

**BEFORE THE
NATIONAL FUTURES ASSOCIATION**

In the Matter of:

ONE WORLD CAPITAL GROUP
(NFA ID #359973),

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NFA Case No. 07-MRA-012

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

National Futures Association ("NFA") hereby gives notice to One World Capital Group LLC ("One World"), a futures commission merchant ("FCM") and Forex Dealer NFA Member ("FDM") 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 One World whereby:

1. One World is prohibited from soliciting or accepting any additional customer accounts or customer funds, except as security deposits for existing positions.
2. One World is prohibited from accepting or placing trades for any customer accounts except for the rollover of currently existing customer positions and/or liquidation of existing customer positions. In taking any action to rollover or liquidate customer positions, One World must act in the best interest of its customers.
3. One World is required to liquidate all positions held in any account for One World or for any One World principal and, further, is prohibited from initiating any additional positions in such accounts.
4. One World is prohibited from distributing, disbursing or transferring any funds without the prior approval of NFA.
5. One World is required to produce to NFA financial statements including net capital computations as of November 27 and November 30, 2007. The financial statement must properly reflect all assets and liabilities and the firm's current capital position as well as a listing of all current assets and provide third party documentation supporting the existence and location of those assets.

6. The MRA will remain in effect until such time as One World has demonstrated to the satisfaction of NFA that it is in complete compliance with all NFA Requirements. In making such a demonstration One World must provide NFA with an internal control report and certified financial statements which are prepared by an independent public accountant who has demonstrated experience and competence in auditing matters required under Section 404 of the Sarbanes-Oxley Act.

The internal control report shall contain, at a minimum, a detailed explanation of the examination performed by the accountant and a representation by the accountant that it has examined and tested One World's system of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"), including those policies and procedures that:

- (a) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of One World;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of One World; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of One World's assets that could have a material effect on the financial statements.

The internal control report must contain a representation by the public accountant that it has found that One World's system of internal controls has no material weaknesses and that it is adequate for establishing and maintaining internal control over financial reporting by One World.

This action is effective immediately and is deemed necessary to protect customers because One World has failed to cooperate promptly and fully with NFA in an NFA audit in that it has failed to produce adequate and complete support for certain

material asset and liability balances. Therefore NFA is unable to verify that One World is in full compliance with NFA's capital and other Financial Requirements.

In support of these actions, NFA attaches the affidavit of May Will, who is a Manager in NFA's Compliance Department, and based thereon alleges as follows:

1. One World is an FCM and FDM Member of NFA located in Winnetka, Illinois. One World has been registered as an FCM and has been an NFA Member since December 6, 2005. Its principal business is the handling of customer accounts trading in off-exchange foreign currency transactions ("forex"). Registration filings submitted on behalf of the firm reflect that its principal is John Walsh ("Walsh") who is identified as the Managing Member.
2. One World is required to maintain adjusted net capital in an amount of at least \$1 million. The firm's latest form 1-FR-FCM reported that, as of October 31, 2007, the firm's total current assets were \$2,387,427, its total liabilities were \$1,160,200 and that its excess net capital was \$227,227. One World filed a weekly forex report as of November 23, 2007 with NFA that reflected that it had liabilities to forex customers of \$538,515 and held customer assets of the same amount.
3. Beginning on or about November 2, 2007, NFA began receiving complaints from One World forex customers who told NFA that they were experiencing difficulty in withdrawing funds from their One World trading accounts. For example, one customer told NFA that he had e-mailed a withdrawal form to One World on October 21, 2007. One World did not confirm receipt of the form until October 29th, when it represented that the customer would receive the requested funds within 48 hours. The customer complained to NFA that the funds had still not been provided to him by November 4th. Another customer complained to NFA in late October that he had recently requested a withdrawal from One World but had not received his funds. Both customers subsequently represented to NFA on November 30, 2007 that they still had not received their requested withdrawals.
4. During November, NFA made inquiry with Walsh regarding complaints from customers who reported that they were having difficulty withdrawing funds from One World. Walsh told NFA that he was investigating anti-money laundering concerns with regard to one of the customers and he failed to make any response to NFA's inquiry about a second customer's problems.

