

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

**U. S. COMMODITY FUTURES
TRADING COMMISSION,**

Plaintiff,

vs.

**AMERICAN PRECIOUS METALS, LLC,
HARRY ROBERT TANNER, JR., and
SAMMY J. GOLDMAN,**

Defendants.

Civil Action No:

**COMPLAINT FOR INJUNCTIVE AND OTHER EQUITABLE RELIEF
AND PENALTIES UNDER THE COMMODITY EXCHANGE ACT**

The U.S. Commodity Futures Trading Commission (“CFTC” or “Commission”), by and through its attorneys, hereby alleges as follows:

I. SUMMARY

1. American Precious Metals, LLC (“APM”) is a boiler room telemarketing firm that, since at least July 1, 2007, has offered “leveraged” investments in physical precious metals, including gold, silver, platinum, and palladium, to retail customers throughout the United States.

2. Through its principals, Harry Robert Tanner, Jr. (“Tanner”) and Sammy J. Goldman (“Goldman”), and its officers, agents, and other persons acting for it, APM has made false and misleading representations and failed to disclose material facts in the course of soliciting customers and prospective customers to purchase physical precious metals on a leveraged basis through what APM describes as its “Leveraged Precious Metals Investment Program” (“leverage program”). Among APM’s fraudulent misrepresentations are the following: (1) APM sells physical precious metals to customers on a leveraged basis; (2) APM

arranges for a loan to the customer through a second company named Global Asset Management, Inc. (“GAM”) which purportedly lends up to 80% of the funds for the purchase of physical precious metals; (3) customers’ physical precious metals are stored in an independent depository; and (4) interest accrues on funds lent to the customer by GAM.

3. In fact, APM does not purchase or sell physical precious metals on behalf of its leverage program customers. Further, APM does not arrange for or provide loans for the purchase of physical precious metals by its customers. APM customers have no physical precious metals stored in any independent depository, and since no loan has been disbursed, no interest accrues on any loan.

4. Instead, after charging commissions of approximately 40% of customers’ funds, APM sends customer funds to GAM, which also does not purchase or sell physical precious metals on behalf of APM leverage program customers. Instead, GAM pools the funds received from APM with funds received from similar boiler room telemarketing firms, takes a portion of the funds as its own profit, and deposits the rest in margin accounts held in GAM’s name with various United Kingdom-based firms where GAM trades over-the-counter (“OTC”) precious metals derivatives. APM discloses none of GAM’s actual activity to its customers.

5. APM’s customer investments are not only impacted by the enormous commissions APM takes off the top, but also by a 3-5% mark-up on the price of the physical precious metals purportedly sold to the customer, account opening fees, and the monthly “interest” GAM charges on the financing purportedly provided to the customers.

6. The scope of APM’s fraud is significant: as of January 7, 2010, APM’s approximately 396 then-existing leverage program customers purportedly owned gold, silver,

platinum, and palladium with a total value of \$23,834,108. In fact, neither APM, GAM nor any secure depository held any physical precious metals for those customers.

7. Not only have APM and its principals, Tanner and Goldman (collectively “Defendants”) engaged in a massive fraudulent scheme, but APM’s offer and sale of palladium to customers on a leveraged basis is unlawful.

8. By virtue of this conduct and the conduct further described herein, Defendants have engaged, are engaging, or are about to engage in conduct in violation of the Commodity Exchange Act (the “Act”), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), and by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010 (“Dodd-Frank Act”)), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.*, and the Commission Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2010). Specifically, Defendants have violated Section 19 of the Act, 7 U.S.C. § 23, and Regulation 31.3, 17 C.F.R. § 31.3 (2010).

9. Unless restrained and enjoined by this Court, Defendants are likely to continue engaging in the acts and practices alleged in this complaint or in similar acts and practices.

10. Accordingly, the CFTC brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, to enjoin Defendants’ unlawful acts and practices and to compel their compliance with the Act and the Regulations promulgated thereunder. In addition, the CFTC seeks disgorgement, rescission, civil monetary penalties, and such other equitable relief as this Court may deem necessary or appropriate.

