

**BEFORE THE
NATIONAL FUTURES ASSOCIATION**

In the Matter of:)
)
UNITED GLOBAL MARKETS LLC) NFA Docket No. 07-MRA-008
(NFA ID #338040))

**NOTICE OF MEMBER RESPONSIBILITY ACTION
UNDER NFA COMPLIANCE RULE 3-15**

National Futures Association ("NFA") hereby gives notice to United Global Markets LLC ("UGM"), a futures commission merchant ("FCM") and Forex Dealer NFA Member that, pursuant to NFA Compliance Rule 3-15, the President of NFA, with the concurrence of NFA's Executive Committee, has taken a Member Responsibility Action ("MRA") against UGM whereby:

1. Effective immediately, UGM is prohibited from soliciting or accepting any additional customer accounts or customer funds.
2. Effective immediately, UGM is prohibited from accepting or placing trades for any customer accounts except for the liquidation of existing customer positions.
3. UGM is prohibited from distributing, disbursing or transferring any funds, including to existing customers, without the prior approval of NFA.
4. In taking any action under this MRA, UGM must act in the best interests of its customers.

This action is effective immediately and is deemed necessary to protect customers because UGM has failed to demonstrate that it meets the capital requirements of NFA Financial Requirements Sections 1 and 11.

In support of these actions, NFA attaches the affidavit of Timothy Wigand ("Wigand"), a Manager in NFA's Compliance Department, and based thereon alleges as follows:

1. UGM is an FCM and Forex Dealer Member of NFA located in Boston, Massachusetts. Its business is acting as counterparty to customer accounts trading in off-exchange foreign currency transactions ("forex"). The firm has been registered as an FCM and NFA Member since December 2003.

2. As part of a review of UGM's Form 1-FR as of April 30, 2007, which was received May 24, 2007, NFA noted that the firm had failed to take any capital charges. On June 13, 2007, NFA contacted Stephen Leahy ("Leahy"), a listed principal and the chief financial officer of UGM, about the lack of capital charges. Leahy represented he would check with UGM's accountant and provide NFA with an answer as to why capital charges were not taken.
3. After not hearing back from Leahy, NFA again contacted him on June 15, 2007. Leahy represented that he needed to review UGM's financial records and he would provide NFA with an answer.
4. After still not having heard from Leahy, NFA again contacted him on June 18, 2007. At this time he represented that UGM's failure to take capital charges was an oversight. He further represented that after taking into account the appropriate capital charges the firm would be under the minimum required adjusted net capital ("ANC").
5. Leahy was informed that UGM must file telegraphic notice of being under the minimum required ANC; revise the April 30, 2007, Form 1-FR to reflect the capital charges; and prepare a net capital computation as of June 15, 2007.
6. As of June 27, 2007, UGM has still not submitted a revised April 30, 2007, Form 1-FR or prepared a net capital computation.
7. On June 20, 2007, UGM provided notice that it was under capital as of April 30, 2007, and that since then the firm's ANC was "hovering above and below the \$1,000,000 minimum." Further, the letter indicated that UGM did not have the minimum required ANC as of June 15, 2007.
8. On June 20, 2007, NFA went to the offices of UGM and, among other things, began to review the firm's financial records.
9. During this meeting, Leahy again represented that UGM was under the required minimum ANC as of June 15, 2007, but he assured NFA that the firm had the required minimum ANC as of June 19, 2007.
10. Notwithstanding Leahy's assurance, based upon NFA's review of the financial records UGM provided, as of June 19, 2007, UGM was approximately \$170,000 under the required ANC.

11. On June 20, 2007, NFA sent a letter to UGM requiring that the firm provide NFA with a Form 1-FR and supporting documents demonstrating that it was in compliance with the minimum ANC requirements by noon the next day.
12. On June 21, 2007, UGM was unable to demonstrate compliance with the minimum ANC requirements. Accordingly, on June 21, 2007, NFA sent a letter to UGM notifying the firm that it had failed to demonstrate compliance with the minimum ANC requirements, pursuant to Commodity Futures Trading Commission ("CFTC") Rule 1.17(a)(4) and, as a result, UGM was required to cease doing business, including the solicitation or acceptance of any additional customer funds, and could accept or place trades for liquidation purposes only until such time as it demonstrated it had in place the required ANC.
13. As of June 27, 2007, UGM has failed to demonstrate to NFA that it is in compliance with the minimum ANC requirements.
14. Further, subsequent to being notified via letter and telephone that UGM was not permitted to accept additional customer funds, UGM received over \$95,000 in additional funds from customers, which as of June 27, 2007, it had not returned. Moreover, on June 22, 2007, and again on June 25, 2007, UGM accepted trades from customers putting on new positions, in contravention of the limitation on placing liquidation trades only.

The MRA will remain in effect until such time as UGM has demonstrated to the satisfaction of NFA that it is in complete compliance with all NFA requirements, has at least \$1.5 million in ANC, and provides NFA with a certified financial statement prepared by an independent public accountant who is registered under Section 102 of the Sarbanes-Oxley Act.

UGM is required to provide copies of this MRA, by overnight courier, to all of its customers and to all banks and other financial institutions with which it has money on deposit.

