

NOV 14 2007

**NATIONAL FUTURES ASSOCIATION
BEFORE THE HEARING PANEL**

**NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING**

In the Matter of:)
)
ONE WORLD CAPITAL GROUP LLC)
(NFA ID #359973),)
)
and)
)
JOHN E. WALSH)
(NFA ID #277351),)
)
Respondents.)

NFA Case No. 07-BCC-017

DECISION

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee ("BCC") of National Futures Association ("NFA") against One World Capital Group LLC ("One World") and John E. Walsh ("Walsh") in the above-captioned matter, and the Offer of Settlement ("Offer") submitted by One World and Walsh and having accepted the Offer, the Hearing Panel ("Panel") issues the following Decision.

I

ALLEGED VIOLATIONS OF NFA REQUIRMENTS

In June 2007, NFA's BCC issued a Complaint against One World, a futures commission merchant ("FCM") and Forex Dealer Member ("FDM") of NFA, and One World's president, Walsh. The Complaint alleged that One World violated NFA Compliance Rule 2-10 and NFA Financial Requirements Sections 1 and 4, by failing to maintain current financial books and records, failing to meet its minimum adjusted net

capital requirement, and failing to notify NFA that its books and records were not current. The Complaint also alleged that One World violated NFA Compliance Rules 2-36(b)(1), 2-36(c), and 2-36(e), by using deficient promotional material, and failing to adopt and enforce written procedures to supervise the use of promotional material. In addition, the Complaint alleged that One World and Walsh violated NFA Compliance Rules 2-2(f) and 2-36(b)(5), by providing inaccurate information to NFA concerning a particular individual's role at One World.

II

OFFER OF SETTLEMENT

One World and Walsh submitted an Offer in which they proposed to settle the charges against them on the following terms:

- A. They consented to findings that One World committed the violations alleged against it in the Complaint; NFA agreed that there would be no adverse findings, or findings of liability, with respect to the allegation that they provided inaccurate information to NFA concerning a particular individual's role at One World;
- B. They stipulated and agreed that One World shall pay a fine of \$100,000, on or before December 31, 2007, and that One World shall pay an additional fine of \$50,000, on or before February 1, 2008, unless certain conditions are met, as described in the Offer;
- C. They agreed that Walsh shall guarantee payment of these fines, in the event that One World fails to pay them;
- D. They acknowledged and agreed that, if their Offer of Settlement was accepted by the Hearing Panel, the settlement of this case would not relieve One World of its obligation to comply with all NFA Requirements, including capital requirements for FDMs and the increased capital requirements for FDMs which go into effect on December 21, 2007;
- E. They agreed that they would not permit Charles Martin to act for or on behalf of One World in connection with its futures business or off-exchange forex business, including as an employee, solicitor of accounts, manager of accounts, consultant, independent contractor, agent, or

unpaid volunteer. In addition, absent extraordinary circumstances, they agreed not to permit Charles Martin to be physically present in One World's offices;

- F. Within thirty days of a Decision accepting their Offer, they agreed that One World would adopt and implement written compliance procedures – acceptable to NFA – which are of a corrective nature and address the deficiencies cited in the Complaint, including the adoption and implementation of adequate systems to enable One World to handle customer funds, comply with customer reporting requirements, and properly account for its liabilities to its forex customers; the preparation and/or maintenance of required books and records and accurate and complete financial statements, including a sufficient general ledger, support for payments to vendors, acknowledgements from depositories that were holding customer segregated funds, daily confirmation statements that include customer account numbers and a complete description of the underlying futures positions including strike prices for option contracts, and sufficient supporting documents for its Forex Reports; and the preparation, use, and review of promotional material to ensure that it complies with NFA promotional material requirements; and
- G. Within forth-five days of a Decision accepting their Offer, they agreed to employ experienced and competent staff to prepare and maintain One World's books and records and financial statements, and oversee One World's compliance program and activities, including the specific areas outlined in the preceding paragraph.

III

FINDINGS

Having considered the matter and having accepted the Offer submitted by One World and Walsh, the Hearing Panel finds that One World violated NFA Compliance Rules 2-10, 2-36(b)(1), 2-36(c), and 2-36(e), and NFA Financial Requirements Sections 1 and 4, as alleged in the Complaint and described in Section I above.

IV

PENALTY

Having considered the matter and having accepted the Offer submitted by

One World and Walsh, the Hearing Panel orders as follows:

- A. One World shall pay a fine of \$100,000, on or before December 31, 2007, and shall pay an additional fine of \$50,000, on or before February 1, 2008, unless the conditions described in the Offer are met;
- B. Walsh shall *guarantee payment of these fines, in the event that One World fails to pay them;*
- C. The settlement of this case and this Decision does not relieve One World of its obligation to comply with all NFA Requirements, including capital requirements for FDMs and the increased capital requirements for FDMs which go into effect on December 21, 2007;
- D. One World and Walsh shall not permit Charles Martin to act for or on behalf of One World in connection with its futures business or off-exchange forex business, including as an employee, solicitor of accounts, manager of accounts, consultant, independent contractor, agent, or unpaid volunteer. In addition, absent extraordinary circumstances, One World shall not permit Charles Martin to be physically present in One World's offices;
- E. Within thirty days of this Decision, One World and Walsh shall adopt and implement written compliance procedures – acceptable to NFA – which are of a corrective nature and address the deficiencies cited in the Complaint, including the adoption and implementation of adequate systems to enable One World to handle customer funds, comply with customer reporting requirements, and properly account for its liabilities to its forex customers; the preparation and/or maintenance of required books and records and accurate and complete financial statements, including a sufficient general ledger, support for payments to vendors, acknowledgements from depositories that were holding customer segregated funds, daily confirmation statements that include customer account numbers and a complete description of the underlying futures positions including strike prices for option contracts, and sufficient supporting documents for its Forex Reports; and the preparation, use, and review of promotional material to ensure that it complies with NFA promotional material requirements; and

- F. Within forth-five days of this Decision, One World and Walsh shall employ experienced and competent staff to prepare and maintain One World's books and records and financial statements, and oversee One World's compliance program and activities, including the specific areas outlined in the preceding paragraph.
- G. The Hearing Panel's acceptance of One World and Walsh's Offer of Settlement shall operate to 1) bar any future MRA or BCC Complaints against them for any conduct occurring prior to the date of their Offer of Settlement, of which NFA had corporate knowledge; and 2) resolve and terminate all complaints, investigations and audits relating to One World and Walsh, which were pending as of the date of their Offer of Settlement; in addition, One World and Walsh's Offer of Settlement and this Decision accepting their Offer of Settlement shall not be used as a sole basis for any other action or proceeding by NFA against One World and/or Walsh, including any registration matter, except their Offer of Settlement and this Decision may be used in an action to enforce their terms or in a subsequent disciplinary action or regulatory action against One World or Walsh, where they may be considered as disciplinary history and evidence in aggravation on the issue of sanctions.

**NATIONAL FUTURES ASSOCIATION
HEARING PANEL**

Date: 11-14-07

By: 
Chairperson

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on November 14, 2007, I served copies of the attached Decision, by sending such copies in the United States mail, postage prepaid, certified mail, return receipt requested, and by regular mail, first-class delivery, in envelopes addressed as follows:

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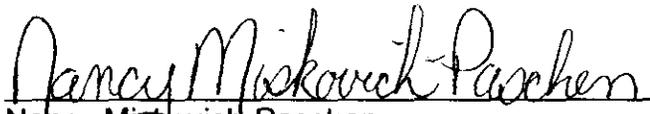
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Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 14th day of November 2007.



Notary Public

