

**BEFORE THE
NATIONAL FUTURES ASSOCIATION**

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|----------------------------|---|-------------------------|
| In the Matter of: |) | |
| |) | |
| CDH GLOBAL HOLDINGS, LLC |) | |
| (NFA ID #402884), |) | |
| |) | |
| CDH FOREX INVESTMENTS, LLC |) | |
| (NFA ID #390384), |) | NFA Case No. 10-MRA-004 |
| |) | |
| and |) | |
| |) | |
| LINDA FAYE HARRIS |) | |
| (NFA ID #397342) |) | |

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

National Futures Association ("NFA") hereby gives notice to CDH Global Holdings, LLC ("CDH Global"), a commodity trading advisor ("CTA") NFA Member located in Flower Mound, Texas; CDH Forex Investments, LLC ("CDH Forex"), a commodity pool operator ("CPO") and CTA NFA Member also located in Flower Mound, Texas; and Linda Faye Harris ("Harris"), an associated person ("AP") and principal of CDH Global and CDH Forex 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 CDH Global and CDH Forex and an Associate Responsibility Action ("ARA") against Harris, whereby:

1. Harris, CDH Global and CDH Forex are prohibited from soliciting or accepting any funds from customers or investors, soliciting investments for any commodity pools or other investment vehicles, or placing any trades on behalf of customers, commodity pools, or investors except liquidation or risk reducing trades;
2. Harris, CDH Global and CDH Forex are prohibited from disbursing or transferring any funds of customers, investors, or commodity pools over which they exercise control, or participants in any such commodity pools, without prior approval from NFA; and
3. Harris is required to provide copies of this MRA/ARA via overnight courier to all: a) customers of Harris, CDH Global, CDH Forex and any other entities over which Harris exercises control; and b) banks and other

financial institutions in which money is on deposit in the name of Harris, CDH Global and CDH Forex or any other entity over which Harris exercises control.

This action is effective immediately and is deemed necessary to protect customers of Harris, CDH Global and CDH Forex based on the following facts and circumstances: Harris, CDH Global and CDH Forex have provided false and misleading information to NFA, and failed to cooperate with NFA, in its investigation of highly dramatic profit claims made in CDH Global's and CDH Forex's disclosure documents, which appear to be wholly fictitious; they have also provided false and misleading information to NFA, and failed to cooperate with NFA, in its investigation of Harris' claim that CDH Global and CDH Forex had at one time over \$18 million under management, which claim appears to be false, as NFA's investigation has shown that they have never had more than approximately \$300,000 under management; and Harris and CDH Forex recently filed a new disclosure document for CDH Forex which contained the same false and misleading performance claims described above.

In support of these actions, NFA attaches the affidavit of Valerie Kretschmer, who is a Manager in NFA's Compliance Department, and based thereon alleges as follows:

1. CDH Global is a current NFA Member CTA and has been registered as an NFA Member CTA since December 31, 2009.
2. CDH Forex is a current NFA Member CPO/CTA. It became an NFA Member CTA on July 1, 2008 and an NFA Member CPO on September 17, 2009.
3. Harris is an AP and principal of both CDH Global and CDH Forex and has been an NFA Associate since July 1, 2008.
4. As CTAs, CDH Global and CDH Forex are required to submit disclosure documents ("DD") to NFA for review. CDH Global's DD submitted to NFA indicated that its principal had achieved an annual rate of return of 371% from trading in a proprietary account. Similarly, CDH Forex's DD reported annual rates of return for customer accounts in excess of 500% for 2009. Based on these exceptionally high rates of return, NFA decided to audit both CDH entities to verify these performance claims.
5. As part of its audit, NFA requested Harris to provide carrying broker statements for CDH Global's proprietary account and CDH Forex's customer accounts. In response, Harris provided carrying broker statements from two brokerage firms that appeared on their face to support the exceptional trading performance touted in the DDs.

