

**BEFORE THE
NATIONAL FUTURES ASSOCIATION**

In the Matter of:)	
)	
DIRECT INVESTMENTS PRODUCTS, INC.)	
(NFA ID #379799),)	
)	
INSTITUTIONAL CAPITAL)	
MANAGEMENT LLC)	NFA Case No. 10-MRA-001
(NFA ID #380467),)	
)	
and)	
)	
ALEXANDER GLYTENKO)	
(NFA ID #380836).)	

**NOTICE OF MEMBER RESPONSIBILITY ACTION AND ASSOCIATE
RESPONSIBILITY ACTION UNDER NFA COMPLIANCE RULE 3-15**

National Futures Association ("NFA") hereby gives notice to Direct Investment Products, Inc. ("DIP"), a commodity trading advisor ("CTA"), commodity pool operator ("CPO") NFA Member; Institutional Capital Management LLC ("ICM"), a CPO NFA Member; and Alexander Glytenko ("Glytenko"), the sole principal and associated person ("AP") of DIP and ICM and an NFA Associate, that, pursuant to NFA Compliance Rule 3-15, the President of NFA, with the concurrence of NFA's Executive Committee, has taken a Member Responsibility Action ("MRA") against DIP and ICM and an Associate Responsibility Action ("ARA") against Glytenko, respectively, whereby:

1. Glytenko, DIP and ICM are prohibited from soliciting or accepting any funds from customers, or pool participants or investors in any pools or accounts that Glytenko, DIP and ICM operate or over which they exercise control including, but not limited to, Institutional Capital Fund, LLC and DIP Capital Partners, Inc.;
2. Glytenko, DIP and ICM are prohibited from placing trades on behalf of any pools or accounts that they operate or over which they exercise control including but not limited to, Institutional Capital Fund, LLC and DIP Capital Partners, Inc. except to liquidate existing positions;
3. Glytenko, DIP and ICM are prohibited from disbursing or transferring any funds of customers, or participants or investors in any pools or accounts that they operate or over which they exercise control including, but not limited to, Institutional Capital Fund, LLC and DIP Capital Partners, Inc. without prior approval from NFA; and

4. Glytenko, DIP and ICM are required to provide copies of this MRA/ARA via overnight courier to a) all customers; b) to all pool participants and investors in any pools or accounts that Glytenko, DIP or ICM operate or over which they exercise control including, but not limited to, the participants and investors in Institutional Capital Fund, LLC and DIP Capital Partners, Inc.; and c) to all banks and other financial institutions with which money is on deposit in the name of Institutional Capital Fund, LLC, DIP Capital Partners, Inc. or Glytenko or over which Glytenko, DIP or ICM exercises control.

This action is effective immediately and is deemed necessary to protect customers of Glytenko, ICM and DIP and participants in any pools or accounts that Glytenko, ICM or DIP operate or over which they exercise control based on the failure of Glytenko, DIP and ICM to cooperate with NFA in an examination of DIP and ICM, or demonstrate that they are in full compliance with NFA Requirements.

In support of these actions, NFA attaches the affidavit of Narine Gevorgyan ("Gevorgyan"), who is a Staff Auditor in NFA's Compliance Department, and based thereon alleges as follows:

1. DIP is a CPO and CTA NFA Member located in Carlsbad, California and ICM is a CTA NFA Member also located in Carlsbad. DIP has been registered as a CPO/CTA since April 2007 and ICM has been registered as a CPO since March 2007. Glytenko is the sole AP and principal of both DIP and ICM and an NFA Associate. According to NFA's records, DIP does not operate any pools and ICM operates a 4.7 exempt pool called Institutional Capital Fund, LLC ("IC Fund"). DIP also indicated in its annual questionnaire that, as of May 7, 2009, it was not doing business.
2. On January 12, 2010 NFA received a complaint regarding Glytenko and DIP from a customer in Russia, who described herself as a shareholder of DIP. This individual told NFA that she had invested with Glytenko and that she was concerned about her investment because of Glytenko's failure to keep her informed as to the status of her investment and her inability to communicate with Glytenko about her investment due to Glytenko's failure to return phone calls or reply to e-mail inquiries. This individual also indicated that Glytenko operated several pools which were not listed with NFA, including the DI Growth Fund ("DG Fund").
3. NFA reviewed DIP's two websites: www.di-holding.com/en/about.htm ("English version") and www.di-holding.com ("Russian version"). NFA staff, including a staff member fluent in Russian, had several concerns about the information which appeared on these websites. For example, both the English and Russian versions of the DIP websites mentioned the DG Fund, Aggressive Diversified Portfolio, the IC Fund and DIP Capital Partners, Inc. ("DCP"). However, as noted above, DIP had not listed these or any other pools with NFA. Moreover, both websites suggested

that DIP was currently doing futures business, despite the fact that the firm indicated as recently as May 2009 that it was not. Finally, DIP's website also indicated that its main office was located in Riverside, California, yet according to NFA's Online Registration System ("ORS"), DIP was located in Carlsbad, California.

