

**NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE**

FILED

JUN - 4 2007

**NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING**

In the Matter of:

FORWARD FOREX, INC.
(NFA ID #362887),

and

MARSHALL D. WERTHEIM
(NFA ID #94354),

Respondents.

NFA Case No. 07-BCC-018

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having found reason to believe that NFA Compliance Rules ("NFA Requirements") are being, have been, or are about to be violated and that the matter should be adjudicated, NFA's Business Conduct Committee ("Committee") issues this Complaint against Forward Forex, Inc. ("Forward Forex") and Marshall D. Wertheim ("Wertheim").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Forward Forex was a futures commission merchant ("FCM") Forex Dealer Member ("FDM") of NFA. As such, Forward Forex was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.
2. At all times relevant to this Complaint, Wertheim was an associated person ("AP") and principal of Forward Forex and an NFA Associate. As such, Wertheim

was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Forward Forex is liable for violations of NFA Requirements committed by Wertheim during the course of his activities on behalf of Forward Forex.

BACKGROUND

3. Forward Forex is located in Hollywood, Florida. It has been an NFA Member since January 2006 and began conducting customer business the following month. Wertheim is Forward Forex's president and its only AP.
4. Forward Forex employed an unregistered entity named F8 Real Estate, Inc. ("F8") to purportedly manage its finances and pay expenses. Forward Forex's association with F8 is, at the very least, suspicious.
5. F8 appears to be owned by Silvia Stambler, who has no registration history in the industry. However, her husband, Andrew Stern ("Stern"), has been for many years affiliated with a number of South Florida brokerage firms and has been named in three disciplinary Complaints issued by this Committee and two Commodity Futures Trading Commission ("CFTC") enforcement actions.
6. On November 2, 2004, in settlement of NFA's most recent case against Stern, he agreed, among other things, that he could only be a passive financial principal of an NFA Member and he is expressly prohibited from exercising controlling influence over any Member's operations and regulated activities. In addition, Stern is prohibited from hiring, firing, or supervising APs, from being present at a firm on a regular basis and from acting as a director of a firm. Further, any firm of which Stern is a principal is required to record all AP conversations with existing and prospective customers for six months.

7. At the time of NFA's examination of Forward Forex in June 2006, the firm's business consisted primarily of offering options on forex to retail customers. The firm obtained customers through the efforts of unregistered solicitors. Forward Forex had a total of 162 customer accounts during its first six months of operation. Approximately 94% of those customers lost money, suffering overall losses of more than \$3.5 million. The average loss was more than \$21,000 and ten customers each lost more than \$100,000. Only nine of Forward Forex's customers showed any profit at all in their accounts, with \$8,088 being the largest gain.
8. In stark contrast to its customers, Forward Forex generated gross revenues of more than \$3.6 million during its first six months. The firm's revenues are derived from commissions, from the bid/ask spread on forex option transactions and from trading gains that it experiences as the counterparty to customer forex option positions. Approximately \$2 million of the \$3.6 million was attributable to commissions that were, for the most part, passed on to the unregistered solicitors and were generally assessed at the rate of \$380 per option spread.
9. At times relevant to this Complaint, most Forward Forex customers were placed in options with premiums of under \$1,000 – usually entering into out-of-the-money options with a premium of somewhere around \$600. The impact of the combination of high commissions, the bid/ask spread and the purchase of significantly out-of-the-money options resulted in a situation in which Forward Forex's customers had to overcome a very high hurdle just to break even. Yet, in many situations, customers were never informed in a meaningful way of how remote their chances of profiting were.

10. Information gathered by NFA during its examination of Forward Forex and follow-up initiatives with customers uncovered evidence of a substantial number of highly deceptive and high-pressure sales solicitations by individuals from the unregistered firms which solicited customers on behalf of Forward Forex. In addition, NFA auditors found that the firm used misleading promotional material and failed to maintain required records. The results of NFA's examination provide ample evidence that Forward Forex and Wertheim failed to supervise the firm's employees and agents.