II. JURISDICTION AND VENUE

11. This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), which authorizes the CFTC to seek injunctive relief in the proper district court of the United States against any person whenever it shall appear to the CFTC 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 promulgated thereunder.

12. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because APM, Tanner, and Goldman reside in this District, Defendants transacted business in this District, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this District.

III. THE PARTIES

13. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2010).

14. Defendant **American Precious Metals, LLC** is a Florida limited liability corporation incorporated in June 2007 with its principal business address in Deerfield Beach, Florida. Since its incorporation, APM has been in the business of offering, entering into and confirming the execution of transactions for the purchase, sale, or delivery of gold, silver, platinum, and palladium on a leveraged basis. APM has never been registered with the Commission in any capacity.

15. Defendant **Harry Robert Tanner, Jr.** is the Managing Member and Registered Agent of APM according to APM corporate filings and resides in Lake Worth, Florida. Tanner manages the day to day operations of APM, including supervising APM employees and directing

APM's financial transactions. Tanner and his wife, Andrea Tanner, control the APM corporate bank accounts, and regularly transfer substantial funds from APM to Tanner Enterprise Group Inc. ("Tanner Enterprise"), a Florida corporation of which Tanner is the sole director.

16. From 1997 to 2006, Tanner was registered with the Commission as an Associated Person ("AP") or listed as a Principal of various entities registered with the Commission, most of which were the subject of regulatory proceedings brought by the National Futures Association ("NFA") or the Commission.

17. Tanner personally has been the subject of two NFA actions, the second of which in 2006 resulted in his permanent bar from future association with any NFA member.

18. Defendant **Sammy J. Goldman** resides in Delray Beach, Florida. Along with Tanner, Goldman manages the day to day operations of APM, including supervising APM employees and directing APM's financial transactions. On information and belief, Goldman receives indirect compensation from APM through transfers of funds to RJG Group Inc. ("RJG Group"), a Florida corporation of which Goldman's wife, Rosalind J. Goldman, is the sole officer and director.

19. From 1982 to 2006, Goldman was registered with the Commission as an AP or listed as a Principal of various entities registered with the Commission, most of which were the subject of regulatory proceedings brought by the NFA or the Commission.

IV. STATUTORY BACKGROUND

20. Section 19(a) of the Act, 7 U.S.C. § 23(a), strictly prohibits the offering, entering into, or execution of transactions for the delivery of any commodity pursuant to standardized contracts commonly known to the trade and/or marketed or managed in substantially the same

manner as margin accounts, margin contracts, leverage accounts, or leverage contracts, except as authorized under subsection (b) of that Section.

21. Section 19(b) of the Act, 7 U.S.C. § 23(b), authorizes the offering, entering into, or execution of transactions only for the delivery of silver bullion, gold bullion, bulk silver coins, bulk gold coins, or platinum pursuant to the standardized contracts described in subsection (a), and then only if done so in compliance with the rules, regulations and orders prescribed by the Commission. Subsection (b) does not authorize transactions for any other commodity in this manner, including transactions for palladium.

22. Pursuant to subsection (b) of Section 19, in 1975, the Commission promulgated Commission Regulation 31.3 (now codified at 17 C.F.R. § 31.3), which makes it unlawful for any person, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly to: (a) employ any device, scheme, or artifice to defraud; (b) make any untrue statement of a material fact or omit a material fact necessary in order to make statements made not misleading; or (c) engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person “in, or in connection with (1) an offer to make or the making of, any transaction for the purchase, sale or delivery of silver bullion, gold bullion, bulk silver coins, bulk gold coins, or any other commodity pursuant to a standardized contract commonly known to the trade as a margin account, margin contract, leverage account, or leverage contract, or pursuant to any contract, account, arrangement, scheme, or device that serves the same function or functions as such a standardized contract, or is marketed or managed in substantially the same manner as such a standardized contract, or (2) the maintenance or carrying of any such contract.”

