

**FILED**

**SEP 18 2007**

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

**NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING**

In the Matter of: )  
)  
TREND COMMODITIES LIMITED ) NFA Case No. 07-BCC-033  
PARTNERSHIP )  
(NFA ID #358048), )  
)  
Respondent. )

**COMPLAINT**

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having found reason to believe that 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 Trend Commodities Limited Partnership ("Trend").

**ALLEGATIONS**

**JURISDICTION**

1. At all times relevant to this Complaint, Trend was a futures commission merchant ("FCM") and an NFA Forex Dealer Member ("FDM").

**APPLICABLE RULES**

2. NFA Compliance Rule 2-2(f) provides, in pertinent part, that an NFA Member shall not willfully submit materially false or misleading information to NFA or its agents.

**COUNT I**

**VIOLATION OF NFA COMPLIANCE RULE 2-2(f)**

3. The allegations contained in paragraphs 1 and 2 are realleged as paragraph 3.

4. During an examination of an FDM on May 11, 2007, NFA was informed that customers of this FDM had been requesting that their accounts be transferred to Trend.
5. This was of concern to NFA because as recently as May 8 Trend had represented to NFA that it was not currently engaged in any Forex related business and would let NFA know when it did commence Forex business.
6. As a result of this information, NFA began an investigation of Trend. During this investigation, Trend made numerous misleading statements to NFA regarding its source of capital, its source of customers, and the firm's operations.
7. On May 14, 2007, NFA requested from Trend, among other things, a description of the transfer of customer accounts to the firm. In its letter responding to the request, Trend represented that it did not have any "plans to effectuate any kind of customer transfer from any other FCM."
8. Despite this representation, on May 21, 2007, NFA found that Trend had already opened approximately 30 customer accounts that had been funded by customers of another firm.
9. On May 21, 2007, Trend also represented to NFA that it had been inactive from July 2006 until early May 2007 when the firm began to open customer accounts.
10. Despite this representation, NFA noted that the firm's financial journals showed numerous deposits from November 2006 through May 2007 into the firm's bank accounts from two NFA FDMs. When NFA asked about these deposits Trend admitted that since July 2006 it had been paying third-party firms to solicit customers for Forex options trading and Trend introduced these customers on a fully disclosed basis to another FDM.

11. Additionally, on May 21, 2007, Trend advised NFA that it had recently come under new ownership.
12. While investigating Trend, NFA received a call from an individual that wanted to provide NFA with information about Trend and a firm named Global One Group, LLC ("Global"). He represented that Global was an unregistered Forex solicitor.
13. This individual indicated that Global was executing loan agreements with customers to invest in Global. He stated his belief that Global via these loans had raised over \$15 million from approximately 1,500 individuals. This individual further represented that some of the money raised by Global via these loans was used to acquire Trend and to ensure that the firm was in compliance with NFA's capital requirements.
14. On May 22<sup>nd</sup>, NFA had a conference call with Trend. NFA inquired about the source of funds for the new owner's purchase of Trend. Trend represented to NFA that the funds had come from the owner's personal contributions and assets.
15. On June 6, 2007, in response to NFA's further questions regarding the funding of Trend, Trend represented to NFA that Trend had not received any payments from Global.
16. NFA discovered discrepancies regarding the source of funding, which NFA concluded rendered the earlier representations by Trend to be misleading. Trend's counsel provided NFA with documents that revealed that Global had entered into a loan agreement whereby Global provided \$2,250,000 to a corporation named Way FX, which then used the funds to purchase and capitalize Trend.

17. Throughout NFA's investigation, Trend consistently represented that it did not have any relationship with Global. NFA, however, spoke with three customers of Trend who indicated that they opened accounts with Trend and executed loan agreements with Global.
18. NFA has also obtained a TrendFX Market's Client Application that contains "Global One Group-TrendFX Application Instructions". Additionally, several of the customer checks that Trend provided to NFA had notations of "Global," "Global One," or "G1."
19. On May 21, 2007, NFA visited Trend's office, which was then located in Hollywood, Florida, and requested Trend's balance sheet as of May 15, 2007. NFA noted the following five bank accounts in the name of Trend: Bank Atlantic – "Operating" and "Customer"; and Washington Mutual ("WaMu") – "Operating", "Capital Account", and "Customer".
20. NFA also noted that Trend shared its Florida office with another NFA FDM, Forward Forex, Inc. ("FFI"). Trend represented that individuals affiliated with FFI had no involvement with Trend.
21. NFA found evidence that this representation was not accurate. Specifically, there were several checks (the latest of which is dated in March 2007) drawn from Trend's Bank Atlantic "Operating" account that had been signed by Onelio Murias ("Murias"), the chief executive officer and a listed principal of FFI.
22. During a June 4, 2007, conversation, Trend represented that the firm was not actively soliciting customers and it would only use registered introducing brokers to solicit new customers.
23. When NFA inquired as to how the firm had obtained its current customers,

however, Trend now represented that Bitterroot Enterprises LLC, a firm that is not registered in any capacity, had solicited some of the customers.

24. NFA also spoke with an employee of Bitterroot, who was employed at Trend until he resigned on May 17, 2007, and he represented that Bitterroot does not directly solicit customers. He stated that Bitterroot referred customers to Trend and that Global had solicited approximately 70% of these customers.
25. By reason of the foregoing acts and omissions, Trend is charged with violations of NFA Compliance Rule 2-2(f).

### **PROCEDURAL REQUIREMENTS**

#### **ANSWER**

You must file a written Answer to the Complaint with NFA within thirty 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.

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, the Committee may impose one or more of the following penalties:

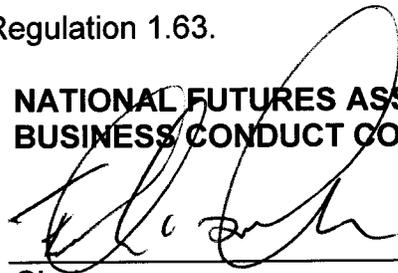
- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any 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 Act. Respondents in this matter who apply for registration in any new capacity, including as an associated person with a new sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to the provisions of Commodity Futures Trading Commission ("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: 9-18-07

By:   
Chairperson

**AFFIDAVIT OF SERVICE**

I, Myra Lewis, on oath state that on September 18, 2007, I served a copy of the attached Complaint, by sending such copy in the United States mail, first-class delivery, and by messenger delivery, in envelopes addressed as follows:

Jeffry M. Henderson, Esq.  
Henderson & Lyman  
175 W. Jackson Boulevard  
Suite 240  
Chicago, IL 60604

Myra Lewis  
Myra Lewis

Subscribed and sworn to before me  
on this 18<sup>th</sup> day of September 2007.

Mary A. Patton  
Notary Public

m:\my\affd\trend commodities complaint 91807