APPLICABLE RULES

11. NFA Compliance Rule 2-10 provides that each Member shall maintain adequate books and records necessary and appropriate to conduct its business including, without limitation, the records required to be kept under CFTC Regulations 1.18 and 1.32 through 1.37 for the period required under CFTC Regulation 1.31.
12. NFA Compliance Rule 2-36(b)(1) provides that no FDM or Associate of an FDM engaging in any foreign currency futures or options transaction shall cheat, defraud or deceive, or attempt to cheat, defraud or deceive any other person.
13. NFA Compliance Rule 2-36(c) provides that FDMs and their Associates shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their foreign currency futures and options business.
14. NFA Compliance Rule 2-36(e) provides that each FDM shall diligently supervise its employees and agents in the conduct of their foreign currency futures and options activities for or on behalf of the FDM. Each Associate of an FDM who has supervisory duties shall diligently exercise such duties in the conduct of that

Associate's foreign currency futures and options activities for or on behalf of the FDM.

COUNT I

VIOLATION OF NFA COMPLIANCE RULE 2-36(b)(1): MAKING MISLEADING, AND DECEPTIVE SOLICITATIONS TO THE PUBLIC.

15. The allegations contained in paragraphs 1, 3 through 10 and 12, are realleged as paragraph 15.
16. Under NFA Compliance Rule 2-36(d), Forward Forex is subject to discipline for conduct by non-Members of NFA that solicit for or introduce customers to Forward Forex that would violate NFA Compliance Rule 2-36(b)(1) when engaged in by an NFA Member.
17. In or about April of 2006, customer Bernard Herickoff ("Herickoff") was solicited to open an account at Forward Forex by Claire Blauch ("Blauch") a sales person at Hamlin Mercer Financial Group ("Hamlin Mercer"), a non-NFA Member solicitor.
18. Blauch and Hamlin Mercer cheated, defrauded or deceived Herickoff, or attempted to do so, in the following respects:
 - Blauch told Herickoff that he had access to information from the government about currency movement that only the biggest banks knew and that Herickoff had to act immediately if he wanted to have any chance of profiting from this information.
 - Blauch also told Herickoff that his account was far too small for Blauch to waste his time on. Blauch told Herickoff that if he did not add another \$25,000 to his account immediately, Blauch was not going to work with him.
 - Blauch falsely represented to Herickoff that his account was making a positive return.

19. In or about March of 2006, customer Mark Willingham ("Willingham") was also solicited to open an account at Forward Forex by Blauch and Hamlin Mercer.
20. Blauch and Hamlin Mercer cheated, defrauded or deceived Willingham, or attempted to do so, in the following respects:
- Blauch never informed Willingham that he was not investing on a regulated exchange.
 - Blauch told Willingham that he never lost money and promised Willingham large profits. After Willingham invested, Blauch assured him that his account was doing well and had quickly turned a profit. At the account's peak, Blauch told him that it was worth \$800,000 and said that they would cash out as high as \$1.25 million, after which Blauch would just day trade the remaining profits. Contrary to Blauch's rosy reports, Willingham was actually suffering ruinous losses.
21. In or about March of 2006, customer Kurt Deruiter ("Deruiter") was solicited to open an account at Forward Forex by Blauch and Hamlin Mercer.
22. Blauch and Hamlin Mercer cheated, defrauded or deceived Deruiter, or attempted to do so, in the following respects:
- When Blauch informed Deruiter that he earned a profit on his initial investment, Blauch told Deruiter that in order for Deruiter to capitalize on the extraordinary opportunities in the markets he needed to add additional funds quickly.
23. In or about April of 2006, customer Richard Williams ("Williams") was solicited to open an account at Forward Forex by Blauch and Hamlin Mercer.
24. Blauch and Hamlin Mercer cheated, defrauded or deceived Williams, or attempted to do so, in the following respects:
- Blauch promised Williams huge returns and assured Williams that he would be able to double or triple his money and get the money back into his 401(k) in less than a month.