6. However, on closer examination, NFA noticed what appeared to be computational errors in some of the carrying broker statements, which caused NFA to question their legitimacy. Therefore, NFA contacted the two brokerage firms which carried the accounts for the CDH entities. Harris had represented that one of these brokerage firms carried approximately 20 customer accounts which had an aggregate value of approximately \$300,000, and that the other firm carried 75 customer accounts which purportedly had an aggregate value of \$18 million at one point.
7. The brokerage firm, which Harris had represented carried 20 customer accounts with an approximate value of \$300,000, verified this information. However, the brokerage firm, which Harris represented had at one time carried 75 customer accounts with an approximate value of \$18 million, advised NFA that it did not carry any accounts for customers of CDH Global or CDH Forex and never had. It also reported that it had never opened a proprietary account for CDH Global and, although it had opened a proprietary account for CDH Forex on April 20, 2010, that account was never funded.
8. On July 15, 2010, NFA confronted Harris with this information and asked her to explain why the brokerage firm indicated that it held no customer accounts of CDH Global or CDH Forex when Harris previously claimed that such broker held approximately 75 customer accounts. Harris told NFA that she had no idea why the brokerage firm had indicated this and that, if it did so, it was incorrect. When confronted, Harris also denied that she had fabricated any of the carrying broker statements she had produced to NFA.
9. NFA asked Harris to provide any and all documentation in her possession that would support her charge that the brokerage firm had furnished incorrect information to NFA when it denied carrying any customer accounts of CDH Global or CDH Forex or holding any customer funds for customers of these entities – let alone \$18 million. NFA also asked Harris to provide contact information for someone at the brokerage firm who could confirm her representations. However, Harris has failed to provide any such supporting documentation or contact information for anyone at the brokerage firm.
10. NFA also asked Harris to respond to certain questions about CDH Global and CDH Forex's operations, but Harris failed to answer NFA's questions and has stopped communicating with NFA.
11. NFA also asked Harris to provide NFA with her personal bank records as well as all bank records for CDH Global, CDH Forex and any other related or affiliated entities. Harris did provide the June 2010 bank statements for

CDH Global, CDH Forex and other related entities but she refused to provide any other bank statements. Moreover, the bank statements that Harris did produce had a number of questionable deposits and questionable withdrawals that appeared to be for personal expenses.

12. On July 16, 2010, Harris sent an e-mail to NFA in which she stated: "After reviewing our records and discussing the information presented to us yesterday, we have decided not to contest the matter. We do not have any documentation to substantiate the [brokerage] statements, accounts and related information presented to the NFA. As such the materials requested cannot be provided. We fully understand the ramifications of our actions and the possibility of disciplinary action being taken against us. We sincerely apologize for the misrepresentation and any inconvenience and confusion this has caused and would like to resolve this matter so that we can continue to make the necessary changes to be compliant with NFA regulations."
13. Based on the foregoing facts and circumstances, it appears that Harris has provided false information to NFA, including fabricated brokerage statements, and that the dramatic performance claims reported in the DDs of CDH Global and CDH Forex were fictitious.

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

CDH Global, CDH Forex and Harris 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:

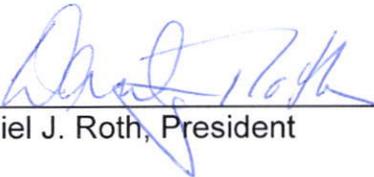
National Futures Association
300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing

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 and ARA pending a hearing pursuant to and in conformity with the terms set forth in CFTC Regulation 171.41.

NATIONAL FUTURES ASSOCIATION

Date: 07/19/2010

By: 
Daniel J. Roth, President

m/rvh/CDH Forex and CDH Global MRA (July 16)

AFFIDAVIT

THE AFFIANT, VALERIE KRETSCHMER, BEING DULY SWORN AND UNDER OATH STATES THAT:

1. My name is Valerie Kretschmer, and I am employed by National Futures Association ("NFA") as a Manager in the Compliance Department. In my capacity as a Manager, I was in charge of the investigation of CDH Global Holdings, LLC ("CDH Global"), CDH Forex Investments, LLC ("CDH Forex"), and Linda Faye Harris ("Harris") and am knowledgeable of the matters stated herein.
2. CDH Global is a current NFA Member commodity trading advisor ("CTA") and has been registered as an NFA Member CTA since December 31, 2009.
3. CDH Forex is a current NFA Member commodity pool operator ("CPO") and CTA. It became an NFA Member CTA on July 1, 2008 and an NFA Member CPO on September 17, 2009.
4. Harris is an associated person and principal of both CDH Global and CDH Forex and has been an NFA Associate since July 1, 2008.
5. As CTAs, CDH Global and CDH Forex are required to submit disclosure documents ("DD") to NFA for review. CDH Global's DD submitted to NFA indicated that its principal had achieved an annual rate of return of 371% from trading in a proprietary account. Similarly, CDH Forex's DD reported annual rates of return for customer accounts in excess of 500% for 2009. Based on these exceptionally high rates of return, NFA decided to audit both CDH entities to verify these performance claims.
6. As part of its audit, NFA requested Harris to provide carrying broker statements for CDH Global's proprietary account and CDH Forex's customer accounts. In response, Harris provided carrying broker statements from two brokerage firms that appeared on their face to support the exceptional trading performance touted in the DDs.
7. However, on closer examination, NFA noticed what appeared to be computational errors in some of the carrying broker statements, which caused NFA to question their legitimacy. Therefore, NFA contacted the two brokerage firms which carried the accounts for the CDH entities. Harris had represented that one of these brokerage firms carried approximately 20 customer accounts which had an aggregate value of approximately \$300,000, and that the other firm carried 75 customer accounts which purportedly had an aggregate value of \$18 million at one point.

