

SEP 30 2009

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)	
)	
CANI FINANCIAL ADVISORS LLC)	
(NFA ID #400383),)	NFA Case No. 09-BCC-040
)	
and)	
)	
SCOTT W. RAYBIN)	
(NFA ID #400619),)	
)	
Respondents.)	

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having 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 Cani Financial Advisors LLC ("Cani") and Scott W. Raybin ("Raybin").

ALLEGATIONS

JURISDICTION

1. Cani is a registered commodity trading advisor ("CTA") and commodity pool operator ("CPO") NFA Member located in Fort Lauderdale, Florida.
2. Raybin is the managing member and sole listed principal of Cani, as well as a registered associated person ("AP") and NFA Associate.

BACKGROUND

3. In July, NFA received information from the Securities and Exchange Commission ("SEC") regarding an action it had brought against Phillip Trujillo ("Trujillo") and

his company, Wealth Management Resources LLC ("WMR"). The SEC's action alleges, among other things, that Trujillo and WMR engaged in a fraudulent scheme whereby they induced approximately seventy investors to invest more than \$5 million in three funds that were managed by Trujillo and WMR. Trujillo and WMR promised investors that their principal was guaranteed and that they would receive 3% to 20% monthly returns from profits generated from investments in promissory notes, securities, and currency trading programs.

4. The SEC informed NFA that Trujillo and WMR's funds invested with Cani. After receiving this information, NFA began an examination of Cani and Raybin.
5. NFA's examination found that Cani had previously managed client accounts and operated several pools that all traded forex, but since at least December 2008, Cani has not had any clients or operated any pools and has not actively solicited new clients for its CTA and CPO business.
6. However, between November 2008 and June 2009, Cani borrowed more than \$1.2 million in exchange for promissory notes. Almost \$700,000 of this money was borrowed from Trujillo, WMR, and the funds that they operated.
7. The only promissory notes that Cani has repaid are those to Trujillo and WMR for \$10,000 and \$200,000, respectively. Cani also made one interest payment to one of the funds operated by Trujillo in the amount of \$1,000.
8. NFA asked Raybin why only Trujillo and WMR had been paid back and why only one of the required interest payments had been made. Raybin claimed that the reason for this was that Cani's other lenders had never sent Cani invoices for interest or principal payments.

9. NFA asked Raybin if Trujillo and WMR had sent Cani invoices requesting payment. Raybin admitted that, like the other lenders, Trujillo and WMR also had not sent invoices to Cani but Raybin claimed that they had verbally asked him for payment.
10. In addition to borrowing money and issuing promissory notes, Cani also lent money to various individuals and entities. For example, Cani lent Trujillo and WMR more than \$400,000. To date, Trujillo and WMR have paid Cani approximately \$150,000 of the money they borrowed from Cani.
11. Cani also lent Raybin \$10,750. In addition, Cani lent Green Savings, a company owned by Raybin, \$50,000; and lent Fred Smilek ("Smilek"), an unlisted principal of Cani, \$52,000.
12. Raybin, Green Savings, and Smilek have yet to pay back any of this money to Cani.

APPLICABLE RULES

13. NFA Registration Rule 208(a) provides, in pertinent part, that Forex Dealer Members ("FDMs") an applicant for registration as a CTA or CPO must list with NFA, at the time it files its application, all individuals that are principals of the applicant. Further, within twenty days after an individual becomes a principal of a CTA or CPO applicant or registrant, the firm must list such individual with NFA as a principal.
14. NFA Compliance Rule 2-39(a) provides, in pertinent part, that NFA Members and their Associates who solicit customers, introduce customers to a counterparty, or manage accounts on behalf of customers in connection with forex transactions shall comply with NFA Compliance Rules 2-36(c) and (e).

15. NFA Compliance Rule 2-36(c) provides, in pertinent part, that FDMs and their Associates shall observe high standards of commercial honor and just and equitable principles of trade.
16. NFA Compliance Rule 2-36(e) provides that each FDM shall diligently supervise its employees and agents in the conduct of their forex activities for and on behalf of the FDM. Each Associate of an FDM who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's forex activities for or on behalf of the FDM.