4. Subsequently, NFA became even more concerned after reviewing the promotional material for the IC Fund available on the Russian version of the DIP website. While ICM had listed the IC Fund as a pool, DIP had not. Moreover, ICM only listed the IC Fund with NFA in March 2007, yet the promotional material showed performance for the IC Fund as far back as January 2004. More troubling, however, is the fact that the promotional material touted returns as high as 18.83% in 2007 and 10.16% in 2008, while in fact, according to the certified financial statements filed with NFA for those years, the fund actually experienced losses of 4.03% in 2007 and 43.15% in 2008. Not only was the promotional material potentially misleading, but it also referenced several additional entities and funds for which NFA had no registration information (e.g., DI Growth Corporation, DI Portfolio and DI Holding).
5. Based on the inconsistencies on the DIP websites and the potentially misleading promotional material, NFA decided to commence an emergency examination of DIP on January 14, 2010. Initially, NFA visited the Riverside location, which the website had claimed was DIP's main U.S. office location. Despite a DIP nameplate on the suite, the office was completely deserted and the leasing agent for the property represented that Glytenko had not been a tenant since October 2008. Later that day, NFA visited the Carlsbad location, which according to ORS, is the firm's main office. However, this location is actually a residence. No one was apparently at this location as the window blinds were closed and no one answered the door.
6. As a result, NFA then attempted to contact Glytenko at the telephone number listed in ORS. This number is actually a cell phone. No one answered, and NFA left a message asking Glytenko to immediately call NFA since staff was trying to conduct an audit of his firm. Since the number listed in ORS was only a cell phone, NFA conducted an internet search for other telephone listings for DIP and found another telephone number, which purported to be a contact number for the owner of the DIP websites. However, this number had been disconnected.
7. On the following day, January 15, 2010, NFA sent a letter to Glytenko by e-mail and regular mail reminding him of his obligation under NFA Compliance Rule 2-5 ("C.R. 2-5") to cooperate promptly and fully with NFA in connection with its examination. NFA also contacted DIP and Glytenko's lawyer who told NFA that he believed Glytenko was currently in Russia. Glytenko's lawyer also said he only communicated with Glytenko

through e-mail, and that the e-mail address he had for Glytenko was the same e-mail address NFA had for him.

8. In addition to contacting Glytenko's lawyer, NFA also contacted the Fund Administrator for the IC Fund as well as an NFA Member introducing broker ("IB") who conducts business with Glytenko. Both the Fund Administrator and the IB told NFA that they believed Glytenko was likely in Russia, but neither had additional contact information for Glytenko.
9. Since NFA was unable to locate Glytenko, NFA requested information from MF Global, Inc. ("MFG"), which had informed NFA that it carried accounts for Glytenko, DIP, ICM and their related Funds. MFG subsequently confirmed that it held several accounts for these entities, but only four accounts had a current balance. MFG holds three accounts in the name of the IC Fund and one account in the name of DCP. Based on trading statements obtained by NFA, trades were being placed as recently as January 12, 2010. The combined value of all four accounts is approximately \$640,000.
10. In order to confirm that Glytenko, ICM and DIP did not maintain other accounts with additional futures commission merchants ("FCMs"), NFA sent a notice to all FCMs on January 15. Peregrine Financial Group, Inc. ("PFG") responded to the notice and indicated that it holds accounts for DIP Consulting ("Consulting"), which at the time the accounts were opened was a foreign IB. However, none of these accounts have been active since 2005. In addition, PFG also said it held other accounts which were introduced by Consulting. NFA has not yet obtained statements for these accounts, but PFG has represented there is no balance in any of them.
11. As of Tuesday, January 19, NFA had still not received any response from Glytenko. Therefore, NFA sent an audit team to Glytenko's home in Palo Alto, California, since Glytenko had listed this location as his personal address in ORS. Although there were cars in Glytenko's driveway, no one answered the door. Later that day, NFA finally received an e-mail from Glytenko, who said he was in Russia and should be back in the U.S. on February 5, 2010. NFA responded to Glytenko's e-mail within minutes and reiterated that Glytenko should contact NFA immediately.
12. As of January 20, Glytenko had still not responded to NFA's January 19 e-mail. Therefore, on January 20, NFA sent Glytenko a document request by e-mail and also reiterated his obligation under C.R. 2-5. NFA advised Glytenko that if he failed to produce the documents and make himself available for an interview by NFA staff by 12:00 C.S.T. on Thursday, January 21, NFA would consider disciplinary action against him. However, Glytenko has failed to respond to NFA's request.