25. In or about April of 2006, customer Rod Wing ("Wing") was solicited to open an account at Forward Forex by Bob Canter ("Canter") another sales person at Hamlin Mercer.
26. Canter and Hamlin Mercer cheated, defrauded or deceived Wing, or attempted to do so, in the following respects:
- When Wing told Canter that his savings were tied up in retirement plans, Canter encouraged Wing to break into his IRA in order to invest, enticing him with profit projections of three to five times his original investment. Canter also told Wing that he had to invest immediately if he wanted to make money. When Wing brought up the penalties and taxes he would incur as a result of withdrawing money from his retirement plans, Canter told him that the returns he would earn in just one month would far outpace any costs associated with breaking his retirement accounts. In addition, Canter routinely told Wing that his account was enjoying significant profits. During an account update at the end of April 2006, Canter told Wing that his account was worth an amount that would have represented a profit of approximately \$20,000. In reality, Wing's account statement for the end of April reflected a net liquidating value of approximately \$20,000 less than his total deposits as of that date.
27. In or about April of 2006, customer Doug Eggers ("Eggers") was solicited to open an account at Forward Forex by Canter and Hamlin Mercer.
28. Canter and Hamlin Mercer cheated, defrauded or deceived Eggers, or attempted to do so, in the following respects:
- Canter told Eggers that it was a certainty that anyone investing in the Euro would see large returns on their investment. Canter told Eggers that he expected him to double his money in no more than ten days to two weeks. Canter insisted that Eggers invest as much as possible because he was sure that Eggers was going to profit. Canter strongly encouraged Eggers to use his retirement savings. Canter said that what he was offering was too good to pass up and was also such a short-term investment that the money Eggers took out of his retirement savings account would be back in the account in a very short time.

29. In or about April of 2006, customer Paul Hammersmith ("Hammersmith") was solicited to open an account at Forward Forex by Darren Winters ("Winters") another sales person at Hamlin Mercer.
30. Winters and Hamlin Mercer cheated, defrauded or deceived Hammersmith, or attempted to do so, in the following respects:
- In the spring of 2006, Winters told Hammersmith about a purported opportunity in forex that would allow him to double his money in no time. Winters said that Hammersmith could expect to turn a \$5,000 investment into \$50,000 in under six weeks time. Winters told Hammersmith that he could turn his investment into \$100,000 and have it right back in his bank account in very little time. Winters strongly stressed the importance of making a decision quickly, as Winters did not want Hammersmith to miss out on any opportunity in the Euro. Winters said there were impending announcements in the industry that were certain to cause huge movements in the Euro market very soon. Winters never discussed the level of risk inherent in the type of investment he was making. In fact, Winters told Hammersmith that he was going to see the word 'risk' in the account opening paperwork, but not to let it scare him. Winters told Hammersmith there really was not much risk in forex when a client followed the firm's strategy.
31. In or about April of 2006, customer Albert Fish ("Fish") was solicited to open an account at Forward Forex by an unknown sales person at Hamlin Mercer.
32. The unknown sales person and Hamlin Mercer cheated, defrauded or deceived Fish, or attempted to do so, in the following respects:
- The unknown Hamlin Mercer sales person told Fish that it was not unusual to see a \$15,000 investment turn into \$60,000 and promised Fish to put a Ferrari in his front yard.
33. In or about April of 2006, customer Dickie Stewart ("Stewart") was solicited to open and maintain an account at Forward Forex by Josef Suarez ("Suarez") and Aris Cohen ("Cohen") who were sales persons of International Monetary Forex ("IMF"), non-NFA Member solicitor.

34. Suarez, Cohen and IMF cheated, defrauded or deceived Stewart, or attempted to do so, in the following respects:

- Suarez told Stewart that the option positions he had purchased were worth \$10,000, and then \$15,000. When Stewart asked to withdraw some of the profit, Suarez told him that the profits did not work like that, and he could not make a withdrawal. Suarez also told Stewart that an option was only profitable if it expired with a profit and that options could not be redeemed prior to expiration.
- Cohen told Stewart on several occasions that Stewart was making money and that "everything was fine with the account," when, in fact, Stewart's account was never in a profitable position at the end of any month.

35. In or about April of 2006, customer Jim Colley ("Colley") was solicited to open an account at Forward Forex by Cohen and IMF.