V. APM'S FRAUDULENT SCHEME

A. APM's "Leverage Program"

23. Goldman and Tanner established APM in June 2007 as a business that offered, entered into, and confirmed transactions for the purchase, sale, or delivery of gold, silver, platinum, and palladium on a leveraged basis. Tanner serves as Managing Member of APM for purposes of corporate filings and controls the APM corporate bank accounts, while Goldman and Tanner control APM's day to day operations, supervise employees, and direct APM financial transactions. Goldman and Tanner directly or indirectly receive compensation from APM.

24. Shortly after it was established, APM, through its agents and employees acting at the direction of Tanner and Goldman, began soliciting customers and prospective customers, including through APM's websites (www.americanpreciousmetalsllc.com and www.americanpreciousmetals.net), by telephone, and by U.S. mail and private courier, to purchase physical precious metals on a leveraged basis through APM's leverage program. Tanner registered the APM websites, and APM regularly updates its websites. Customers and potential customers of APM are contacted in numerous states, including but not limited to California, Texas, Illinois, New York, and New Jersey.

25. According to APM's websites, APM "is a brokerage firm specializing in the leveraging of precious metals" and has "specialized brokers on staff to assist you in making your investment decisions." Both of APM's websites describe the leverage program as allowing customers to purchase precious metals with as little as \$5,000 down and finance up to 80% of their purchases.

B. Material Misrepresentations and Omissions Made To APM Customers

26. APM, through its agents and employees acting at the direction of Tanner and Goldman, has made misrepresentations of material fact in solicitations to actual and prospective

customers. At the time these misrepresentations were made, Tanner and Goldman knew that the information APM agents and employees were giving to customers was false or acted in reckless disregard for whether this information was true.

27. Specifically, APM misrepresents on its websites that: (1) “When your purchase is financed or all cash for storage, all of the goods you ordered will be stored on your behalf at an independent bank or depository or you can take personal delivery at any time”; (2) “Your financed or stored metal is delivered to an independent bank or depository at which time you receive title”; (3) “The metal held for you is not an asset of American Precious Metals LLC, the bank or depository, and as such, the security of your metal does not depend on their individual or collective financial condition”; (4) “100%” of customers’ precious metals will be “physically stored for you at an independent depository”; and (5) customers can “receive prompt, personal delivery any time and anywhere you want by simply paying off the balance of your loan.”

28. Additionally, APM, through its agents and employees acting at the direction of Tanner and Goldman, misrepresents in telemarketing sales presentations to actual and prospective customers that “We deal only with the tangible, physical assets – in this case, bars, bullion, and coins” and in marketing materials sent to actual and prospective customers that “Your precious metals are held as collateral at various secured precious metals depositories.”

29. New APM customers execute an account application and agreement that states, “Each transaction made by the customer is a purchase or sale of Physical Metals product for immediate delivery and is not a Futures Contract, Option on a Futures Contract or Securities transaction.”

30. When a customer purchases physical precious metals, APM sends the customer a “Trade Confirmation Statement” showing that the customer has purchased a specific quantity of a particular metal on a specific date and at a specific price.

31. In addition, GAM sends each customer a monthly “Client Trading Account Statement” (“monthly statement”) that identifies the type and amount of precious metal(s) purportedly purchased or sold for the customer that month, the current market value of the purchased metals purportedly held on behalf of the customer at month end, and the total market value of the customer’s physical precious metals at month end. The monthly statements also reflect interest on the balance of the loan purportedly made to the customer, charged at a rate of 4½% above prime.

32. Contrary to these representations, neither APM nor GAM purchases or stores, or arranges for the purchase and storing of, any physical precious metals on behalf of customers. There is no independent bank or depository which holds customer’s precious metals, and title does not pass to customers when they enter into leveraged transactions. In addition, neither APM nor GAM provides or arranges for bona fide financing for the actual purchase of physical metals. No physical metals are held as collateral at any independent bank or depository to secure the financing of any purchase.

