

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

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

Plaintiff,

vs.

**RICHARD C. REGAN, and
PRO TRADING COURSE, LLC,**

Defendants.

Civil No. _____

**Complaint for Injunctive And Other
Equitable Relief And Civil Monetary
Penalties Under The Commodity
Exchange Act**

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

The United States Commodity Futures Trading Commission ("CFTC" or "Commission"),
by and through its attorneys, hereby alleges as follows:

I. SUMMARY

1. From at least February 2009 through approximately September 2010, Pro Trading Course, LLC ("PTC"), a registered commodity trading advisor ("CTA"), by and through its sole principal and control person Richard C. Regan ("Regan") (collectively, "Defendants") and sales associates, fraudulently solicited at least 126 members of the public, who collectively paid PTC a total of approximately \$932,000 to enroll in its training program, purportedly designed to teach individuals to be successful PTC commodity futures and/or foreign currency ("forex" or "FX") proprietary traders. PTC solicited prospective clients for its training program through the use of employment advertisements placed on Craig's List (www.craigslist.com) and other websites. After individuals responded to the employment advertisements, PTC lured them into paying

“enrollment fees” of between \$4,000 to \$26,000 for its training program, with the expectation that upon completion of the 2-week training they would be “hired” as PTC’s proprietary traders, with discretionary authority to trade commodity futures and/or forex accounts in PTC’s name, and receive a share of the profits generated by their successful trading. In particular, PTC’s promotional materials and sales solicitations, including “Payout Charts” prepared and/or authorized by Regan, created the false impression that PTC’s proprietary traders routinely advanced through PTC’s multiple trader levels and received progressively larger profit distributions as they advanced.

2. While PTC’s promotional materials and sales solicitations touted the opportunity to advance and earn large profit distributions after completion of PTC’s training program, Regan knew that not one of the 126 clients who completed PTC’s training during the relevant period and became traders ever advanced beyond Level 1 of the ten or more program levels. In particular, Regan knew that PTC’s commodity traders failed to earn cumulative net profits of at least \$2,000 required for advancement to a Level 2 Futures Trader. Indeed, during the period March 2009 through June 2010, none of the 36 commodity futures trading accounts traded by PTC proprietary traders generated cumulative net profits and only 7 of the 82 forex accounts traded by PTC’s proprietary traders earned cumulative net profits – which only ranged from approximately \$13 to approximately \$186. Notwithstanding the forgoing, neither Regan nor the sales associates he supervised ever disclosed to prospective clients that after completion of PTC’s training program, no PTC trader ever advanced beyond Level 1, and that no PTC trader ever met the monthly profit targets set by Regan or received profit “payouts” approximating those depicted on PTC’s “Payout Charts.”

3. Additionally, PTC offered its clients and members of the public who paid subscription fees an opportunity to access PTC's Virtual Trading Room ("VTR"), which was described in promotional materials as a "trade room" operated on trading days by Regan and his team of purportedly elite traders from the floor of the Chicago Mercantile Exchange ("CME"). In their sales solicitations and in promotional material distributed to prospective clients and prospective subscribers, Regan and PTC's sales associates created the false impression that Regan and his trading team were actually placing trades for PTC's accounts during their VTR sessions. Indeed, Regan and PTC's sales associates recommended that PTC's proprietary traders place the same commodity futures trades that Regan purportedly was placing during VTR sessions, in order to maximize profits in the trading accounts they were given discretionary authority to trade, and to advance to progressively higher PTC trading levels. In fact, during the relevant period, Regan and his trading team did no actual trading in the VTR, and instead, placed only simulated or hypothetical trades while conducting VTR sessions.

4. By virtue of this conduct and the conduct further described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices in violation of provisions 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 the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, ("Dodd-Frank Act"), Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.* (hereinafter citations will refer to the "Act"), and the Commission Regulations promulgated there under ("Regulations"), 17 C.F.R. §§ 1.1 *et seq.* Specifically, PTC, through the acts and omissions of its agents and

employees, including Regan, violated Section 4o(1) (A) and (B) of the Act, 7 U.S.C. §§ 6o(1) (A) and (B), and Regulation 4.41(a), 17 C.F.R § 4.41(a) (2011), in that, while acting as a CTA, it engaged in a course of business, including advertising, which operated as a fraud or deceit upon its clients or prospective clients. Regan directly or indirectly controlled PTC and did not act in good faith or knowingly induced, directly or indirectly PTC's violations and, therefore, is liable for its violations pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b). The foregoing acts, misrepresentations, omissions, and failures of Regan and PTC's sales associates occurred within the scope of their employment with PTC, therefore, PTC is liable for their acts, misrepresentations and omissions, 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.

