

**BEFORE THE  
NATIONAL FUTURES ASSOCIATION**

In the Matter of: )  
 )  
NATIONS INVESTMENTS LLC ) NFA Docket No. 07-MRA-010  
(NFA ID #358507) )

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

National Futures Association ("NFA") hereby gives notice to Nations Investments LLC ("Nations"), 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 Nations whereby:

1. Effective immediately, Nations is prohibited from soliciting or accepting any additional customer accounts or customer funds, except as security deposits for existing positions. The prohibition on solicitation includes, without limitation, ceasing solicitation through the firm's website.
2. Effective immediately, Nations is prohibited from accepting or placing trades for any customer accounts except for the liquidation of existing customer positions and Nations is prohibited from acting as a counterparty to any foreign currency ("Forex") transactions.
3. Nations must liquidate all customer and firm Forex positions by 5:00 p.m. (EDT) on Wednesday, July 25, 2007.
4. Nations is required to liquidate all Forex positions held in any account for any Nations' principal or employee by 5:00 p.m. (EDT) on Wednesday, July 25, 2007, and, further, is prohibited from initiating any additional positions in such accounts.
5. Nations is prohibited from distributing, disbursing or transferring any funds, including to existing customers, without the prior approval of NFA.
6. In taking any action under this MRA, Nations must act in the best interests of its customers.

This action is effective immediately and is deemed necessary to protect customers because Nations has failed to demonstrate that it meets the capital requirements of NFA Financial Requirements Sections 1 and 11. Additionally, it appears that Nations does not have sufficient assets to meet its obligations to its customers.

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

1. Nations is an FCM and Forex Dealer Member of NFA located in Ft. Lauderdale, Florida. Nations has been registered as an FCM and NFA Member since August 2005. Nations offers customers trading in both on-exchange futures and Forex. Registration filings submitted on behalf of the firm reflect that its only principal registered as an associated person is Mansur Husain ("Mansur").
2. On Saturday, July 21, 2007, Nations sent to NFA, via e-mail, notice that it had fallen under the minimum required adjusted net capital ("ANC").
3. On the morning of Monday, July 23, 2007, NFA contacted Nations and spoke with Sal Husain, the chief financial officer and a listed principal of Nations. He represented that Nations was under the minimum ANC by approximately \$3.5 million.
4. On July 23, 2007, NFA sent a letter to Nations notifying the firm that as it was unable to demonstrate compliance with the minimum ANC requirements, pursuant to Commodity Futures Trading Commission ("CFTC") Rule 1.17(a)(4), Nations 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.
5. That same day, NFA received another notice from Nations representing that the firm had fallen under the required minimum ANC "due to losses in the forex markets." This letter also indicated that Nations was attempting to raise \$5 million "to make customers whole."
6. Nations also provided NFA with a Form 1-FR as of July 20, 2007, which indicates that Nations owes customers trading in on-exchange futures more than \$3 million and customers trading Forex more than \$5 million.
7. Based on the Form 1-FR, while Nations appears to have sufficient funds segregated for purposes of its liabilities to on-exchange customers, it has less than \$2 million available to meet its \$5 million obligation to Forex customers.
8. Accordingly, as of July 24, 2007, Nations has failed to demonstrate that it is in compliance with NFA's capital and other Financial

Requirements. Further, it appears that Nations is unable to meet its obligations to its customers.

The MRA will remain in effect until such time as Nations has demonstrated to the satisfaction of NFA that it is in complete compliance with all NFA Requirements. Nations is required to provide copies of this MRA, by overnight courier, to all of its customers, to all banks and other financial institutions with which it has money on deposit, and to all persons that solicit or introduce customers to Nations or that manage customer accounts held at Nations.

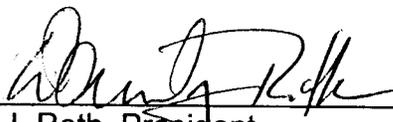
Nations is entitled to a prompt hearing on this matter before NFA's Hearing Committee if it so requests. The request for a hearing shall be made in writing to:

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: July 24, 2007

By:   
Daniel J. Roth, President

## AFFIDAVIT

THE AFFIANT, DENISE BENT, BEING DULY SWORN AND UNDER OATH STATES THAT:

1. My name is Denise Bent and I am employed by National Futures Association ("NFA") as a Manager in the Compliance Department. In my capacity of Manager, I led a team that has been investigating Nations Investments LLC ("Nations"), a futures commission merchant ("FCM") and Forex Dealer Member of NFA located in Ft. Lauderdale, Florida. Nations has been registered as an FCM and NFA Member since August 2005. Nations offers customers trading in both on-exchange futures and off-exchange foreign currency transactions ("Forex"). Registration filings submitted on behalf of the firm reflect that its only principal registered as an associated person is Mansur Husain ("Mansur").
2. On Saturday, July 21, 2007, Nations sent to NFA, via e-mail, notice that it had fallen under the minimum required adjusted net capital ("ANC").
3. On the morning of Monday, July 23, 2007, NFA contacted Nations and spoke with Sal Husain, the chief financial officer and a listed principal of Nations. He represented that Nations was under the minimum ANC by approximately \$3.5 million.
4. On July 23, 2007, NFA sent a letter to Nations notifying the firm that as it was unable to demonstrate compliance with the minimum ANC requirements, pursuant to Commodity Futures Trading Commission ("CFTC") Rule 1.17(a)(4), Nations 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.
5. That same day, NFA received another notice from Nations representing that the firm had fallen under the required minimum ANC "due to losses in the forex markets." This letter also indicated that Nations was attempting to raise \$5 million "to make customers whole."
6. Nations also provided NFA with a Form 1-FR as of July 20, 2007, which indicates that Nations owes customers trading in on-exchange futures more than \$3 million and customers trading Forex more than \$5 million.

7. Based on the Form 1-FR, while Nations appears to have sufficient funds segregated for purposes of its liabilities to on-exchange customers, it has less than \$2 million available to meet its \$5 million obligation to Forex customers.
8. Accordingly, as of July 24, 2007, Nations has failed to demonstrate that it is in compliance with NFA's capital and other Financial Requirements. Further, it appears that Nations is unable to meet its obligations to its customers.

Further Affiant sayeth not.

  
Denise Bent

Subscribed and sworn to before me  
On this 24<sup>th</sup> day of July 2007.

  
Notary Public



**AFFIDAVIT OF SERVICE**

I, Myra Lewis, on oath state that on July 24, 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, Acting Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581  
Facsimile No.: 202/418-5521

Lawrence B. Patent  
Deputy Director, Compliance and Registration  
Division of Clearing and Intermediary Oversight  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581  
Facsimile: 202/418-5536

and by also sending a copy by facsimile and regular and overnight mail in envelopes addressed as follows:

Mansur Husain  
Nations Investments LLC  
1700 NW 64<sup>th</sup> Street  
Suite 100  
Ft. Lauderdale, FL 33309  
Facsimile No: 954/491-3959

Anthony Masters  
Nations Investments LLC  
1700 NW 64<sup>th</sup> Street  
Suite 100  
Ft. Lauderdale, FL 33309  
Facsimile No: 954/491-3959

Myra Lewis  
Myra Lewis

Subscribed and sworn to before  
me on this 24<sup>th</sup> day of July, 2007.

Margaret A. Vandermyle  
Notary Public

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