8. The brokerage firm, which Harris had represented carried 20 customer accounts with an approximate value of \$300,000, verified this information. However, the brokerage firm, which Harris represented had at one time carried 75 customer accounts with an approximate value of \$18 million, advised NFA that it did not carry any accounts for customers of CDH Global or CDH Forex and never had. It also reported that it had never opened a proprietary account for CDH Global and, although it had opened a proprietary account for CDH Forex on April 20, 2010, that account was never funded.
9. On July 15, 2010, NFA confronted Harris with this information and asked her to explain why the brokerage firm indicated that it held no customer accounts of CDH Global or CDH Forex when Harris previously claimed that such broker held approximately 75 customer accounts. Harris told NFA that she had no idea why the brokerage firm had indicated this and that, if it did so, it was incorrect. When confronted, Harris also denied that she had fabricated any of the carrying broker statements she had produced to NFA.
10. NFA asked Harris to provide any and all documentation in her possession that would support her charge that the brokerage firm had furnished incorrect information to NFA when it denied carrying any customer accounts of CDH Global or CDH Forex or holding any customer funds for customers of these entities – let alone \$18 million. NFA also asked Harris to provide contact information for someone at the brokerage firm who could confirm her representations. However, Harris has failed to provide any such supporting documentation or contact information for anyone at the brokerage firm.
11. NFA also asked Harris to respond to certain questions about CDH Global and CDH Forex's operations, but Harris failed to answer NFA's questions and has stopped communicating with NFA.
12. NFA also asked Harris to provide NFA with her personal bank records as well as all bank records for CDH Global, CDH Forex and any other related or affiliated entities. Harris did provide the June 2010 bank statements for CDH Global, CDH Forex and other related entities but she refused to provide any other bank statements. Moreover, the bank statements that Harris did produce had a number of questionable deposits and questionable withdrawals that appeared to be for personal expenses.
13. On July 16, 2010, Harris sent an e-mail to NFA in which she stated: "After reviewing our records and discussing the information presented to us yesterday, we have decided not to contest the matter. We do not have any documentation to substantiate the [brokerage] statements, accounts

and related information presented to the NFA. As such the materials requested cannot be provided. We fully understand the ramifications of our actions and the possibility of disciplinary action being taken against us. We sincerely apologize for the misrepresentation and any inconvenience and confusion this has caused and would like to resolve this matter so that we can continue to make the necessary changes to be compliant with NFA regulations."

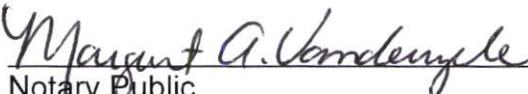
14. Based on the foregoing facts and circumstances, it appears that Harris has provided false information to NFA, including fabricated brokerage statements, and that the dramatic performance claims reported in the DDs of CDH Global and CDH Forex were fictitious.

Further Affiant sayeth not.



Valerie Kretschmer

Subscribed and sworn to before me
on this 19th day of July 2010.



Notary Public



AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on July 19, 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)

CDH Forex Investments LLC
1011 Surrey Lane
Building 200
Flower Mound, TX 75022
Attn: Linda Faye Harris
(Facsimile: 972-767-1935)

CDH Global Holdings LLC
1011 Surrey Lane
Building 200
Flower Mound, TX 75022
Attn: Linda Faye Harris
(Facsimile: 972-767-1935)

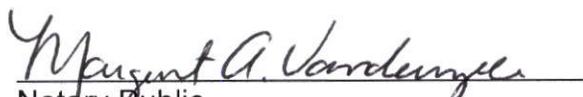
and by sending such copy by overnight mail, in an envelope addressed as follows:

Linda Faye Harris
1514 Glenmore Drive
Lewisville, TX 75077



Nancy Miskovich-Paschen

Subscribed and sworn to before
me on this 19th day of July 2010.



Notary Public