5. Accordingly, pursuant to Section 6c of the Act, to be codified at 7 U.S.C. § 13a-1, the Commission brings this action to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and to further enjoin Defendants from engaging in certain commodity activity. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

6. 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

7. Section 6c(a) of the Act, to be codified at 7 U.S.C. § 13a-1(a), authorizes the Commission to seek injunctive 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 the Act or any rule, regulation, or order thereunder.

8. Venue properly lies with the Court pursuant to Section 6c(e) of the Act, to be codified at 7 U.S.C. § 13a-1(e), because Defendants transacted business in the Northern District of Illinois and the transactions, acts, practices, and courses of business alleged occurred, are occurring, and/or are about to occur within this District.

III. PARTIES

9. **Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the responsibility for administering and enforcing the provisions of the Act, as amended by the CRA and the Dodd-Frank Act, and the Commission Regulations ("Regulations") promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2011).

10. **Richard C. Regan** is a resident of Chicago, Illinois and has been a Commission registrant since 2006. Regan has been listed as PTC's principal since February 5, 2009, and was registered as an associated person ("AP") of PTC from February 5, 2009 through March 1, 2010. During the relevant period, Regan controlled all aspects of PTC's operation and held himself out to the public as such.

In addition to his association with PTC, Regan has been registered with the Commission as a floor broker since March 3, 2009, and was registered as AP of Chicago Global Investors LLC from November 14, 2006 through December 18, 2008. From November 2006 through the present, Regan was listed as a principal of several other CTAs and introducing brokers ("IB"), but has withdrawn all but one of those listings.

11. **Pro Trading Course LLC**, is a Delaware limited liability company with its principal place of business in Chicago, Illinois. Regan formed PTC on December 29, 2008, and PTC has been registered with the Commission as a CTA since February 5, 2009.

IV. FACTS

A. Statutory Background

12. During the relevant period, a CTA was defined in Section 1a(6) of the Act, as any person who for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in: i) any contract of sale of a commodity for future delivery made or to be made on or subject to the rules of a contract market or derivatives transaction execution facility; ii) any commodity option authorized under Section 4c of the Act; or iii) any leverage transaction authorized under Section 19 of the Act; or a person who for compensation or profit, and as part of a regular business, issues or promulgates analyses or reports concerning any of the activities referred to above. As part of the Dodd-Frank Act, the definition of CTA has been expanded and redesignated as Section 1a(12), to be codified at 7 U.S.C. § 1a(12).

B. Regan Is PTC's Control Person

13. From February 2009 through approximately September 2010, Regan, as PTC's sole principal, controlled all aspects of PTC's operation. In particular, Regan hired all PTC sales associates, reviewed and authorized all PTC promotional materials and sales solicitations, trained all sales staff, directed PTC's futures and forex proprietary training program, operated PTC's VTR, selected PTC's proprietary traders, set the profit levels for advancement as a PTC trader, and determined what percentage of profits generated by PTC's traders would be distributed to them. Additionally, Regan controlled PTC's bank account, opened all of PTC's trading accounts

at registered futures commission merchants ("FCM's"), funded those trading accounts, gave PTC traders discretionary authority to trade sub-accounts of PTC's master trading accounts, determined the maximum position limits for PTC's traders, and approved daily, weekly and monthly loss limits for PTC's traders.

C. PTC's Operation

14. During the relevant period, PTC's business operation was focused in two primary areas: soliciting members of the public to enroll in its training program to eventually become PTC proprietary traders, and selling subscriptions to and operating the VTR. Because Regan was principally involved in operating the VTR during CME trading hours, Regan hired PTC sales associates to solicit prospective clients for its training program and prospective subscribers to the VTR.

15. At its inception, PTC employed two sales associates; for a time, the firm employed as many as six sales associates. For most of the relevant period, PTC's sales associates worked from office space located in Chicago, Illinois. Regan supervised PTC's sales associates, including preparing and/or authorizing the promotional materials they distributed to prospective clients and prospective subscribers and he authorized the sales pitches they employed in their sales presentations.

