

**FILED**

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

**MAR 16 2009**

**NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING**

In the Matter of: )  
)  
FOREIGN TRADE BANK SECURITIES, INC. )  
(NFA ID #365034), )  
)  
and ) NFA Case No. 09-BCC-001  
)  
WILLIAM B. WASSINK )  
(NFA ID #208679), )  
)  
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 Foreign Trade Bank Securities, Inc. ("FTB") and William B. Wassink ("Wassink").

**ALLEGATIONS**

**JURISDICTION**

1. At all times relevant to this Complaint, FTB was a commodity trading advisor and commodity pool operator NFA Member located in Fallbrook, California. FTB operates one commodity pool, FTB Fund LP ("FTB Fund"), which is an exempt pool under Commodity Futures Trading Commission ("CFTC") Regulation 4.13(a)(4).

2. At all times relevant to this Complaint, Wassink was the sole associated person and principal of FTB, and an NFA Associate.

### **APPLICABLE RULES**

3. NFA Compliance Rule 2-5 provides, in pertinent part, that each Member and Associate shall cooperate promptly and fully 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 PROMPTLY AND FULLY COOPERATE WITH NFA.**

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4. The allegations contained in paragraphs 1 through 3 are realleged as paragraph 4.
5. On December 1, 2008, NFA commenced an unannounced audit of FTB. When NFA arrived at FTB's offices, which are located in Wassink's home, Wassink was not there. NFA's audit team was ultimately able to reach Wassink by telephone. Wassink told the audit team that he was in Kansas, conducting training for the military, and would be there for several weeks.
6. Wassink represented to the audit team that the FTB Fund had two participants – an individual and a company owned by that individual. Wassink also indicated that the pool had approximately \$50,000 in contributions, and that the pool had a trading account at Rosenthal Collins Group ("RCG"), but was not currently trading.
7. On December 8, 2008, NFA requested a number of records from Wassink, including bank statements for the pool and the firm.

8. NFA requested all monthly activity statements from RCG for the pool's trading account at RCG. RCG produced these statements to NFA, which reflected that \$30,000 was deposited into the pool's trading account in June 2007, that the account had sustained trading losses of approximately \$19,000, that the remaining \$11,000 had been withdrawn from the account, and that there had been no activity in the account since October 2007.
9. On December 11, 2008, after NFA did not receive the records it had requested from Wassink, NFA again contacted Wassink, who represented that he would be returning from Kansas in the next several days and would provide NFA with the records then, but would try to access the bank statements on-line from Kansas. Within the next several days, NFA received the bank statements for the FTB Fund and some of the other requested records from Wassink.
10. The bank statements for the FTB Fund showed that approximately \$31,000, including the \$11,000 from the RCG trading account, was withdrawn from FTB Fund's bank account and purportedly reinvested in "10% notes."
11. NFA asked Wassink about the pool's purported investment in these "10% notes." According to Wassink, these notes were issued by Foreign Trade Banks, Inc. ("FTBI"), which Wassink said is the holding company for FTB and another affiliated company, Foreign Trade Bank Jamaica Limited ("FTBJ").
12. NFA asked Wassink for FTBI's corporate records or other documentation identifying the owners of FTBI, but Wassink has failed to produce these records and documents.

13. NFA has also repeatedly asked Wassink for evidence that the pool was paid interest on the notes issued by FTBI, but Wassink has failed to provide such evidence to NFA.
14. During the week of January 12, 2009, NFA sent Wassink a number of e-mails and left Wassink numerous phone messages asking him to contact NFA but NFA received no response from Wassink.
15. NFA sent a letter to FTB and Wassink on January 16, 2009 advising them that they had until the end of the day to provide NFA with all records NFA had requested and they had not yet produced. However, FTB and Wassink failed to meet this deadline.
16. On January 19, 2009, NFA received an e-mail from Wassink, who represented that he was in Ethiopia for a month. NFA sent back an e-mail to Wassink advising him that he needed to provide the requested records to NFA immediately. However, NFA received no response from Wassink.
17. On January 23, 2009, Wassink's wife contacted NFA and provided NFA with Wassink's contact information in Ethiopia, but NFA has been unable to reach Wassink. Wassink's wife also told NFA that, while Wassink was in Ethiopia, he would not try to call NFA, as the call would be "too expensive."
18. By reason of the foregoing acts and omissions, FTB and Wassink 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](mailto: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:

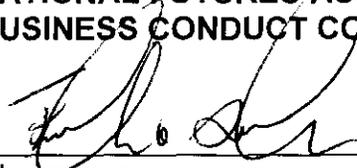
- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any 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 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: 3-16-09

By:  \_\_\_\_\_  
Chairperson

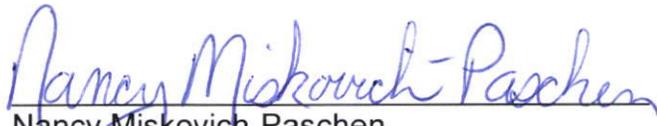
/jac(Complaints\Foreign Trade Bank\_Wassink)

**AFFIDAVIT OF SERVICE**

I, Nancy Miskovich-Paschen, on oath state that on March 16, 2009, 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:

Foreign Trade Bank Securities, Inc.  
40192 Daily Road  
Fallbrook, CA 92028  
Attn: William Wassink  
Chief Executive Officer

William B. Wassink  
419 Cedar Avenue  
Apt. A  
Long Beach, CA 90802

  
Nancy Miskovich-Paschen

Subscribed and sworn to before me  
on this 16th day of March 2009.

  
Notary Public