13. As a result of Glytenko's failure to cooperate with NFA in its examination of DIP and ICM, NFA is unable to determine if Glytenko, DIP and ICM are in compliance with NFA requirements.

The MRA and ARA will remain in effect until such time as Glytenko, DIP and ICM have demonstrated to the satisfaction of NFA that they are in complete compliance with all NFA Requirements.

Glytenko, ICM and DIP are entitled to a prompt hearing on this matter before NFA's Hearing Committee if they so request. The request for a hearing shall be made in writing to:

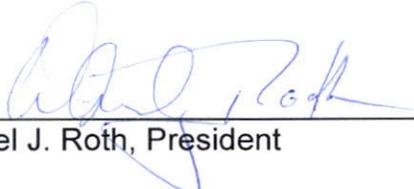
National Futures Association
300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing

E-Mail: Docketing@nfa.futures.org
Facsimile: 312-781-1672

Aggrieved parties may petition the Commodity Futures Trading Commission ("CFTC") for a stay of this MRA pending a hearing pursuant to and in conformity with the terms set forth in CFTC Regulation 171.41.

NATIONAL FUTURES ASSOCIATION

Date: 1-21-10

By: 
Daniel J. Roth, President

AFFIDAVIT

THE AFFIANT, NARINE GEVORGYAN, BEING DULY SWORN AND UNDER OATH STATES THAT:

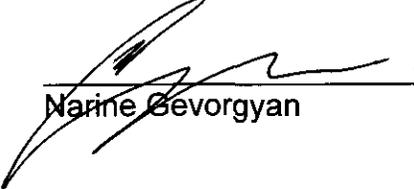
1. My name is Narine Gevorgyan, and I am employed by National Futures Association ("NFA") as a Staff Auditor in the Compliance Department. In my capacity as a Staff Auditor, I conducted an investigation of Direct Investment Products, Inc ("DIP"), Institutional Capital Management, LLC ("ICM"), and Alexander Glytenko ("Glytenko").
2. DIP is a commodity pool operator ("CPO") and commodity trading advisor ("CTA") NFA Member located in Carlsbad, California and ICM is a CTA NFA Member also located in Carlsbad. DIP has been registered as a CPO/CTA since April 2007 and ICM has been registered as a CPO since March 2007. Glytenko is the sole associated person ("AP") and principal of both DIP and ICM and an NFA Associate. According to NFA's records, DIP does not operate any pools and ICM operates a 4.7 exempt pool called Institutional Capital Fund, LLC ("IC Fund"). DIP also indicated in its annual questionnaire that, as of May 7, 2009, it was not doing business.
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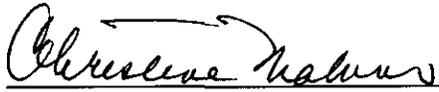
14. As a result of Glytenko's failure to cooperate with NFA in its examination of DIP and ICM, NFA is unable to determine if Glytenko, DIP and ICM are in compliance with NFA requirements.

Further Affiant sayeth not.

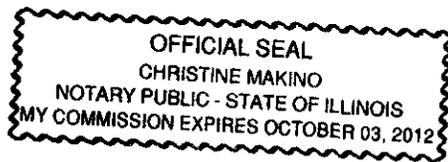


Narine Bevorgyan

Subscribed and sworn to before me
on this 21st day of January 2010.



Notary Public



AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on January 21, 2010, I served copies of the attached Notice of Member Responsibility Action and Associate Responsibility Action Under NFA Compliance Rule 3-15, by sending such copies by facsimile and overnight mail, in envelopes addressed as follows:

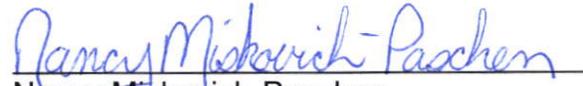
David Stawick
Office of the Secretariat
Commodity Futures Trading
Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
(Facsimile: 202-418-5521)

Richard Foelber
Deputy Chief
Division of Enforcement
Commodity Futures Trading
Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
(Facsimile: 202-418-5523)

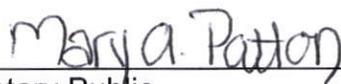
Direct Investment Products, Inc.
Institutional Capital Management LLC
2361 Terraza Goya
Carlsbad, CA 92009
Attn: Alexander Glytenko
(Facsimile: 760-268-0988)

and by overnight mail to:

Alexander Glytenko
744 Avelar Street
E. Palo Alto, CA 94303


Nancy Miskovich-Paschen

Subscribed and sworn to before
me on this 21st day January 2010.


Notary Public

