

NATIONAL FUTURES ASSOCIATION  
BEFORE THE HEARING PANEL

FILED

JUL 13 2009

NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING

In the Matter of: )  
)  
GLOBAL TRADING CENTER LLC, et al. )  
(Kaye Simone White-Webster, ) NFA Case No. 08-BCC-026  
NFA ID #328646), )  
)  
Respondents. )

**DECISION**

Having reviewed the Complaint issued by the Business Conduct Committee ("BCC") of National Futures Association ("NFA") in the above-captioned case, having considered the Offer of Settlement ("Offer") submitted by Kaye Simone White-Webster ("White-Webster"), and having accepted his Offer, the Hearing Panel hereby issues this Decision as to White-Webster.

I

**ALLEGED VIOLATIONS OF NFA REQUIREMENTS**

On October 28, 2008, the BCC issued a Complaint against Global Trading Center LLC ("Global Trading"), an introducing broker Member of NFA located in Boca Raton, Florida. The Complaint also named, as respondents, several of the firm's associated persons ("APs"), including White-Webster.

The Complaint alleged that White-Webster made deceptive and misleading sales solicitations to three customers of Global Trading which exaggerated the profit potential and downplayed the risks involved in trading options, failed to adequately explain her trading strategies and recommendations or the effect of commissions and fees on profit potential, failed to disclose that most of her and the

firm's customers lost money, used high-pressure sales tactics by urging one customer to "get in now" and invest immediately, and recommended trading strategies that did not serve any economic or other purpose for the customer and, instead, only served to increase the amount of commissions and fees that Global Trading received. The Complaint charged White-Webster with violations of NFA Compliance Rules 2-2(a), 2-4, 2-29(a)(1) and 2-29(a)(2).

## II

### OFFER OF SETTLEMENT

Without admitting or denying the allegations of the Complaint, White-Webster submitted an Offer to the Hearing Panel in which she agreed to settle the charges against her on the following terms:

1. White-Webster agreed that a Decision issued by the Hearing Panel accepting her Offer shall include findings that she committed the violations alleged against her in the Complaint.
2. White-Webster agreed that she would not apply for NFA membership or associate membership or act as a principal of an NFA Member for a period of five years, commencing on the effective date of a Decision accepting her Offer. During the five-year membership bar, she shall not act in any capacity requiring registration, nor act as a principal of an NFA Member.
3. White-Webster agreed that, if after expiration of the five-year membership bar, described above, she applies for NFA membership or associate membership or becomes a principal of an NFA Member, then in any such event, she shall pay a fine of \$10,000 to NFA, due and payable at the same time she applies for NFA membership or associate membership or becomes a principal of an NFA Member.
4. White-Webster agreed that, in the event that she again becomes an NFA Member or Associate, she shall tape record, for one year, all conversations between herself and existing or potential customers; retain such tapes for a period of one year from the date they are created; and make the tapes available to NFA upon request. The one-year taping requirement shall commence on the date that she again becomes an NFA

Member or Associate and continue thereafter for a period of one year. In calculating the one-year taping period, only periods of time when she is registered and actively soliciting customers shall be counted in such calculation.

5. White-Webster agreed that, in the event that she becomes a principal of an NFA Member, she shall cause all APs of that firm – and any other firm of which she is a principal – to tape record, for a period of one year, all conversations that occur between them and existing or potential customers; retain these tapes for a period of one year from the date they are created; and make the tapes available to NFA upon request. The one-year taping requirement shall apply to each and every firm of which she becomes a principal and commence on the date that she becomes a principal of each firm, respectively. In calculating the one-year taping period as to each firm, only periods of time when she is a principal of that particular firm and that firm is actively soliciting customers shall be counted in such calculation. In any and all events, the taping requirements set forth in this paragraph shall expire on December 31, 2016.