33. Instead, when a customer makes an order to purchase precious metal, APM simply records the transaction on paper and deducts an “administrative fee” equal to 15% of the total value of the metal being purchased, which is equivalent to approximately 40% of the customer’s total cash outlay. APM divides the administrative fee among the firm’s management personnel and the employees responsible for soliciting the customer. APM pools the remaining

customer funds in APM's own bank accounts with funds received from other customers and sends a portion of its pooled customer funds to GAM on a weekly basis.

34. GAM pools the funds it receives from APM with funds received from similar telemarketing boiler rooms in its own bank and investment accounts in the United States and abroad. GAM invests a portion of those pooled funds in leveraged off-exchange, OTC precious metals derivative contracts through accounts GAM maintains in its own name with several London-based companies. This subjects APM customers to an undisclosed risk from the potential bankruptcy, failure or malfeasance of GAM or the London-based companies.

35. APM does not disclose to leverage program customers that their funds are pooled in derivatives trading accounts held in GAM's name at London-based trading firms, and APM fails to disclose the risk that this presents to customers of its leverage program.

36. GAM requires APM customers to maintain a "minimum account equity level" in the customers' accounts based upon the market value of the physical precious metals that the customers believe they own. If a customer's equity drops to or below a certain level, usually 10%, an "equity" or "margin" call is made. If the customer fails to deposit additional funds to maintain the precious metals investment, GAM reduces 50% of the customer's precious metals paper position, resulting in a loss to the customer.

37. APM sales agents are instructed by Tanner and Goldman to persuade customers to use any available excess equity to purchase additional metals, and sales agents use high pressure tactics that emphasize a likelihood of profit. These profit projections are made without any factual basis, and customers who use excess account equity inadvertently increase their likelihood of receiving an equity call and potentially losing their funds if GAM "liquidates" their respective accounts.

VI. VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT ONE

**Defendants Violated Section 19 Of The Act And Regulation 31.3:
Fraud In Connection With Certain Leverage Transactions**

38. Paragraphs 1 through 37 are realleged and incorporated herein by reference.

39. APM, through its agents and employees acting at the direction of Tanner and Goldman, and Tanner and Goldman have violated Section 19 of the Act, 7 U.S.C. § 23, and Regulation 31.3, 17 C.F.R. § 31.3, by using the mails and other means of interstate commerce, directly or indirectly, to: (a) employ a device, scheme, or artifice to defraud; (b) make untrue statements of material fact or omit material facts necessary in order to make statements made not misleading; and (c) engage in acts or practices that operate or would operate as a fraud or deceit on any person, in or in connection with (1) offers to make, or the making of, transactions for the purchase, sale, or delivery of gold, silver, platinum, and palladium pursuant to standardized contracts commonly known to the trade and/or marketed or managed in substantially the same manner as margin accounts, margin contracts, leverage accounts, or leverage contracts, or (2) the maintenance or carrying of such contracts.

40. Specifically, APM, through its agents and employees acting at the direction of Tanner and Goldman, and Tanner and Goldman have made material misrepresentations to customers that APM would sell physical precious metals to them on a leveraged basis, arrange loans on the leveraged portion of purchases, and store the metals in an independent depository. Further, APM, through its agents and employees acting at the direction of Tanner and Goldman, and Tanner and Goldman have made material omissions when communicating with customers by failing to disclose risks inherent in APM's leverage program.

41. APM, through its agents and employees acting at the direction of Tanner and Goldman, and Tanner and Goldman engaged in the acts and practices described above willfully, knowingly, or with reckless disregard for the truth.

42. APM's sales representatives were acting as agents of APM and acting at the direction of Tanner and Goldman when engaged in the acts alleged herein. Therefore, APM, as their principal, is liable for the acts constituting their violations of Section 19 of the Act, 7 U.S.C. § 23, and Regulation 31.3, 17 C.F.R. § 31.3, 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.