16. To generate interest in PTC's proprietary training program, Regan or PTC's sales associates placed advertisements on Craig's List, among other internet websites, during the relevant period, seeking to hire "forex and futures traders for intraday trading positions" at PTC. Regan approved all PTC advertisements. While the Craig's List advertisement represented that "[o]ngoing training is done via shadowing the firm's senior traders," it did not disclose that PTC charged an "enrollment fee" in order to enroll in its training program and for selection as a

proprietary trader. Because PTC advertised that it was hiring proprietary traders, its advertisements often attracted individuals who were unemployed and seeking gainful employment.

17. If an individual expressed an interest in PTC's proprietary training program, Regan or PTC's sales associates requested that the individual complete an application for the position of a PTC proprietary trader. PTC's application made it appear that PTC was "hiring" proprietary traders who would be "paid" by receiving a portion of the profits generated by their successful trading for PTC. In particular, PTC's application form sought information concerning an individual's trading experience, whether the individual was interested in trading futures or forex, how many hours the individual could devote to trading and whether the individual was "comfortable trading in a proprietary account with someone else's money." PTC's application did not disclose that the applicant would be charged an enrollment fee in order to enroll in its training program and for selection as a proprietary trader.

18. Once an individual completed PTC's proprietary trader application, a PTC sales associate contacted the individual to schedule a telephone interview, which lasted approximately one hour. Typically, PTC's sales associates used the same format during their telephone interviews, which was approved by Regan. The interviews covered: PTC's training program, the qualifications of becoming a PTC trader, PTC's multiple trading level structure, advancement from one trading level to the next, the profit per level required for advancement in PTC's program, and the profit "payout" to the trader at each trading level, which was determined by Regan and defined as the "monthly percentage of cumulative net profits."

19. Only at the conclusion of the telephone interview did the sales associates inform the individual that PTC charged an enrollment fee to enroll in its training program. PTC charged

enrollment fees ranging in price from \$4,000 for training (including CDs and training manuals), access to the VTR and the opportunity to trade a PTC account for a three-month period, to \$26,000 for training (including CDs and training manuals), access to the VTR, and the opportunity to trade a PTC account for a "lifetime," which was defined as "until Pro Trading Course, LLC becomes insolvent." During the relevant period, at least 126 members of the public enrolled in PTC's training program, became PTC proprietary traders and collectively paid PTC a total of approximately \$932,000 in enrollment fees.

D. PTC, through the Acts of Regan and Its Employees, Made Material Misrepresentations and Omissions Regarding the Success of PTC's Traders

20. When soliciting individuals to enroll in its proprietary training program, PTC's sales associates misstated material facts and omitted material facts in their sales solicitations, which were prepared and/or authorized by Regan. In particular, during the relevant period, PTC's sales associates gave PTC's prospective clients the false impression that clients who completed PTC's training program and became traders routinely met the monthly profit targets set by PTC, advanced to progressively higher trading levels by meeting those profit requirements, and by doing so, received large profit distributions from PTC.

21. In connection with the telephone interview described in Paragraphs 18 and 19 above, PTC's sales associates typically sent a set of PTC's promotional materials, including a PowerPoint presentation, to prospective clients by facsimile or email. These promotional materials included two "Payout Charts" prepared by Regan for futures and forex traders, respectively, depicting the cumulative profit requirements for advancement to each trading level in PTC's multi-level structure, and monthly profit targets for each trading level. The "Payout Charts" identified ten or more levels from "futures trader" to "pro futures trader" to "senior futures trader," specifying progressively higher cumulative profits to advance from one level to

the next. According to the charts, commodity futures traders could advance from level 1 to level 2 by earning cumulative net profits of as little as \$2,000. Regan periodically amended the profit requirements for each trading level and the monthly profit targets for each trading level. When soliciting prospective clients, PTC's sales associates represented that the profit requirements set by Regan for advancement to each trading level were "realistic" and attainable.

22. The Payout Charts that PTC's sales associates sent to prospective clients also depicted the "payout" to PTC's proprietary traders, which was defined as the monthly percentage of cumulative net profits paid to the trader. For example, the futures chart depicted a monthly payout of 65% to 75% of the cumulative net profits earned trading PTC's commodity futures accounts.

23. When soliciting prospective clients for its training program, PTC's sales associates represented that the monthly profit targets set by Regan were "realistic" and attainable.