5. NFA visited One World to further investigate concerns raised by One World's failure to honor the customers' withdrawal requests. NFA investigators arrived at One World at approximately 7:45 a.m. on November 28, 2007. Walsh was not present at that time. NFA contacted Walsh by telephone and informed him that NFA was in the office to test the balances in One World's Forex Weekly Report and to examine the firm's asset situation. In addition, NFA required Walsh to produce a November 27, 2007 net capital computation for the firm by 4:00 p.m. that afternoon.
6. Walsh arrived at the firm approximately an hour later and NFA provided him with a document request list. This list specified items requested along with times that the items were expected. NFA discussed the list with Walsh personally and pointed out to him that some of the documents were required to be produced by noon of that day.
7. Almost all of One World's forex customers trade on an electronic trading platform named Metatrader. Walsh represented that the firm had approximately 3000 accounts trading through Metatrader and that approximately one-third of them had zero balances.
8. NFA asked Walsh to provide it with information as to the amount of One World's liabilities to customers who traded on Metatrader. He responded that Metatrader was very unreliable because it double counted and included demo accounts so it was not accurate. At first Walsh said that he did not know the amount of customer balances on Metatrader, but he later told investigators that the Metatrader balance was probably hundreds of thousands of dollars. He added that he did not know for sure and could not stand by that number. He told NFA that he would wait until the margin equity report was finished before giving NFA any numbers. NFA requested Walsh to provide the margin equity report from Metatrader and Walsh represented that it would take an hour to obtain. However, after an hour had passed, Walsh told NFA that he had been interrupted and that it would take another couple of hours for him to get the margin equity report. To date, neither Walsh nor anyone else acting on behalf of One World have provided the required margin equity report to NFA despite several requests for the information.
9. Walsh represented that One World had six bank accounts—four of which are at Bank of America and two of which are at

Harris Bank. NFA asked Walsh to provide statements from all of One World's bank accounts for the months of August through October 2007 and statements showing activity through November 27th. Walsh provided NFA with only the October 2007 month-end statements for the four Bank of America accounts, two printouts of online statements showing the November 27th balances in the Harris Bank accounts and a printout of an online statement showing the November 23rd balance in one of the Bank of America accounts. He and One World have failed to provide NFA with any of the other bank records that NFA has requested. At the end of the day on November 28, 2007 Walsh did provide NFA with internal documents which he said represented One World's bank balances.

10. NFA returned to One World on November 29th. Investigators were unable to gain entry to the firm's office at first and called Walsh in that regard. He told NFA that the Metatrader platform had crashed overnight and that he was working at home and dealing with a number of customer calls. When Walsh arrived later that day, NFA investigators requested him to provide support for the November activity in One World's Bank of America accounts and Walsh responded that he did not have online access to all of One World's accounts. NFA told him that it wanted to see the activity to verify the assets of the firm including a "percentage in points" ("PIP") receivable balance which was included on One World's October 31, 2007 Form 1-FR.
11. In addition to discussions that NFA's on-site investigators had with Walsh during their visit on November 29th, NFA Compliance Department Director, Sharon Pendleton ("Pendleton"), sent an e-mail to Walsh that afternoon stating that all of NFA's document requests were required to be complied with by 5:00 p.m. on that day. Walsh replied to Pendleton's e-mail shortly thereafter and represented that he needed more time to respond due to a failure experienced by the Metatrader trading platform on the previous evening.
12. During their November 29, 2007 visit, NFA investigators requested Walsh to contact either Metatrader or his service provider so NFA could obtain a copy of the customer confirmations sent out on November 27, 2007 confirming the customer balances. Walsh told NFA that he had contacted his service provider and informed NFA that he should be able to

get a CD copy of the customer confirmations by the end of the day.