36. Cohen and IMF cheated, defrauded or deceived Colley, or attempted to do so, in the following respects:

- Cohen told Colley that he had the opportunity to make four or five times a \$5,000 investment. Additionally, Cohen said that Colley could make a lot more money than what Colley was currently making in the stock market. Cohen also sent Colley a brochure regarding risk, but told Colley that the risk information was for another type of investment and was not relevant to forex. He added that the risks involved in the products that he was offering to Colley were minimal. In fact, Cohen told Colley that forex options were less risky than Colley's investments in the stock market.

37. Pursuant to NFA Compliance Rule 2-36(d), Forward Forex is subject to discipline for the foregoing acts and omissions by non-NFA Members Hamlin Mercer, IMF, Blauch, Canter, Winters, Suarez and Cohen. Accordingly, Forward Forex is charged with violating NFA Compliance Rule 2-36(b)(1).

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-36(c): FAILURE TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

38. The allegations contained in paragraphs 1, 3 through 10 and 13 are realleged as paragraph 38.
39. Under NFA Compliance Rule 2-36(d), Forward Forex is subject to discipline for conduct by non-Members of NFA that solicit for or introduce customers to Forward Forex that would violate NFA Compliance Rule 2-36(c) when engaged in by an NFA Member.
40. Adherence to high standards of commercial honor and just and equitable principles of trade in the conduct of foreign currency futures and options business, in part, prohibits the use of a high-pressure approach during solicitations to the public.
41. In or about April of 2006, Blauch and Hamlin Mercer – acting on behalf of Forward Forex – employed a high-pressure approach in soliciting customer Gordon Dye (“Dye”). Blauch and Hamlin Mercer urged Dye to add \$20,000 to his account at Forward Forex so that he would be able to make some real money, despite the fact that Dye had told Blauch that he did not want to invest anymore money and was content to see what happened with his initial investment before considering adding any more to his account. When Dye refused to add funds, Blauch became more aggressive, telling Dye that his excuses for not investing further were not good enough and that Dye was a “loser.”
42. Blauch, together with a Hamlin Mercer sales person named Tim (last name unknown) employed a high-pressure approach in soliciting customer Herickoff,

on behalf of Forward Forex. Blauch urged Herickoff to invest additional funds in his account at Forward Forex but Herickoff refused. Thereafter, Herickoff was called by Tim, who said that Blauch had just stormed into his office, thrown a chair across the room and said that Herickoff had made him so upset that he was going to sever his relationship with Hamlin Mercer. Tim told Herickoff that he had better do what Blauch said or they would lose Blauch as an advisor to the firm. Blauch then called Herickoff. Blauch was indignant and swore at Herickoff, asking Herickoff who he thought he was to second guess Blauch's recommendations.

43. Blauch and Hamlin Mercer – while acting on behalf of Forward Forex – also employed a high-pressure approach in soliciting customer Williams. Blauch frequently screamed at Williams and berated him for lacking sophistication and being a small investor. Blauch repeatedly told Williams that his account was small compared to Blauch's other clients who Blauch claimed were big banks and institutional clients.
44. Blauch attempted to persuade Williams to invest additional funds with Forward Forex. Williams refused explaining to Blauch that he did not want to invest additional funds because, in order to do so, he would have to withdraw funds from his 401(k) savings. However, Blauch refused to take "no" for an answer and kept pressuring Williams to invest more money.
45. Canter and Hamlin Mercer – while acting on behalf of Forward Forex – employed a high-pressure approach in soliciting customer Wing, in that – after Wing opened an account – Carter called Wing as many as five times a day to convince Wing to invest more money with Forward Forex, telling

Wing that market conditions were such that he guaranteed that Wing would triple his investment.

