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NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

NATIONAL FUTURES ASSOCIATION
BEFORE THE HEARING PANEL

In the Matter of:	)	
	)	
COMMERCIAL HEDGE SERVICES, INC. (NFA ID #211307),	)	
	)	
and	)	NFA Case No. 04-BCC-006
	)	
LAWRENCE J. VOLF (NFA ID #211308),	)	
	)	
Respondents.	)	

DECISION

Having reviewed the Complaint issued by the Business Conduct Committee ("BCC") of National Futures Association ("NFA") in the above-captioned case, and having considered the Offer of Settlement ("Offer") submitted by Commercial Hedge Services, Inc. ("Commercial Hedge") and Lawrence J. Volf ("Volf"), and having accepted their Offer, the Hearing Panel hereby issues this Decision as to Commercial Hedge and Volf.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On May 5, 2004, the BCC issued a Complaint against Commercial Hedge, a former introducing broker Member of NFA, located in North Platte, Nebraska; and Volf, a principal and former associated person of Commercial Hedge and an NFA Associate.

NFA's Complaint against Commercial Hedge and Volf alleged that they placed unauthorized speculative trades in customers' hedge accounts, which exceeded hedge limits, in violation of NFA Compliance Rule 2-2(a). The Complaint also alleged

that Commercial Hedge and Volf failed to uphold high standards of commercial honor and just and equitable principles of trade by doing business with Prime Trading Company, Inc., a separately incorporated branch office of Commercial Hedge which should have been registered as an IB but was not, in violation of NFA Compliance Rule 2-4 and NFA Bylaw 1101.

II

OFFER OF SETTLEMENT

Without admitting or denying the allegations of the Complaint, Commercial Hedge and Volf submitted an Offer to the Hearing Panel in which they offered to settle the charges against them on the following terms:

1. without admitting or denying the allegations in the Complaint, they stipulated that a Decision issued by the Hearing Panel accepting their Offer shall include findings that they committed the violations alleged against them in the Complaint; and

2. they agreed that they shall not apply for NFA membership, or NFA associate membership, or act as a principal of an NFA Member for a period of three years, commencing on the date of the entry of a Consent Order of Permanent Injunction in the case of the CFTC v. Commercial Hedge Services, Inc., Prime Trading Company, Inc., Lawrence J. Volf, Sherman County Management, Inc., Sherman County Bank, and PT Holdings, Inc., Civil Action No. 4:04CV3184, in the U.S. District Court for the District of Nebraska ("CFTC case").

III

FINDINGS

Pursuant to the Offer, the Panel finds that Commercial Hedge and Volf placed unauthorized speculative trades in customers' hedge accounts, which exceeded hedge limits, in violation of NFA Compliance Rule 2-2(a). The Panel further finds that Commercial Hedge and Volf failed to uphold high standards of commercial honor and

just and equitable principles of trade by doing business with Prime Trading Company, Inc., a separately incorporated branch office of Commercial Hedge which should have been registered as an IB but was not, in violation of NFA Compliance Rule 2-4 and NFA Bylaw 1101.

IV

PENALTY

Having considered the matter and having accepted the Offer submitted by Commercial Hedge and Volf, the Hearing Panel orders Commercial Hedge and Volf not to apply for NFA membership, or NFA associate membership, or act as a principal of an NFA Member for a period of three years, commencing on December 17, 2007, the date of the entry of a Consent Order of Permanent Injunction in the CFTC case.

The Hearing Panel's acceptance of Commercial Hedge and Volf's Offer shall 1) operate to bar any future Member Responsibility Action or BCC Complaints against Commercial Hedge and Volf for any conduct occurring prior to the date of their Offer of which NFA had corporate knowledge; and (2) resolve and terminate all complaints, investigations and audits relating to Commercial Hedge and Volf that were pending as of the date of their Offer.

V

INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render Volf ineligible, for a period of three years or until all of the sanctions and conditions imposed on him have been fulfilled, whichever is later, to serve on a disciplinary committee,

arbitration panel, oversight panel or governing board of any self-regulatory organization, as that term is defined in CFTC Regulation 1.63.

NATIONAL FUTURES ASSOCIATION
HEARING PANEL

Date: 03-12-08

By: _____
Chairperson

/rvh/Commercial Hedge and Volf Decision

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on March 12, 2008, 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:

David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Barbara Gold
Acting Deputy Director
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Jeffrey Schulman, Esq.
Wolin, Kelter & Rosen, Ltd.
55 West Monroe Street
Suite 3600
Chicago, IL 60603

Richard Foelber
Deputy Chief, Office of Cooperative Enforcement
Division of Enforcement
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Tempest Thomas
Proceedings Clerk
Office of Proceedings
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

And by hand delivery to:

Ronald V. Hirst, Esq.
National Futures Association
300 South Riverside Plaza
Suite 1800
Chicago, IL 60606

Nancy Miskovich-Paschen

Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 12th day of March 2008.

Mary A. Patton

Notary Public

OFFICIAL SEAL
Mary A. Patton
Notary Public, State of Illinois
MY COMMISSION EXPIRES 7-17-09