13. NFA also informed Walsh that he needed to sign bank confirmations so that NFA could send them to his banks to verify balances on deposit. Walsh left the One World offices without signing the required bank confirmations. One World's receptionist, Julie Leahy ("Leahy"), told NFA that Walsh had gone to lunch and she was unsure of when he would return. NFA left One World at that point and returned later that afternoon intending to discuss open issues with Walsh; however, Leahy informed NFA that Walsh had gone to the hospital and said that she did not believe that he would be returning that day. Ultimately, Walsh returned at approximately 4:55 p.m. that afternoon.
14. As Walsh was not present at the firm during most of the afternoon of November 29th, NFA asked an individual named Dan Colgan ("Colgan"), who is a former principal of One World and who was present in One World's office if he had any supporting documentation to show that the Metatrader platform did crash the previous night. Colgan responded that all questions must be directed to Walsh. Colgan did represent that One World went through a firm named Moneytec when contacting Metatrader and that One World leases Metatrader through Moneytec. Colgan stated further that he thought he had received an e-mail from Moneytec regarding the trading platform failure but added that he would not provide it to NFA without approval from Walsh. When NFA asked Colgan for contact information for persons who One World speaks with at Moneytec, Colgan refused to provide the information without specific approval from Walsh.
15. When Walsh arrived at the firm at 4:55 p.m. on November 29th, 2007 he informed NFA that he did not have any of the documents that One World was required by NFA to produce, but said that he would hopefully be able to provide them the following day by 5:00 p.m.
16. When NFA asked Walsh about the state of One World's assets which were required for the firm to meet its \$1 million dollar capital requirement, Walsh responded that it was all listed in the firm's Form 1-FR-FCM report. When NFA pointed out to Walsh that the firm had not provided external support for the balances, he said that would discuss those issues with Pendleton in the morning (November 30, 2007). NFA

specifically discussed the fact that one of the major assets that One World reflected on its Form 1-FR-FCM report was a PIP receivable for which the firm had not provided any support, but Walsh again stated that he would discuss this issue with Pendleton. NFA also asked Walsh if he knew what One World's Metatrader liability balance was and he said that he did not know with certainty.

17. Before NFA left One World's offices on November 29th investigators asked Walsh to sign the bank confirmations so NFA could confirm the balances on file with the firm's banks and Walsh refused to sign the confirmations saying that he would not do anything before speaking with Pendleton.
18. NFA returned to One World's office on the morning of November 30, 2007 and telephoned Leahy to seek admission. Leahy told NFA's investigators that no one was available to let them in to One World's office. Consequently, NFA's investigators were not able to gain entry on November 30th.
19. To date, One World has failed to cooperate promptly and fully with NFA in an NFA audit in that it has failed to produce adequate and complete support for certain material asset and liability balances. Therefore NFA is unable to verify that One World is in full compliance with NFA's capital and other Financial Requirements.

The MRA will remain in effect until such time as One World has demonstrated compliance with all of the requirements set out in this MRA and has demonstrated to the satisfaction of NFA that it is in complete compliance with all NFA Requirements. One World 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.

NFA Members receiving notice of this MRA by service or otherwise who carry accounts in the name of, controlled by, or advised by One World or any of its affiliates are prohibited from disbursing or transferring funds to One World or any entity or account controlled by them for any reason without prior approval of NFA.