24. Regan made misrepresentations and omissions knowingly or recklessly because he knew that not one of the 126 clients who completed PTC's training and became PTC proprietary traders ever advanced beyond Level 1 of the program during the relevant period. In particular, Regan knew that PTC's commodity traders failed to earn cumulative net profits of at least \$2,000 required for advancement to a Level 2 Futures Trader. Notwithstanding the foregoing, Regan and the sales associates whom he supervised failed to disclose to prospective PTC clients that after completion of PTC's training program, no PTC trader ever advanced beyond Level 1, and that no PTC trader ever met the monthly profit targets set by Regan or received profit "payouts" approximating those depicted on the "Payout Payout Charts" Regan prepared.

E. The Actual Performance of Sub-Accounts Traded by PTC's Commodity Traders

25. Between approximately March 2009 and July 2009, Regan, as PTC's control person, opened three commodity futures trading accounts in PTC's name at three registered FCMs. These trading accounts were funded with a portion of the enrollment fees PTC received from its clients.

26. Regan opened the commodity futures trading accounts described in Paragraph 25 above as master trading accounts in PTC's name. PTC gave its proprietary traders discretionary authority to trade sub-accounts of PTC's master commodity futures accounts. If a PTC proprietary trader stopped trading the sub-account assigned to him, because he either exceeded the trading loss limits set by PTC or because his enrollment as a PTC trader was for a limited duration, the sub-account could be assigned to a new trader.

27. During the period March 2009 to June 2010, the 36 commodity futures sub-accounts traded by PTC's proprietary futures traders at the three registered FCMs collectively incurred cumulative net losses of approximately \$78,557, and no sub-account earned any cumulative net profits.

28. Since Regan controlled all of PTC's commodity futures accounts referenced in Paragraphs 25 through 27 above, Regan knew the actual trading performance of PTC's commodity futures traders and, in particular, that none of them ever earned the level of profits required for advancement to a Level 2 futures trader or met the monthly profit targets depicted on PTC's "Payout Charts."

F. PTC, through the Acts of Regan and Its Employees, Made Material Misrepresentations and Omissions Regarding PTC's Virtual Trading Room

29. PTC, through Regan and its sales associates, solicited members of the public to subscribe to PTC's VTR, which PTC's promotional materials and sales solicitations described as

a “trade room” operated by Regan and his team of purportedly elite traders from the floor of the CME during trading sessions. PTC’s clients were granted access to the VTR as part of the enrollment fee they paid to PTC. Subscribers to the VTR typically paid PTC monthly fees ranging from \$99 to \$499. Both subscribers and clients gained access to the VTR from remote locations via computer connections and receipt of “access codes” provided by PTC.

30. In their sales solicitations and in promotional material distributed to prospective clients and prospective subscribers, Regan and PTC’s sales associates created the false impression that Regan and his trading team were actually placing trades for PTC’s accounts during their VTR sessions. In particular, PTC’s promotional materials stated that Regan and his team “make live trading calls, from the floor at the CME Group in Chicago. As they trade, they are calling trades, [and] advising on the markets”

31. Regan and PTC’s sales associates routinely recommended that PTC’s proprietary traders place the same commodity futures trades that Regan was purportedly placing during his trading sessions in the VTR, in order to maximize their own profits and advance to progressively higher trading levels.

32. In particular, from at least February 2009 through approximately September 2010, Regan knew that he and his trading team did no actual trading in the VTR, and, instead, placed only simulated trades while conducting VTR sessions. Notwithstanding the foregoing, Regan and PTC’s sales associates knowingly or recklessly failed to disclose to PTC’s prospective clients and clients and prospective subscribers and subscribers that Regan and his team were not placing any actual trades during their trading sessions in the VTR.

V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT

COUNT I

**Violations of Section 4o(1)(A) and (B) of the Act, and Commission Regulation 4.41(a):
Fraud by a CTA**

33. The allegations set forth in paragraphs 1 through 32 are re-alleged and incorporated herein.

34. From at least February 2009 through approximately September 2010, PTC acted as a CTA in that, for compensation or profit, it engaged in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in any contract of sale of a commodity for future delivery made or to be made on or subject to the rules of a contract market or derivatives transaction execution facility, or for compensation or profit, and as part of a regular business, issued or promulgated analyses or reports concerning any of the activities referred to above.