### III

#### **FINDINGS**

Having considered the matter and having accepted the Offer submitted by White-Webster, the Hearing Panel finds that White-Webster, while an AP of Global Trading, violated NFA Compliance Rules 2-2(a), 2-4, 2-29(a)(1) and 2-29(a)(2) by making misleading sales solicitations to three customers of Global Trading which exaggerated the profit potential and downplayed the risks involved in trading options, failed to adequately explain her trading strategies and recommendations or the effect of commissions and fees on profit potential, failed to disclose that most of her and the firm's customers lost money, used high-pressure sales tactics by urging one customer to "get in now" and invest immediately, and recommended trading strategies that did not serve any economic or other purpose for the customer and, instead, only served to increase the amount of commissions and fees that Global Trading received.

## IV

### PENALTY

Having considered the matter and having accepted the Offer submitted by White-Webster, the Hearing Panel orders as follows:

1. White-Webster shall not apply for NFA membership or associate membership or act as a principal of an NFA Member for a period of five years, commencing on the effective date of this Decision accepting her Offer. During the five-year membership bar, she shall not act in any capacity requiring registration, nor act as a principal of an NFA Member.
2. If after expiration of the five-year membership bar, described above, White-Webster applies for NFA membership or associate membership or becomes a principal of an NFA Member, then in any such event, she shall pay a fine of \$10,000 to NFA, due and payable at the same time she applies for NFA membership or associate membership or becomes a principal of an NFA Member.
3. In the event that White-Webster again becomes an NFA Member or Associate, she shall tape record, for one year, all conversations between herself and existing or potential customers; retain such tapes for a period of one year from the date they are created; and make the tapes available to NFA upon request. The one-year taping requirement shall commence on the date that she again becomes an NFA Member or Associate and continue thereafter for a period of one year. In calculating the one-year taping period, only periods of time when she is registered and actively soliciting customers shall be counted in such calculation.
4. In the event that White-Webster becomes a principal of an NFA Member, she shall cause all APs of that firm – and any other firm of which she is a principal – to tape record, for a period of one year, all conversations that occur between them and existing or potential customers; retain these tapes for a period of one year from the date they are created; and make the tapes available to NFA upon request. The one-year taping requirement shall apply to each and every firm of which she becomes a principal and commence on the date that she becomes a principal of each firm, respectively. In calculating the one-year taping period as to each firm, only periods of time when she is a principal of that particular firm and that firm is actively soliciting customers shall be counted in such calculation. In any and all events, the taping requirements set forth in this paragraph shall expire on December 31, 2016.

The Hearing Panel's acceptance of White-Webster's Offer shall operate to bar any future Member Responsibility Action or BCC Complaints against her for any conduct occurring, of which NFA had corporate knowledge, up to the date of her Offer and shall resolve and terminate all complaints, investigations and audits, relative to her, which had been received or were pending as of the date of her Offer. Moreover, White-Webster's Offer and this Decision accepting her Offer shall not be used as a sole basis for any other action or proceeding by NFA against her, including any registration matter, except her Offer and this Decision accepting her Offer may be used in an action to enforce the terms thereof or in a subsequent disciplinary action or regulatory action, where they may be considered as evidence in aggravation.

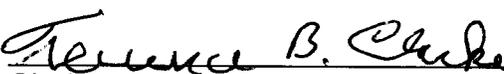
V

**INELIGIBILITY**

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render White-Webster ineligible 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, until five years after the effective date of this Decision or until all of the sanctions and conditions imposed on him have been fulfilled, whichever is later.

**NATIONAL FUTURES ASSOCIATION  
HEARING PANEL**

Date: July 13, 2009

By:   
Chairperson

**AFFIDAVIT OF SERVICE**

I, Myra Lewis, on oath state that on July 13, 2009, 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, Secretariat  
Office of the Secretariat  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

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

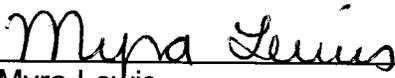
William Penner, Deputy Director  
Compliance & Registration  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

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

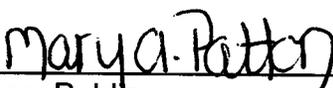
Kaye Simone White-Webster  
3776 Inverrary Boulevard  
R-203  
Lauderhill, FL 33319

And by hand-delivery to:

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

  
\_\_\_\_\_  
Myra Lewis

Subscribed and sworn to before me  
on this 13<sup>th</sup> day of July 2009.

  
\_\_\_\_\_  
Notary Public

m:\my\affid\global trading kay Webster 7 09