UGM is entitled to a prompt hearing on this matter before NFA's Hearing Committee if it so requests. The request for a hearing shall be made in writing to:

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

Aggrieved parties may petition the CFTC for a stay of this MRA pending a hearing pursuant to and in conformity with the terms set forth in CFTC Regulation 171.41.

NATIONAL FUTURES ASSOCIATION

Date: June 27, 2007

By: *Daniel J. Roth per BAD*
Daniel J. Roth, President

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AFFIDAVIT

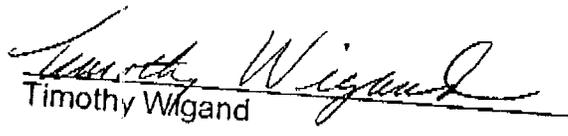
THE AFFIANT, TIMOTHY WIGAND, BEING DULY SWORN AND UNDER OATH STATES THAT:

1. My name is Timothy Wigand, and I am employed by National Futures Association ("NFA") as a Manager in the Compliance Department. In my capacity as a Manager, I led a team that has been investigating United Global Markets LLC ("UGM"). The firm has been registered as an futures commission merchant and NFA Member since December 2003.
2. As part of a review of UGM's Form 1-FR as of April 30, 2007, which was received May 24, 2007, NFA noted that the firm had failed to take any capital charges. On June 13, 2007, NFA contacted Stephen Leahy ("Leahy"), a listed principal and the chief financial officer of UGM, about the lack of capital charges. Leahy represented he would check with UGM's accountant and provide NFA with an answer as to why capital charges were not taken.
3. After not hearing back from Leahy, NFA again contacted him on June 15, 2007. Leahy represented that he needed to review UGM's financial records and he would provide NFA with an answer.
4. After still not having heard from Leahy, NFA again contacted him on June 18, 2007. At this time he represented that UGM's failure to take capital charges was an oversight. He further represented that after taking into account the appropriate capital charges the firm would be under the minimum required adjusted net capital ("ANC").
5. Leahy was informed that UGM must file telegraphic notice of being under the minimum required ANC; revise the April 30, 2007, Form 1-FR to reflect the capital charges; and prepare a net capital computation as of June 15, 2007.
6. As of June 27, 2007, UGM has still not submitted a revised April 30, 2007, Form 1-FR or prepared a net capital computation.

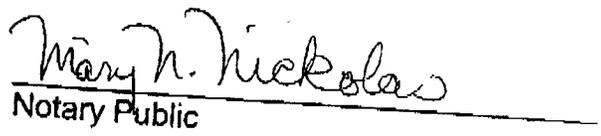
7. On June 20, 2007, UGM provided notice that it was under capital as of April 30, 2007, and that since then the firm's ANC was "hovering above and below the \$1,000,000 minimum." Further, the letter indicated that UGM did not have the minimum required ANC as of June 15, 2007.
8. On June 20, 2007, NFA went to the offices of UGM and, among other things, began to review the firm's financial records.
9. During this meeting, Leahy again represented that UGM was under the required minimum ANC as of June 15, 2007, but he assured NFA that the firm had the required minimum ANC as of June 19, 2007.
10. Notwithstanding Leahy's assurance, based upon NFA's review of the financial records UGM provided, as of June 19, 2007, UGM was approximately \$170,000 under the required ANC.
11. UGM has not prepared any net capital computations since June 15, 2007.
12. On June 20, 2007, NFA sent a letter to UGM requiring that the firm provide NFA with a Form 1-FR and supporting documents demonstrating that it was in compliance with the minimum ANC requirements by noon the next day.
13. On June 21, 2007, UGM was unable to demonstrate compliance with the minimum ANC requirements. Accordingly, on June 21, 2007, NFA sent a letter to UGM notifying the firm that it had failed to demonstrate compliance with the minimum ANC requirements, pursuant to Commodity Futures Trading Commission Rule 1.17(a)(4) and, as a result, UGM was required to cease doing business, including the solicitation or acceptance of any additional customer funds, and could accept or place trades for liquidation purposes only until such time as it demonstrated it had in place the required ANC.
14. As of June 27, 2007, UGM has failed to demonstrate to NFA that it is in compliance with the minimum ANC requirements.

15. Further, subsequent to being notified via letter and telephone that UGM was not permitted to accept additional customer funds, UGM received over \$95,000 in additional funds from customers, which as of June 27, 2007, it had not returned. Moreover, on June 22, 2007, and again on June 25, 2007, UGM accepted trades from customers putting on new positions, in contravention of the limitation on placing liquidation trades only.

Further Affiant sayeth not.


Timothy Wigand

Subscribed and sworn to before me
on this 27th day of June 2007.


Notary Public

MARY N. NICKOLAS
NOTARY PUBLIC, State of New York
No. 01N16084021
Qualified in Queens County
Commission Expires Nov. 28, 2010

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on June 27, 2007, I served copies of the attached Notice of Member Responsibility Action, by sending such copies by facsimile and overnight mail in envelopes addressed as follows:

Eileen Donovan
Office of the Secretariat
Commodity Futures Trading
Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581
Facsimile: (202) 418-5521

Lawrence B. Patent
Associate Chief Counsel
Commodity Futures Trading
Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
Facsimile: (202) 418-5536

United Global Markets LLC
20 Park Plaza
Suite 1000
Boston, MA 02116
Attn: Stephen Leahy
Facsimile: (617) 357-5100


Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 27th day of June 2007.


Notary Public