35. From at least February 2009 through approximately September 2010, PTC, through its control person, Regan, and its employees, violated Section 4o(1)(A) and (B) of the Act, to be codified at 7 U.S.C. § 6o(1)(A) and (B), in that, while acting as a CTA, and by use of the mails or any means or instrumentality of interstate commerce, it directly or indirectly employed a device, scheme, or artifice to defraud any client or prospective client, or has engaged in transactions, practices or a course of business which operated as a fraud or deceit upon such persons. The devices, schemes, artifices, transactions, practices or courses of business included, but were not limited to: i) using false and misleading promotional material and sales solicitations which overstated the advancement opportunity and profit potential of the commodity futures training program PTC was selling, while failing to disclose that no PTC commodity futures trader ever advanced beyond Level 1 of the program or received monthly

profit “payouts” approximating those depicted on its “Payout Charts,” after completing PTC’s training program; ii) using false and misleading promotional material and sales solicitations in selling the VTR, which represented that the trading Regan and his team conducted in VTR sessions was actual commodity futures trading, while failing to disclose that Regan and his team conducted only simulated trading in their VTR sessions; and iii) using false and misleading advertisements which represented that PTC was hiring commodity futures traders, while failing to disclose that PTC charged enrollment fees for its training program and never hired any applicant, after completion of its training program. PTC engaged in these fraudulent acts, misrepresentations and omissions in order to convince members of the public to enroll in PTC’s commodity futures proprietary training program and/or to subscribe to PTC’s VTR.

36. From at least February 2009 through approximately September 2010, Regan and PTC, through its control person, Regan, and its employees, violated Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a) (2011), in that, while acting as a CTA, and a principal of a CTA, Defendants advertised in a manner which employed a device, scheme or artifice to defraud clients or prospective clients or involved transactions, practices or a course of business which operated as a fraud or deceit upon any such persons, including, but not limited to, the fraudulent acts described in Paragraph 35 above.

37. The acts and omissions engaged in by Regan were done knowingly or with reckless disregard for the truth.

38. Regan controlled PTC and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting PTC’s violations alleged in this count. Regan is thereby liable for PTC’s violations of Section 4o(1)(A) and (B) of the Act, to be codified at

7 U.S.C. § 6o(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a) (2011), pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b).

39. The foregoing acts, misrepresentations, omissions, and failures of Regan and PTC's employees described in this Count occurred within the scope of their employment with Defendant PTC; therefore, PTC is liable for these acts in violation of the Act, pursuant to Section 2(a)(1)(B) of the Act, to be codified at 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2.

40. Each material misrepresentation or deceptive omission made during the relevant period including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation of Section 4o(1)(A) and (B) of the Act, to be codified at, 7 U.S.C. § 6o(1)(A) and (B) and Commission Regulation 4.41(A), 17 C.F.R. § 4.41(a) (2011).

VI. 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, enter:

A. An order finding PTC and Regan liable for violating Section 4o(1)(A) and (B) of the Act, to be codified at 7 U.S.C. § 6o(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a) (2011);

B. An Order of permanent injunction prohibiting Defendants, and any other person or entity associated with them, from, directly or indirectly, engaging in conduct in violation of Section 4o(1)(A) and (B) of the Act, to be codified at 7 U.S.C. § 6o(1)(A) and (B), and Commission Regulation 4.41(a), 17 C.F.R. § 4.41(a) (2011);

C. An Order of permanent injunction enjoining Defendants and all persons insofar as they are acting in the capacity of their 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 engaging, directly or indirectly, in:

1. Trading on or subject to the rules of any registered entity, as that term is defined in Section 1a of the Act, to be codified at 7 U.S.C. § 1a;

2. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Commission Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2011)) ("commodity options"), foreign currency (as described in Sections 2(c)(2)(B) and/or 2(c)(2)(C)(i) of the Act, as amended by the Dodd-Frank Act, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts"), for their own personal account or for any account in which they have a direct or indirect interest;

3. Having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;

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

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

6. 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011);

7. Acting as a principal (as that term is defined in Commission Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2009)), 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 Commission Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011);

D. An order requiring the 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 as described herein, including pre-judgment and post-judgment interest;

E. An order directing the 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 pool participants whose funds were received by them as a result of the acts and practices that constituted violations of the Act, as described herein;

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

G. An order requiring Defendants to pay civil penalties under the Act, to be assessed by the Court, in amounts of not more than the higher of (1) triple the monetary gain to Defendant for each violation of the Act or (2) \$140,000 for each violation of the Act, occurring on or after October 23, 2008;

H. An order requiring Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2) (2006); and

I. An Order providing such other and further relief as this Court may deem necessary and appropriate under the circumstances.

Date: December 7, 2011

Respectfully submitted,

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