43. Tanner and Goldman controlled APM and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting APM's violations alleged in this count. Tanner and Goldman are therefore liable for APM's violations of Section 19 of the Act, 7 U.S.C. § 23, and Commission Regulation 31.3, 17 C.F.R. § 31.3, as controlling persons pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

44. Each act of employing a device, scheme, or artifice to defraud; making misrepresentations or omitting material facts; or engaging in acts or practices that have defrauded or deceived customers in connection with transactions for the purchase, sale, or delivery of gold, silver, platinum, or palladium, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Section 19 of the Act, 7 U.S.C. § 23, and Commission Regulation 31.3, 17 C.F.R. § 31.3 (2010).

COUNT TWO

Defendants Violated Section 19(b) Of The Act: Offering, Entering Into, Or Confirming The Execution Of Certain Leverage Transactions Involving Palladium

45. Paragraphs 1 through 37 are realleged and incorporated herein by reference.

46. APM, through its agents and employees acting at the direction of Tanner and Goldman, and Tanner and Goldman have violated Section 19(b) of the Act, 7 U.S.C. § 23(b), by offering, entering into, or confirming the execution of transactions for the purchase, sale, or delivery of palladium pursuant to standardized contracts commonly known to the trade and/or marketed or managed in substantially the same manner as margin accounts, margin contracts, leverage accounts, or leverage contracts contrary to the terms of Section 19(b)(1), 7 U.S.C. § 23(b)(1), which only authorizes persons to offer, enter into, or confirm the execution of such transactions for the purchase, sale, or delivery of “silver bullion, gold bullion, bulk silver coins, bulk gold coins, or platinum,” but not palladium.

47. APM’s sales representatives were acting as agents of APM and acting at the direction of Tanner and Goldman when engaged in the acts alleged herein. Therefore, APM, as their principal, is liable for the acts constituting their violations of Section 19(b) of the Act, 7 U.S.C. § 23(b), 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.

48. Tanner and Goldman controlled APM and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting APM’s violations alleged in this count. Tanner and Goldman are therefore liable for APM’s violations of Section 19(b) of the Act, 7 U.S.C. § 23(b), as controlling persons pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

49. Each act of offering, entering into, or confirming the execution of transactions for the purchase, sale, or delivery of palladium pursuant to standardized contracts commonly known to the trade and/or marketed or managed in substantially the same manner as margin accounts, margin contracts, leverage accounts, or leverage contracts, including, but not limited to, those

specifically alleged herein, is alleged as a separate and distinct violation of Section 19(b) of the Act, 7 U.S.C. § 23(b).

VII. RELIEF REQUESTED

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

A. Find Defendants liable for violating Section 19 of the Act, 7 U.S.C. § 23, and Regulation 31.3, 17 C.F.R. § 31.3;

B. Enter an order of preliminary injunction pursuant to Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), enjoining Defendants and all persons or entities insofar as they are acting in the capacity of Defendants' agents, servants, successors, employees, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. destroying, mutilating, concealing, altering, or disposing of any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records, or other property of Defendants, wherever located, including all such records concerning Defendants' business operations;

2. refusing to permit authorized representatives of the Commission to inspect, when and as requested, any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records, or other property of Defendants, wherever located, including all such records concerning Defendants' business operations; and

3. withdrawing, transferring, removing, dissipating, concealing, or disposing of, in any manner, any funds, assets, or other property, wherever situated, including, but

not limited to, all funds, personal property, money, or securities held in safes or safety deposit boxes and all funds on deposit in any financial institution, bank, or savings and loan account, whether domestic or foreign, held by, under the actual or constructive control of, or in the name of Tanner, Goldman and/or APM;

C. Enter an order directing that Defendants make an accounting to the Court of all of Defendants' assets and liabilities, together with all funds Defendants received from and paid to customers or any other persons or entities in connection with transactions for the purchase, sale, or delivery of gold, silver, platinum, or palladium pursuant to standardized contracts commonly known to the trade and/or marketed or managed in substantially the same manner as margin accounts, margin contracts, leverage accounts, or leverage contracts, including the names, mailing addresses, email addresses, and telephone numbers of any such persons or entities from whom they received such funds from July 1, 2007 to and including the date of such accounting, and all disbursements for any purpose whatsoever of funds received from customers and any other persons or entities, including salaries, commissions, fees, loans, and other disbursements of money and property of any kind, from July 1, 2007 to and including the date of such accounting;

