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JUL 19 2010

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

NATIONAL FUTURES ASSOCIATION
BEFORE THE HEARING PANEL

In the Matter of:	)	
	)	
MONTGOMERY COMMODITIES LLC (NFA ID #291838),	)	
	)	
and	)	NFA Case No. 09-BCC-050
	)	
DAVID BAIRD MONTGOMERY (NFA ID #212850),	)	
	)	
Respondents.	)	

DECISION

Having reviewed the Complaint issued by the Business Conduct Committee ("BCC") of National Futures Association ("NFA") in the above-captioned case, and having considered the Offer of Settlement ("Offer") submitted by Montgomery Commodities LLC ("MC") and David Baird Montgomery ("Montgomery"), and having accepted their Offer, the Hearing Panel hereby issues this Decision as to MC and Montgomery.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On December 8, 2009, the BCC issued a Complaint against MC, a former introducing broker NFA Member located in Greenville, South Carolina, and Montgomery, the sole owner, listed principal and associated person of MC and an NFA Associate. The Complaint alleged that between 2003 and 2009, MC and Montgomery defrauded customers of potential profits by placing bunched orders, waiting to see if trades were profitable, and then – post execution – allocating profitable trades in a preferential manner to Montgomery's personal accounts, in violation of NFA Compliance

Rules 2-2(a) and 2-4. The Complaint also alleged that MC and Montgomery violated NFA Compliance Rule 2-2(f) by providing false information to NFA in that they represented to NFA that they never placed bunched orders when, in fact, they routinely placed bunched orders.

II

OFFER OF SETTLEMENT

MC and Montgomery submitted an Offer in which they proposed to settle the charges against them on the following terms:

1. MC agreed to be permanently barred from NFA membership and from acting as a principal of an NFA Member, effective immediately.

2. Montgomery, who currently has no NFA membership status, agreed not to apply for NFA membership or associate membership or act as a principal of an NFA Member, for a period of ten years, commencing on the effective date of a Decision accepting his settlement offer.

3. Montgomery also agreed that if, after the expiration of his ten-year membership bar, he reapplies for NFA membership or associate membership, or seeks to become a principal of an NFA Member then, in any such event, the facts and violations alleged in the Complaint in this case shall be deemed admitted, and shall not be contested by him, and may be used **as the sole basis** for denying him registration, NFA membership or associate membership and/or principal status.

4. Montgomery further agreed that if, after the expiration of his ten-year membership bar, he reapplies for NFA membership or associate membership, or seeks to become a principal of an NFA Member then, in any such event, he shall pay a fine of $250,000 to NFA, due and payable at the time he makes such application. Until such time as Montgomery pays this fine in full, no action shall be taken to process his application. Moreover, payment of the fine by Montgomery shall in no way preclude NFA from denying his application, pursuant to paragraph c above, solely on the basis of the facts and violations in this case.

III

PENALTIES

Having considered the matter and having accepted the Offer submitted by MC and Montgomery, the Hearing Panel orders as follows:

1. MC is hereby permanently barred from NFA membership and from acting as a principal of an NFA Member, effective immediately.

2. Montgomery, who currently has no NFA membership status, shall not apply for NFA membership or associate membership or act as a principal of an NFA Member, for a period of ten years, commencing on the effective date this Decision.

3. If, after the expiration of Montgomery's ten-year membership bar, he reapplies for NFA membership or associate membership, or seeks to become a principal of an NFA Member then, in any such event, the facts and violations alleged in the Complaint in this case shall be deemed admitted, and shall not be contested by him, and may be used **as the sole basis** for denying him registration, NFA membership or associate membership and/or principal status.

4. If, after the expiration of Montgomery's ten-year membership bar, he reapplies for NFA membership or associate membership, or seeks to become a principal of an NFA Member then, in any such event, he shall pay a fine of $250,000 to NFA, due and payable at the time he makes such application. Until such time as Montgomery pays this fine in full, no action shall be taken to process his application. Moreover, payment of the fine by Montgomery shall in no way preclude NFA from denying his application, pursuant to paragraph c above, solely on the basis of the facts and violations in this case.

This Decision accepting MC and Montgomery's Offer shall operate to bar any future Member Responsibility Action or BCC Complaints against them for any conduct occurring, of which NFA had corporate knowledge, up to the date of their Offer, and shall resolve and terminate all complaints, investigations and audits, relative to them, which were received or were pending as of the date of their Offer.

IV

INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render Montgomery 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, for a period of ten years or until all of the sanctions and conditions imposed on him have been fulfilled, whichever is later.

NATIONAL FUTURES ASSOCIATION
HEARING PANEL

Date: 07/19/2010 By: P K Kurland
Chairperson

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AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on July 19, 2010, 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
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Nancy Miskovich-Paschen

Nancy Miskovich-Paschen

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

Margaret A. Vandermyde

Notary Public

OFFICIAL SEAL
MARGARET A VANDERMYDE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 03/15/2014