

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

FILED

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NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:

IKON GLOBAL MARKETS, INC.
(NFA ID #327622),

Respondent.

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NFA Case No. 09-BCC-045

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 IKON Global Markets, Inc. ("IKON").

ALLEGATIONS

JURISDICTION

1. IKON is a futures commission merchant forex dealer member ("FDM") located in New York, New York. IKON has been an NFA Member since March 2003.

APPLICABLE RULES

2. 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 in the conduct of their forex business.
3. NFA Compliance Rule 2-9(a) provides, in pertinent part, that each Member shall diligently supervise its employees and agents in the conduct of their activities for or on behalf of the Member.

4. NFA Compliance Rule 2-9(b) provides that NFA's Board of Directors ("Board") may require Members that meet specific criteria established by the Board relating to the employment history of its associated persons ("APs") to, under NFA Compliance Rule 2-9(a), implement enhanced supervisory procedures specified by the Board for the supervision of the Member's telemarketing activities.

COUNT I

VIOLATION OF NFA COMPLIANCE RULE 2-36(c): FAILURE TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

5. The allegations contained in paragraphs 1 and 2 are realleged as paragraph 5.
6. CFS Capital Management LLC ("CFS") is a commodity trading advisor, which directed customer accounts held at IKON. As a result of trading losses that occurred between approximately October 3 and 8, 2008, a number of CFS's customer accounts went into deficit. Specifically, as of October 13, 2008, 63 CFS customer accounts at IKON had deficit balances totaling approximately \$111,000.
7. Pursuant to an agreement between CFS and IKON, if a customer did not satisfy a deficit balance in its account at IKON, CFS was liable for the deficit.
8. On October 20, 2008, IKON, at the direction of CFS, reallocated approximately \$350,000 of customer funds across customer accounts, debiting some accounts and crediting those accounts in deficit, so that no account was in deficit any longer.

9. IKON made the reallocation requested by CFS without undertaking any inquiry of its own to determine whether such a "reallocation" was appropriate or reasonable.
10. By its acts and omissions, IKON facilitated the misuse of its customer funds by CFS, acted in a manner that was grossly contrary to the interest of its customers, and failed to observe high standards of commercial honor and just and equitable principles of trade.
11. By reason of the foregoing acts and omissions, IKON is charged with violations of NFA Compliance Rule 2-36(c).

COUNT II

VIOLATION OF NFA COMPLIANCE RULES 2-9(a) AND (b): FAILURE TO ADOPT ENHANCED SUPERVISORY PROCEDURES.

12. The allegations contained in paragraphs 1, 3 and 4 are realleged as paragraph 12.
13. By a letter dated August 7, 2008, IKON was notified that due to its employment of APs previously employed by one or more Disciplined Firms, it was subject to the Enhanced Supervisory Procedures ("Enhanced Procedures") under NFA Compliance Rule 2-9. Accordingly, IKON was required to tape record all conversations between IKON APs and existing or potential customers.
14. By a letter dated September 8, 2008, IKON requested a waiver of the Enhanced Procedures. On February 11, 2009, the Telemarketing Procedures Waiver Committee issued a Decision denying IKON's request. NFA notified IKON of this decision and that the Enhanced Procedures must be adopted by IKON within 30 days, i.e. by March 13, 2009.

15. IKON represented to NFA that it had purchased and installed a system to record telephone conversations on March 31, 2008, over two weeks after it was supposed to have the system in place.
16. IKON later discovered that its taping system was not working properly which necessitated repairs to the system that were not completed until April 23, 2008.
17. As a consequence, IKON did not begin tape recording conversations between its APs and existing or potential customers until April 23, 2009 – over a month after it was required to begin taping these conversations.
18. By reason of the foregoing acts or omissions, IKON is charged with violations of NFA Compliance Rules 2-9(a) and (b).

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.

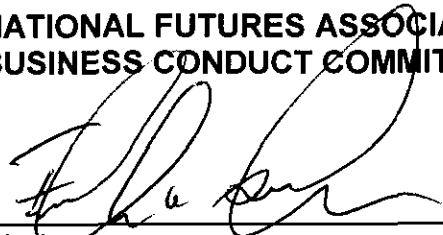
The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act.

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: 11-17-09

By: 
Chairperson

AFFIDAVIT OF SERVICE

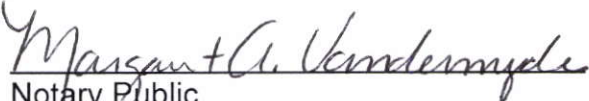
I, Nancy Miskovich-Paschen, on oath state that on November 17, 2009, I served a copy of the attached Complaint, by sending such copy in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows to:

IKON Global Markets, Inc.
99 Wall Street
11th Floor
New York, NY 10005
Attn: Engin Yikilmazoglu
President



Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 17th day of November 2009.



Notary Public