COUNT I

VIOLATION OF NFA REGISTRATION RULE 208(a): FAILING TO LIST SMILEK AS A PRINCIPAL

17. The allegations contained in paragraphs 1 and 13 are realleged as paragraph 17.
18. Cani's website identified Smilek as Cani's chief investment officer. In addition, Raybin told NFA that Smilek also owns approximately 35% of Cani. However, Cani did not list Smilek as a principal of the firm.
19. Cani's failure to list Smilek as a principal may be due to an Order issued against Smilek in December 1998 by the Board of Governors of the Federal Reserve System, which cited Smilek for misappropriating approximately \$275,000 from Chemical Bank when he was an officer there. The Order prohibited Smilek from being an officer, director, or employee of a bank.
20. As 35% owner of Cani, Smilek was required to be listed as a principal of the firm, but, as alleged above, Cani failed to list Smilek as a principal.
21. By reason of the foregoing acts and omissions, Cani is charged with violations of NFA Registration Rule 208(a).

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-36(c): FAILING TO OBSERVE JUST AND EQUITABLE PRINCIPLES OF TRADE

22. The allegations contained in paragraphs 1, 3 through 12, 14 and 15 are realleged as paragraph 22.
23. Between November 2008 and February 2009, Cani incurred more than \$1.1 million in debt for which it issued promissory notes.
24. Between April and June 2009, Cani incurred additional debt for which it issued four convertible demand notes for \$25,000 each. The subscription agreement relative to these convertible demand notes claimed that the proceeds would be used for investment in the "proprietary Cani Financial Partners LP Fund and general working capital purposes." Yet, Raybin had previously represented to NFA that Cani Financial Partners LP had ceased operating in December 2008.
25. Moreover, one of the convertible demand note holders represented to NFA that he was under the impression that the money he lent to Cani in 2009 was to be used to trade forex, even though Cani had ceased trading at the end of 2008.
26. Cani owes nearly \$1 million to note holders and, except for the payments to Trujillo and WMR, as alleged in paragraph 7, Cani has not made any other loan payments to these note holders.
27. Cani represented to NFA that it intends to pay back its note holders from revenues it generates from management and incentive fees. However, Cani is not actively soliciting clients. Moreover, Cani does not currently have an approved disclosure document so it is prohibited from soliciting clients.

28. Cani subsequently represented to NFA that it plans to start repaying note holders in 2010 from money generated from ventures unrelated to its CTA business – including possible real estate ventures and Raybin's company, Green Savings.
29. Cani failed to observe high standards of commercial honor and just and equitable principals of trade when it incurred excessive debt and issued promissory notes to lender/investors, when it had no reasonable expectation that it would be able to repay the debt to these lender/investors.
30. By reason of the foregoing acts and omissions, Cani is charged with violations of NFA Compliance Rule 2-36(c), as applicable pursuant to NFA Compliance Rule 2-39(a).

COUNT III

VIOLATION OF NFA COMPLIANCE RULE 2-36(e): FAILING TO SUPERVISE.

31. The allegations contained in paragraphs 2 through 12, 14 and 16 are realleged as paragraph 31.
32. At all times relevant to the Complaint, Raybin was the sole listed principal of Cani and an AP of the firm. Raybin was also the individual at Cani who was responsible for answering NFA's questions and providing records to NFA.
33. Cani's failure to list Smilek – a 35% owner – as a principal of the firm, its assumption of excessive debt, and its involvement in the movement of money from and to Trujillo evidence a failure on Raybin has failed to properly supervise Cani's activities.
34. By reason of the foregoing acts and omissions, Raybin is charged with violations of NFA Compliance Rule 2-36(e), as applicable pursuant to NFA Compliance Rule 2-39(a).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty (30) 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.

NFA staff is authorized to grant such reasonable extensions of time in which an Answer may be filed as it deems appropriate.

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.

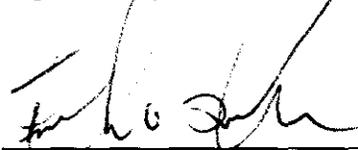
The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act.

Respondents in this matter who apply for registration in any new capacity, including as an AP 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: 09/30/09

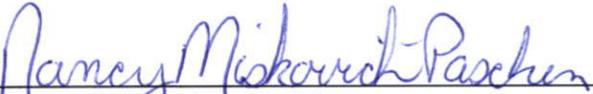
By: 
Chairperson

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on September 30, 2009, I served copies of the attached Complaint, by sending such copies by regular mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:

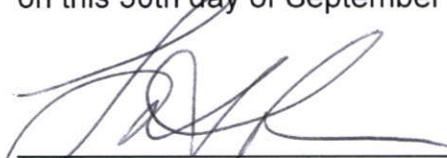
Cani Financial Advisors LLC
2715 E. Oakland Park Boulevard
Suite 201
Fort Lauderdale, FL 33306
Attn: Scott W. Raybin

Scott W. Raybin
720 Bayshore Drive
Apartment 301
Fort Lauderdale, FL 33304



Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 30th day of September 2009.



Notary Public