46. Canter and Hamlin Mercer – while acting on behalf of Forward Forex – also employed a high-pressure approach in soliciting customer Eggers, in that they urged Eggers to withdraw retirement savings to invest with Forward Forex. Moreover, after Eggers invested, Canter called Eggers repeatedly, demanding that Eggers invest even more money with Forward Forex. Canter told Eggers that his account was doing exceptionally well, and that it would be foolish not to take further advantage of these favorable markets.
47. Canter even encouraged Eggers to take out a second mortgage on his home, or withdraw retirement savings, or take an advance from his American Express credit card, in order to invest additional funds.
48. Adherence to high standards of commercial honor and just and equitable principles of trade in the conduct of foreign currency futures and options business also requires Members to ensure that customers are readily able to exit existing positions should they wish. This was especially true in the case of Forward Forex's customers, almost all of whom were trading options and needed to be able to readily exit their option positions prior to expiration to avoid a total loss on their positions.
49. Forward Forex failed to adhere to high standards of commercial honor and just and equitable principles of trade in the conduct of its foreign currency futures and options business in that Forward Forex and its non-NFA Member solicitors,

Hamlin Mercer and IMF, failed to ensure that Forward Forex's customers were readily able to exit existing positions, as evidenced by the following incidents:

- Customers Willingham and Hammersmith were unable to reach Blauch or anyone else at Hamlin Mercer, for days at a time. All the while, their open option positions were nearing expiration.
- Williams contacted Forward Forex's customer service representative, Larry Freedberg, to complain about not being able to reach anyone at Hamlin Mercer to find out what his account was worth. Freedberg was not helpful and told Williams that it was his responsibility to track his investments and that "this was the chance you take" when investing in forex.
- Hammersmith – after being unable to contact Blauch – tried to reach Winters, his original broker. The receptionist at Hamlin Mercer refused to connect Hammersmith to Winters, telling him that Winters was no longer his broker and that he would have to speak with Blauch. Hammersmith also contacted Freedberg, who told him that Blauch had had a heart attack and was at a hospital in Minnesota. Freedberg said that Hammersmith was not going to be able to contact Blauch again. When Hammersmith asked whether he could be connected to Winters, Freedberg stated that he did not even know who Winters was and added, "Sorry, but this is the chance that you took."
- Customer Dye asked Blauch not to call anymore. Thereafter, Dye was unable to reach anyone else at Hamlin Mercer regarding the status of his investment. When Dye was finally able to reach a receptionist he was told that no one was available to take his call.
- Customer Wing tried to contact Canter to get an account update because he had been watching the financial news and it did not look like the Euro was moving up the way Canter had told him that it would. Wing was unable to reach Canter for five days, despite repeated attempts. Finally, Wing was connected to Freedberg, who told Wing that he would be handling Wing's account going forward and that Wing's account was essentially worthless.
- Customer Eggers tried unsuccessfully on numerous occasions to reach Canter to get updates on the value of his account. By the time Eggers reached Canter, his account value had dropped significantly. Eggers was very concerned at that point and had decided to liquidate his positions and swallow his losses. However, Canter dissuaded Eggers from liquidating, telling him not to worry. Approximately three weeks prior to the expiration date of

his July options, Eggers tried to reach Canter to ask about their value. Again, Eggers was unable to reach Canter. Unable to contact anyone else at Hamlin Mercer, Eggers contacted Freedberg, who told Eggers that his account was virtually worthless and advised against selling the options because they had such little value.

- Customer Stewart was unable to contact anyone at IMF after early July 2006. He called the firm approximately a dozen times and was never able to reach anyone. Stewart was repeatedly told by a receptionist at IMF that someone from the firm would call him back, but no one ever did. On one occasion, Stewart was able to reach Freedberg, who had someone from IMF call Stewart back. That individual informed Stewart that his positions had all expired worthless.
- Customer Colley attempted to get in touch with Cohen but was told that Cohen was out of the office with medical problems. Colley did reach an individual named Michael Ewan ("Ewan") at IMF, who told Colley that his account's value had appreciated to \$15,000. Based on Ewan's representation, Colley decided to liquidate his positions and take his profit. However, Colley could not reach anyone at IMF to liquidate his positions, after making repeated calls to IMF. By the time Colley was able to get through to someone at IMF, his account had a value of only \$25.