D. Enter an order requiring Defendants immediately to identify and provide an accounting for all assets and property that they currently maintain outside the United States, including, but not limited to, all funds on deposit in any financial institution, futures commission merchant, bank, or savings and loan account held by, under the actual or constructive control of, or in the name of Tanner, Goldman, and/or APM, or in which any such person or entity has a beneficial interest of any kind, whether jointly or otherwise, and requiring Defendants to repatriate all funds held in such accounts by paying them to the Registry of the Court, or as otherwise ordered by the Court, for further disposition in this case;

E. Enter orders of preliminary and permanent injunction enjoining Defendants and all persons insofar as they are acting in the capacity of Defendants' agents, servants, employees, successors, assigns, and attorneys, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of such order by personal service or otherwise, from directly or indirectly:

1. engaging in conduct in violation of Section 19 of the Act, 7 U.S.C. § 23, or Regulation 31.3, 17 C.F.R. § 31.3;
2. trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a), including, but not limited to, trading for themselves, APM, and APM customers;
3. entering into any transactions involving leverage contracts (as described in Section 19 of the Act, 7 U.S.C. § 23, and Regulation 31.3, 17 C.F.R. § 31.3) ("Section 19 contracts"), commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1)) ("commodity options"), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts") for any personal or proprietary account or for any account in which they have a direct or indirect interest;
4. having any Section 19 contracts, commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;
5. 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 Section 19

contracts, commodity futures, options on commodity futures, commodity options, and/or forex contracts;

6. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any Section 19 contracts, commodity futures, options on commodity futures, commodity options, and/or forex contracts;

7. 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 Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9); and

8. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent, or any other officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, to be codified at 7 U.S.C. § 1a) registered, exempted from registration, or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9);

F. Enter an order requiring Defendants to disgorge to the Commission 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/or Commission Regulation as described herein, including pre-judgment and post-judgment interest;

G. Enter 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 Defendants and any of the customers whose funds were received by Defendants as a result of the acts and practices which constituted violations of the

Act and/or Commission Regulation as described herein, and to restore to each participant the full amount of his or her original investment;

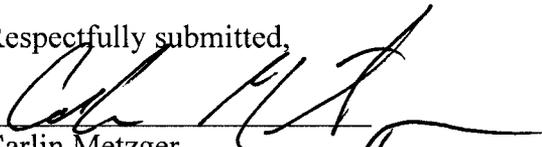
H. Enter an order directing each Defendant to pay a civil monetary penalty pursuant to the Act in the amount of not more than the greater of (1) triple the monetary gain to Defendants for each violation of the Act, or (2) \$130,000 for each violation of the Act occurring prior to October 22, 2008 and/or \$140,000 for each violation of the Act occurring on or after October 23, 2008, plus post-judgment interest;

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

J. Enter an order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Date: May 10, 2011

Respectfully submitted,



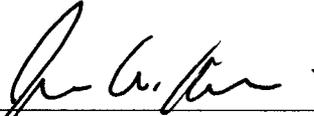
Carlin Metzger
Senior Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0536 phone
(312) 596-0714 fascimile
cmetzger@cftc.gov
Special Bar ID # A5501599



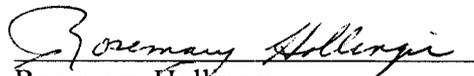
Stephanie Reinhart
Senior Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0688 phone
(312) 596-0714 fascimile
sreinhart@cftc.gov
Special Bar ID # A5501605



Jennifer Smiley
Senior Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0530 phone
(312) 596-0714 fascimile
jsmiley@cftc.gov
Special Bar ID # A5501600



Joseph Konizeski
Senior Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0546 phone
(312) 596-0714 fascimile
jkonizeski@cftc.gov
Special Bar ID # A5501602



Rosemary Hollinger
Associate Director
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, Illinois 60661
(312) 596-0520 phone
(312) 596-0714 fascimile
rhollinger@cftc.gov
Special Bar ID # A5500849