

FILED

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

MAR 16 2009

**NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING**

In the Matter of:)
)
PIONEER COMMODITIES LLC)
(NFA ID #363167),)
)
and) NFA Case No. 09-BCC-003
)
ANTHONY S. BOBBA)
(NFA ID #340915),)
)
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 Pioneer Commodities LLC ("Pioneer") and Anthony S. Bobba ("Bobba").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Pioneer was an introducing broker ("IB") NFA Member located in Boca Raton, Florida. From April 2007 until October 2008, Pioneer was guaranteed by Peregrine Financial Group, Inc..
2. At all times relevant to this Complaint, Bobba was the chief executive officer and an associated person ("AP") of Pioneer, and an NFA Associate. Bobba also has a 10% or more ownership interest in Pioneer.

BACKGROUND

3. NFA received information that Pioneer and Bobba had made an unusually large number of requests to the testing service that administers the Series 3 Examination requesting additional time for Pioneer's prospective APs to complete the exam based on representations by Pioneer and Bobba that English was not the primary language of these prospective APs. NFA commenced an investigation to determine if these requests of Pioneer and Bobba to the testing service were legitimate and determined that many of them were not and were, in fact, fraudulent in that English was, in fact, the primary language of the prospective APs for whom the requests for extra time were made.
4. NFA's investigation also revealed that Pioneer and Bobba made absolutely no effort to investigate their prospective APs claims that English was not their primary language, and simply accepted such claims at face value, without making any further inquiry. Moreover, Pioneer and Bobba prepared, signed, and submitted to the testing service, written requests for extra time which expressly represented that English was not the prospective APs' primary language, when they knew they lacked sufficient knowledge of the facts to make such a representation in good faith. Pioneer and Bobba's conduct was either intentionally deceptive or revealed a reckless indifference on their part to the veracity of the representations they made to the testing service.

APPLICABLE RULES

5. NFA Compliance Rule 2-4 provides that Members and Associates shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their commodity futures business.

6. NFA Compliance Rule 2-9 provides, in pertinent part, that each Member shall diligently supervise its employees and agents in the conduct of their commodity futures activities for or on behalf of the Member. Each Associate who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's commodity futures activities on behalf of the Member.

COUNT I

VIOLATION OF NFA COMPLIANCE RULES 2-4 AND 2-9: ACTING WITH RECKLESS INDIFFERENCE AND FAILING TO ADEQUATELY SUPERVISE.

7. The allegations contained in paragraphs 1 through 6 are realleged as paragraph 7.
8. After becoming registered as an IB in late 2005 and continuing until at least May 2008, Pioneer made written requests for 55 prospective APs requesting Prometric testing service to allow these 55 APs additional time to complete the Series 3 Examination based on representations that English was not the prospective APs' primary language. For some of these prospective APs (viz., those who took the Series 3 Exam multiple times before passing it), Pioneer made multiple requests seeking extra time on the ground that English was not their primary language. These requests were on Pioneer's stationary and most were signed by Bobba.
9. Pioneer and Bobba have admitted that English was, in fact, the primary language of a number of its APs who requested an additional hour to complete the Series 3 Examination and that the representations of these APs that English was not their primary language were false.
10. Pioneer and Bobba's have claimed that the instructor they hired to teach the Series 3 review course to Pioneer's prospective APs – an individual named

Rocky Dacillo, who was an AP of Pioneer from July 3 until October 12, 2006 – had recommended to the prospective APs that they represent to the Series 3 testing service that English was not their primary language and request additional time to take the exam, "without regard to the propriety" of such request and "without regard to whether English was their primary language."

11. Pioneer and Bobba have admitted that they "signed off" on the requests for extra time and misrepresented to the testing service that the prospective APs' primary language was not English, but claim that they did so based upon the representations of these prospective APs that English was not their primary language.
12. Had Pioneer and Bobba been the least bit diligent, they could have easily determined that English was, in fact, the primary language of many of the prospective APs for whom they made fraudulent representations to the Series 3 testing service.
13. In the first place, Pioneer and Bobba should have found it highly suspicious that almost 70% of all the APs they hired, who had to take the Series 3 Exam, claimed that English was not their primary language. (Since becoming an IB in late 2005, Pioneer has employed 79 APs who were required to take the Series 3 Exam, and of these 79 APs, Pioneer and Bobba claim that 55 of them had represented that English was not their primary language. These numbers alone should have caused Pioneer and Bobba to make further inquiry.
14. Moreover, had Pioneer and Bobba looked at the backgrounds of many of the prospective APs, they would have found that they were born in the United States, lived their entire lives in the United States, and were educated exclusively in

American schools. These circumstances should have caused Pioneer and Bobba to at least talk to the prospective APs about their primary language. If they had done so it is likely they would have found that many of the prospective APs spoke fluent English and, yet, either were unable to speak a foreign language or were not as fluent in the foreign language as they were in English.

15. It is also likely that if Pioneer and Bobba had questioned the prospective APs, many of them would have admitted that English was, in fact, their primary language – just as they did when Pioneer conducted an internal investigation after NFA initiated its inquiry. Indeed, the fact that Pioneer was able to uncover the fraud when it conducted its internal investigation shows that had Pioneer and Bobba exercised due diligence in the first place they would have discovered the fraud then.
16. The facts alleged above demonstrate that Pioneer and Bobba failed to adequately supervise the Series 3 training they provided to their prospective APs and the personnel that provided such training, and also acted with reckless indifference to the truth when they represented to the Series 3 testing service that English was not the primary language of their prospective APs.
17. By reason of the foregoing acts and omissions, Pioneer and Bobba are charged with violations of NFA Compliance Rules 2-4 and 2-9.

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 infor-

mation 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: 3-16-09

By: 
Chairperson

/jac(Complaints\Pioneer_Bobba)

AFFIDAVIT OF SERVICE

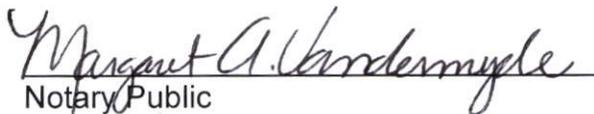
I, Nancy Miskovich-Paschen, on oath state that on March 16, 2009, I served copies of the attached Complaint, by sending such copies in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:

Pioneer Commodities LLC
Royal Palm Place
101 Plaza Real South
Suite 207
Boca Raton, FL 33432
Attn: Anthony S. Bobba
Chief Executive Officer

Anthony S. Bobba
9812 Spanish Isles Drive
Boca Raton, FL 33496


Nancy Miskovich-Paschen

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


Notary Public