50. Pursuant to NFA Compliance Rule 2-36(d), Forward Forex is subject to discipline for the foregoing acts and omissions of non-NFA Members, Hamlin Mercer, IMF, Blauch, Canter, Winters and the Hamlin Mercer sales person named Tim. Therefore, Forward Forex is charged with violations of NFA Compliance Rule 2-36(c).

COUNT III

VIOLATION OF NFA COMPLIANCE RULE 2-36(b)(1): USE OF MISLEADING AND DECEPTIVE PROMOTIONAL MATERIAL.

51. The allegations contained in paragraphs 1, 3 through 10 and 12 are realleged as paragraph 51.

52. Forward Forex solicited for customers through an Internet site that included misleading and deceptive statements. For example:

- The website represented that the services of Forward Forex were commission free when, in fact, Forward Forex assessed commission charges to its forex options customers.
- The website included the following testimonial: "Forex trading was new to me but I wanted to learn how to trade it. With Forward I got the demo and a great newsletter and access to online videos. These are an unbelievable resource that is unmatched by any other brokerage, with their monthly newsletter that is both informative and eye opening, it's a winning combination." In fact, Forward Forex never prepared or distributed a newsletter and never made videos available through its website.
- The website stated that Forward Forex distributes a performance summary brochure. In reality, the firm had never prepared or distributed any type of performance summary.
- The website stated that real-time account information, real-time risk reports, and 24-hour support are available to firm customers. However, account information and risk reports were only generated after the conclusion of the firm's trading day and firm representatives were not available 24 hours a day.

53. By reason of the foregoing acts and omissions, Forward Forex is charged with violations of NFA Compliance Rule 2-36(b)(1).

COUNT IV

VIOLATION OF NFA COMPLIANCE RULE 2-10: FAILURE TO MAINTAIN REQUIRED BOOKS AND RECORDS.

54. The allegations contained in paragraphs 1 and 3 through 11 are realleged as paragraph 54.

55. CFTC Regulation 1.18(a) provides, in pertinent part, that no person shall be registered as an FCM unless, commencing on the date his application for such registration is filed, he prepares and keeps current ledgers or other similar records which show or summarize, with appropriate references to supporting

documents, each transaction affecting his asset, liability, income, expense and capital accounts.

56. Forward Forex failed to provide NFA with adequate supporting documentation regarding the expenses and liabilities reflected in the firm's financial records. Specifically, Forward Forex failed to provide NFA with adequate documentation to support its purported employee salaries, office rent and utilities.
57. CFTC Regulation 1.18(a) provides, in pertinent part, that all books and records required to be kept by the Act or by the CFTC's Regulations shall be kept for a period of five years from the date thereof and shall be readily accessible during the first two years of the five-year period.
58. In response to NFA's request for supporting documentation for its reported expenses and liabilities, Forward Forex provided NFA with monthly invoices and invoice detail prepared by F8. Not only were those documents insufficient to establish the actual amount and accrual of the firm's expenses and liabilities, Forward Forex represented that it was unable to obtain from F8 required documentation such as underlying vendor invoices, vendor agreements, adequate payroll support and proof of payment.
59. By reason of the foregoing acts and omissions, Forward Forex is charged with violations of NFA Compliance Rule 2-10.

COUNT V

VIOLATION OF NFA COMPLIANCE RULE 2-36(e): FAILURE TO SUPERVISE THE FIRM AND ITS SOLICITORS.

