Ramirez and RLI failed to pay any profit to Customer D, failed to pay back Customer D's principal and misappropriated \$5,348 from Customer D.

E. Ramirez is Liable as a Control Person of GCI and RLI

54. Throughout the Relevant Period, Ramirez owned and controlled GCI; entered into agreements on behalf of GCI, including MOUs and PNs that he issued or caused to be issued to Defendants' customers; and, controlled GCI's bank account, which received funds from Defendants' customers for the purchase of gold.

55. Throughout the Relevant Period, Ramirez owned and controlled RLI; told customers that he owned RLI; was RLI's President and Chief Executive; entered into agreements

on behalf of RLI, including MOUs and PNs that he issued or caused to be issued to Defendants' customers; controlled RLI's bank account, which received funds from Defendants' customers for the purchase of gold; and, caused RLI to issue false documents to customers, including false invoices and emails. In addition, Ramirez controlled the MGD website and he sent communications to Defendants' customers about their gold purchases through RLI, including emails that contained material misrepresentations and omissions.

V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT

**Violations of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a):
Fraud by Manipulative or Deceptive Devices or Contrivances**

56. Paragraphs 1 through 55 above are realleged and incorporated herein by reference.

57. 7 U.S.C. § 9(1) provides in relevant part:

It shall be unlawful for any person, directly or indirectly, to use or employ or attempt to use or employ, in connection with any . . . contract of sale of any commodity in interstate commerce . . . any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate . . .

58. 17 C.F.R. § 180.1(a) provides in relevant part:

It shall be unlawful for any person, directly or indirectly, in connection with any . . . contract of sale of any commodity in interstate commerce . . . to intentionally or recklessly:

- (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;
- (2) Make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading;
- (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person

59. From at least February 14, 2012 through at least January 31, 2013, and in connection with the GCI Scheme, Defendants used or employed, or attempted to use or employ, manipulative or deceptive devices or contrivances, in connection with contracts of sale of a commodity in interstate commerce, namely gold, including but not limited to: 1) misappropriating customer funds; 2) making material misrepresentations about, among other things profits, the purchase of gold and the risks involved; and 3) failing to disclose that Defendants did not use customers' funds to purchase gold on behalf of their customers, in violation 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a).

60. From at least February 14, 2012 through at least January 31, 2016, and in connection with the RLI Scheme, Ramirez and RLI used or employed, or attempted to use or employ, manipulative or deceptive devices or contrivances, in connection with contracts of sale of a commodity in interstate commerce, namely gold, including but not limited to: 1) misappropriating customer funds; 2) making material misrepresentations about, among other things profits, the purchase of gold and the risks involved; 3) failing to disclose that Defendants did not use customers' funds to purchase gold on behalf of their customers; and 4) issuing invoices to customers that falsely stated that RLI purchased gold on behalf of customers, in violation 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a).

61. Throughout the Relevant Period, Ramirez directly or indirectly controlled GCI and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting violations of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a) by GCI. Therefore, pursuant to 7 U.S.C. § 13c(b) (2012), Ramirez is liable for each violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a) by GCI as a controlling person of GCI.

62. Throughout the Relevant Period, Ramirez directly or indirectly controlled RLI, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting violations of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a) by RLI. Therefore, pursuant to 7 U.S.C. § 13c(b), Ramirez is liable for each violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a) by RLI as a controlling person of RLI.

63. Throughout the Relevant Period, Ramirez misappropriated funds he received from GCI customers and made material misrepresentations and omissions to GCI customers within the scope of his employment or agency with GCI. Therefore, GCI is liable under 7 U.S.C. § 2(a)(1)(B) (2012) and 17 C.F.R. § 1.2 (2016) as a principal for Ramirez's violations of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a)(1).

64. Throughout the Relevant Period, Ramirez misappropriated funds he received from RLI customers, made material misrepresentations and omissions to RLI customers and transmitted or caused the transmission of false documents, including invoices, within the scope of his employment or agency with RLI. Therefore, RLI is liable under 7 U.S.C. § 2(a)(1)(B) and 17 C.F.R. § 1.2 as a principal for Ramirez's violations of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a)(1).

65. For both the GCI Scheme and RLI Scheme, each manipulative or deceptive device or contrivance used or employed, or attempted to be used or employed, including each misappropriation, material misrepresentation or omission and issuance of a false document, and including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and pursuant to its own equitable powers, enter:

A. An order finding that Defendants violated 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a);

B. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof, from engaging, directly or indirectly, in conduct in violation of 7 U.S.C. § 9(1) and 17 C.F.R. § 180.1(a);

C. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof, from engaging, directly or indirectly, in:

- i. Trading on or subject to the rules of any “registered entity” (as that term is defined in 7 U.S.C. § 1a(40) (2012));
- ii. Entering into any transactions involving a “commodity interest” (as that term is defined in 17 C.F.R. § 1.3(yy) (2016)) for Defendants’ accounts or for any account in which they have a direct or indirect interest;
- iii. Having any commodity interests traded on Defendants’ behalf;
- iv. 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;
- v. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;

- vi. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission except as provided for in 17 C.F.R. § 4.14(a)(9) (2016); and
- vii. Acting as a “principal” (as that term is defined in 17 C.F.R. § 3.1(a) (2016)), 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).

D. An order requiring Defendants and any third party transferee and/or successors thereof, to disgorge to any officer appointed or directed by the Court all benefits received including, but not limited to, salaries, commissions, loans, fees, revenues and trading profits derived, directly or indirectly, from acts or practices which constitute violations of the Act and Regulations as described herein, including pre-judgment and post-judgment interest;

E. An order directing Defendants and any successors thereof, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between them and any of the customers whose funds were received by Defendants as a result of the acts and practices that constitute violations of the Act and Regulations as described herein;

F. An order requiring Defendants to make restitution by making whole each and every person or entity whose funds were received or utilized by Defendants in violation of the Act and Regulations as described herein, including pre-judgment interest;

G. An order directing Defendants to pay a civil monetary penalty for each violation of the Act and Regulations described herein, plus post-judgment interest, in the amount of the

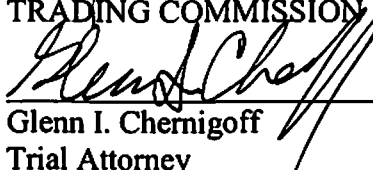
higher of: (1) \$140,000 for each violation of the Act and Regulations; or (2) triple the monetary gain to the Defendants for each violation of the Act and Regulations;

H. An order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and,

I. Such other and further relief as the Court deems proper.

Respectfully submitted,

PLAINTIFF U.S. COMMODITY FUTURES
TRADING COMMISSION


Glenn I. Chernigoff
Trial Attorney
D.C. Bar No. 488500

Michael Solinsky
Chief Trial Attorney
D.C. Bar No. 433754

U.S. Commodity Futures
Trading Commission
Division of Enforcement
1155 21st Street, N.W.
Washington, DC 20581
gchernigoff@cftc.gov
msolinsky@cftc.gov
(202) 418-5000
(202) 418-5523 (fax)

Attorneys for Plaintiff