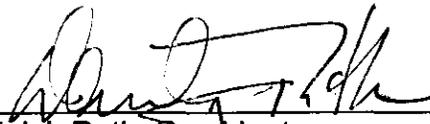
One World is entitled to a prompt hearing on this matter before NFA's Hearing Committee if it so requests. The request for a hearing shall be made in writing to:

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

Aggrieved parties may petition the Commodity Futures Trading Commission ("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: November 30, 2007

By: 
Daniel J. Roth, President

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AFFIDAVIT

THE AFFIANT, MAY WILL, BEING DULY SWORN AND UNDER OATH STATES THAT:

1. My name is May Will, and I am employed by National Futures Association ("NFA") as a Manager in the Compliance Department. In my capacity as a Manager, I caused NFA Investigators Joshua Stahl ("Stahl") and Joe Bata ("Bata") to conduct a visit to One World Capital Group LLC ("One World").
2. One World is a futures commission merchant ("FCM") and Forex Dealer Member ("FDM") Member of NFA located in Winnetka, Illinois. One World has been registered as an FCM and has been an NFA Member since December 6, 2005. Its principal business is the handling of customer accounts trading in off-exchange foreign currency transactions ("forex"). Registration filings submitted on behalf of the firm reflect that its principal is John Walsh ("Walsh") who is identified as the Managing Member.
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11. Bata and Stahl returned to One World on November 29th. They were unable to gain entry to the firm's office at first and called Walsh in that regard. He told them that the Metatrader platform had crashed overnight and that he was working at home and dealing with a number of customer calls. When Walsh arrived later that day, NFA requested him to provide support for the November activity in One World's Bank of America accounts and Walsh responded that he did not have online access to all of One World's accounts. NFA told him that we wanted to see the activity to verify the assets of the firm including a "percentage in points" ("PIP") receivable balance which was included on One World's October 31, 2007 Form 1-FR.
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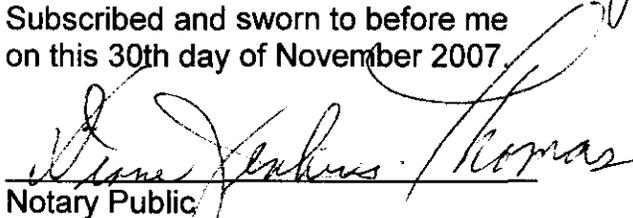
18. Before NFA's investigators left One World's offices on November 29th they asked Walsh to sign the bank confirmations so NFA could confirm the balances on file with the firm's banks and Walsh refused to sign the confirmations saying that he would not do anything before speaking with Pendleton.
19. Bata and Stahl returned to One World's office on the morning of November 30, 2007 and telephoned Leahy to seek admission. Leahy told them that no one was available to let them in to One World's office. Consequently, they were not able to gain entry on November 30th.
20. To date, One World has failed to cooperate promptly and fully with NFA in an NFA audit in that it has failed to produce adequate and complete support for certain material asset and liability balances. Therefore NFA is unable to verify that One World is in full compliance with NFA's capital and other Financial Requirements.

Further Affiant sayeth not.

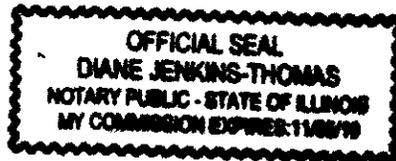


May Will

Subscribed and sworn to before me
on this 30th day of November 2007.



Notary Public



AFFIDAVIT OF SERVICE

I, Myra Lewis, on oath state that on November 30, 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:

David Stawick, 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:

John R. Landis, Esq.
Foley & Lardner LLP
321 North Clark
Suite #2800
Chicago, IL 60610
Facsimile No.: 312/832-4700

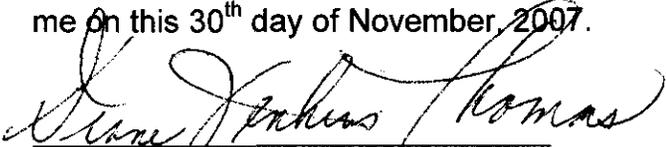
and by sending a copy by e-mail and regular and overnight mail in envelopes addressed as follows:

John Walsh
President
One World Capital Group
818 Elm Street
Winnetka, IL 60093
E-mail: jwalsh@1worldfcm.com

John Walsh
608 Wharton Drive
Lake Forest, IL 60045


Myra Lewis

Subscribed and sworn to before
me on this 30th day of November, 2007.


Notary Public