60. The allegations contained in paragraphs 1, 3 through 10 and 14 are realleged as paragraph 60.

61. Forward Forex and Wertheim were responsible for the diligent supervision of Forward Forex's employees and agents.
62. The diligent supervision of an FDM's employees and agents in the conduct of their foreign currency futures and options activities for or on behalf of the FDM requires, in part, that the FDM and its Associates who have supervisory duties supervise employees and agents in their servicing of the FDM's customers.
63. Freedberg was Forward Forex's so-called customer service representative. Freedberg's duties on behalf of Forward Forex purportedly included fielding calls from customers and handling customer complaints. Forward Forex's procedures required the firm's solicitors to notify Forward Forex immediately if they received a customer complaint. In addition, if Forward Forex received any complaints, the firm was to notify both the solicitor and NFA. Any customer complaints filed with Forward Forex were to be sent to Freedberg, who was responsible for maintaining a log of customer complaints and making it available to NFA upon request.
64. Forward Forex and Wertheim failed to supervise Forward Forex's employees and agents to ensure their adherence to the firm's customer complaint procedures. Their supervision of Freedberg was also inadequate in that several Forward Forex customers had multiple discussions with Freedberg regarding complaints. However, neither Freedberg nor Forward Forex was able to produce any records relating to those complaints for NFA. For example, customer Dan Matthews ("Matthews") filed three separate written complaints with Forward Forex and Hamlin Mercer. Hamlin Mercer never notified Forward Forex when it received Matthews' initial complaint as was required by Forward Forex's written

procedures. Similarly, when Matthews subsequently complained directly to Forward Forex, the firm did nothing to inform Hamlin Mercer or NFA about the dispute. In addition, Forward Forex claimed to be unable to provide NFA with any details regarding the ultimate disposition of Matthews' complaint and there was no information regarding the disposition detailed in either the firm's customer complaint file or in Matthews' customer account file as was required under the firm's procedures.

65. The diligent supervision of an FDM's employees and agents in the conduct of their foreign currency futures and options activities for or on behalf of the FDM also requires that the FDM and its Associates who have supervisory duties diligently exercise such duties on behalf of the FDM to ensure compliance with NFA Requirements governing solicitations, promotional material and the preparation and maintenance of books and records.
66. The allegations contained in Counts I through IV are realleged as paragraph 66.
67. By reason of the foregoing acts and omissions, Forward Forex and Wertheim are charged with violations of NFA Compliance Rule 2-36(e).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty (30) days of the date of the Complaint. The Answer shall respond to each allegation in the Complaint by admitting, denying or averring that you lack sufficient knowledge or information to admit or deny the allegation. An averment of insufficient knowledge or information may only be made after a diligent effort has been made to ascertain the relevant facts and shall be deemed to be a denial of the pertinent allegation.

NFA staff is authorized to grant such reasonable extensions of time in which an Answer may be filed as it deems appropriate. The place for filing an Answer shall be:

National Futures Association
200 West Madison Street
Suite 1600
Chicago, Illinois 60606-3447
Attn: Legal Department-Docketing

Failure to file an Answer as provided above shall be deemed an admission of the facts and legal conclusions contained in the Complaint. Failure to respond to any allegation shall be deemed an admission of that allegation. Failure to file an Answer as provided above shall be deemed a waiver of hearing.

POTENTIAL PENALTIES, DISQUALIFICATION AND INELIGIBILITY

At the conclusion of the proceedings conducted as a result of or in connection with the issuance of this Complaint, NFA may impose one or more of the following penalties:

- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act. Respondents in this matter who apply for registration in any new capacity, including as an AP with a new sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to the provisions of CFTC Regulation 1.63, penalties imposed in connection with this Complaint may temporarily or permanently render Respondents who are individuals ineligible to serve on disciplinary committees, arbitration panels and governing boards of a self-regulatory organization, as that term is defined in CFTC Regulation 1.63.

**NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTEE**

Dated: 06/04/07

By: 

Chairperson

m:\pmr.Complaints.Forward Forex and Marshall Wertheim

AFFIDAVIT OF SERVICE

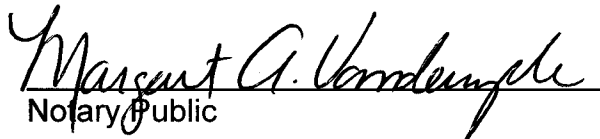
I, Nancy Miskovich-Paschen, on oath state that on June 4, 2007, I served copies of the attached Complaint, by sending such copies in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:

Forward Forex, Inc.
1909 Tyler Street
Suite 306
Hollywood, FL 33020
Attn: Marshall D. Wertheim

Marshall D. Wertheim
3625 N. Country Club Drive
Aventura, FL 33180


Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 4th day of June 2007.


Notary Public

