

FILED

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

DEC 22 2008

**NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING**

In the Matter of:)
)
VANGUARD TRADING GROUP)
(NFA ID #374694),)
)
and) NFA Case No. 08-BCC-034
)
GIOVAN R. GORDON)
(NFA ID #309859),)
)
Respondents.)

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 issues this Complaint against Vanguard Trading Group ("Vanguard") and Giovan R. Gordon ("Gordon").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Vanguard was an introducing broker ("IB") in Pembroke Pines, Florida.
2. At all times relevant to this Complaint, Gordon was a principal and associated person of Vanguard.

APPLICABLE RULES

3. NFA Compliance Rule 2-5 provides, in pertinent part, that each Member and Associate shall cooperate with NFA In any NFA investigation, inquiry, audit, examination or proceeding regarding compliance with NFA requirements or any NFA disciplinary or arbitration proceeding.

COUNT I

VIOLATION OF NFA COMPLIANCE RULE 2-5: FAILING TO PROVIDE SUPPORTING DOCUMENTATION TO NFA SHOWING THE SOURCE OF VANGUARD'S INITIAL CAPITAL.

4. The allegations contained in paragraphs 1 through 3 are realleged as paragraph 4.
5. In early April 2008, NFA received information that Todd Marshall ("Marshall"), a principal of Sterling International Commodities ("Sterling"), had provided the start-up capital for Vanguard and another IB, but that Marshall was not listed as a principal of either firm.
6. Based on this information, NFA staff visited Vanguard's offices, which were located in Gordon's residence. When staff arrived, Gordon was not home, so NFA staff called Gordon's cell phone and arranged to meet with him at his home/office later that day.
7. At this meeting, NFA asked Gordon for his personal bank records to confirm he actually invested in the firm. The following day, Gordon produced some of these records, but not his personal bank records. In reviewing the records that Gordon did produce, NFA noted five payments to Kerry Marshall (the brother of Sterling president, Todd Marshall). NFA requested that Gordon provide information as to

the nature of these payments. NFA also reiterated its request for Gordon's personal bank records, as well as any other records previously requested which Gordon had not yet produced to NFA.

8. In June, NFA contacted Gordon to get an update as to when it could expect to receive his personal bank records. Gordon said that he was in the process of obtaining them. In late July, Gordon produced his personal bank records for the period from May 2006 to May 2008.
9. NFA reviewed Gordon's personal bank records and noted no payment from Gordon to Vanguard to initially capitalize the firm. Therefore, NFA requested that Gordon provide NFA with supporting documentation for the source of Vanguard's capital. Gordon responded by an e-mail dated August 21, 2008, in which he represented that the firm's capital came from another one of his personal bank accounts that was now closed. Gordon said that he was working on getting the statements for this other bank account. NFA sent a follow up e-mail to Gordon reiterating its request for supporting documentation for the firm's source of capital.
10. In mid-September 2008, Gordon sent an e-mail to NFA in which he stated that Vanguard was withdrawing from NFA membership, and that this was his final communication with NFA. NFA has not heard further from Gordon and has still not received supporting documentation showing the source of Vanguard's initial capital.
11. By reason of the foregoing acts and omissions, Vanguard and Gordon are charged with violations of NFA Compliance Rule 2-5.

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
300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing

E-Mail: Docketing@nfa.futures.org
Facsimile: 312-781-1672

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

- (a) expulsion or suspension for a specified period from NFA membership;

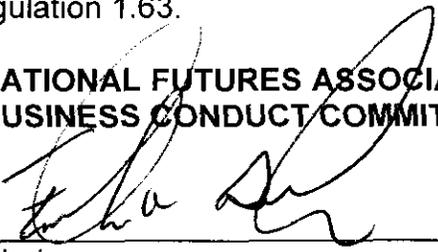
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange 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: 12-22-08

By: 
Chairperson

/jac(Complaints\Vanguard)

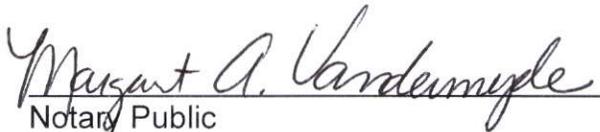
AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on December 22, 2008, I served copies of the attached Complaint, by sending such copies in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:

Vanguard Trading Group
231 SW 120th Avenue
Pembroke Pines, FL 33025
Attn: Giovan R. Gordon


Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 22nd day of December 2008.


Notary Public

