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NATIONAL FUTURES ASSOCIATION
BEFORE THE
APPEALS COMMITTEE

JAN 21 2010

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)
)
I TRADE FX LLC)
(NFA ID #367140),)
)
and) NFA Case No. 08-BCC-014
)
ISAAC MARTINEZ)
(NFA ID #369360),)
)
Appellees.)

DECISION

On April 24, 2009, an NFA Hearing Panel issued a Decision against I Trade FX LLC (I Trade). This is the first substantive anti-money laundering (AML) case that NFA has filed against an NFA Member firm charging the Member and its president and AML compliance officer, Isaac Martinez (Martinez), with violating NFA's AML Requirements. The Hearing Panel found that I Trade violated NFA Compliance Rule 2-9(c), fined it \$250,000 and imposed certain conditions. The Hearing Panel also dismissed the charge that I Trade and Martinez violated NFA Compliance Rule 2-36(e).

I Trade filed a Notice of Appeal challenging the Hearing Panel's finding that it violated NFA Compliance Rule 2-9(c) and the sanctions imposed. NFA filed a timely request for the Appeals Committee to review the sanctions imposed upon I Trade and the Hearing Panel's decision to dismiss the charge that Martinez violated NFA Compliance Rule 2-36(e). After considering the record below and the arguments raised by the parties on appeal, the Appeals Committee hereby affirms the Hearing Panel's

findings as to I Trade in their entirety. The Appeals Committee also reverses the Hearing Panel's finding that NFA did not establish that Martinez violated NFA Compliance Rule 2-36(e) and fines him \$50,000.

I

PROCEDURAL BACKGROUND

On June 30, 2008, NFA's Business Conduct Committee issued a two-count Complaint against I Trade and its principal and associated person, Martinez. The Complaint alleged that I Trade violated NFA Compliance Rule 2-9(c) by failing to implement an adequate AML program and that I Trade and Martinez violated NFA Compliance Rule 2-36(e) by failing to supervise the firm's AML program.

The Hearing Panel issued its Decision on April 24, 2009, after a hearing. In that Decision, the Hearing Panel found that:

- I Trade violated NFA Compliance Rule 2-9(c). The Hearing Panel sanctioned I Trade by ordering it to pay a fine of \$250,000. The Hearing Panel also ordered I Trade to retain an independent auditing firm to conduct four semi-annual audits to review compliance with the Bank Secrecy Act (BSA), the implementing regulations, NFA's AML rules and I Trade's own AML procedures. The audits must be conducted according to certain parameters imposed by the Hearing Panel.
- NFA had not proven Count II of the Complaint and dismissed with prejudice the charge that I Trade and Martinez violated NFA Compliance Rule 2-36(e).

I Trade filed a Notice of Appeal indicating that it took exception to the Hearing Panel's finding that it violated NFA Compliance Rule 2-9(c). The Notice of Appeal also asked the Appeals Committee to review the sanctions imposed upon it.

NFA asked the Appeals Committee to take review of the sanction imposed upon I Trade and the Hearing Panel's finding that NFA had not proven that Martinez violated NFA Compliance Rule 2-36(e). The Appeals Committee accepted this review.

II

DISCUSSION

This Appeal involves the following issues: 1) whether the Hearing Panel's finding that I Trade violated NFA Compliance Rule 2-9(c) is against the weight of the evidence; 2) whether the Hearing Panel's dismissal of the failure to supervise charge against Martinez is contrary to the evidence presented at the hearing; and 3) whether the sanction imposed by the Hearing Panel on I Trade was appropriate. We will discuss each of these issues separately.

A. The Hearing Panel's Finding that I Trade Violated NFA Compliance Rule 2-9(c) is Fully Supported by the Evidence.

NFA Compliance Rule 2-9(c) requires a futures commission merchant (FCM) to develop and implement a written AML program, which, among other things, must include procedures to detect, investigate and, where appropriate, report suspicious activity by filing a suspicious activity report (SAR) with the Financial Crimes Enforcement Network (FinCEN). To comply with this requirement, I Trade adopted an AML Policy that required the firm to monitor accounts to identify, among other things, certain red flags specified in I Trade's policy. The firm's policy also required that when a firm employee detected a red flag, there would be an investigation under the direction of the AML compliance officer, which could result in the firm filing a SAR.

The Hearing Panel found, and it appears that the parties agree, that there was activity in the Smith accounts, as well as the accounts of Customer A and

Customer B, that were red flags under I Trades' AML Policy. Where the parties clearly disagree is whether I Trade followed its own procedures and conducted a sufficient investigation of the activity and the parties involved to conclude that SARs did not need to be filed. The Hearing Panel concluded that I Trade did not follow its procedures and did not properly investigate the activity and the parties involved. I Trade argues that the record clearly shows that it "had sufficient detailed knowledge regarding the individuals to formulate a wholly-appropriate judgment that it need not issue SARs." After reviewing the evidence presented at the hearing, this Committee agrees with the Hearing Panel. The evidence shows that I Trade did not follow its own procedures to meaningfully and sufficiently investigate the activity or the parties and therefore had no basis for concluding that it did not need to file SARs with respect to the Smith, Customer A and Customer B accounts.¹

1. David Smith

In September 2006, at the time Smith contributed capital to and opened trading accounts at I Trade, I Trade and Martinez were aware that Smith had received significant bad publicity in late 2005 alleging that he had been running a Ponzi scheme. I Trade and Martinez were also aware that in early 2006 Smith had been the subject to

¹ I Trade also argues that FinCEN is the agency empowered to take actions for violations of the SAR reporting requirements and since FinCEN did not take an action against I Trade, it was inappropriate for NFA to do so. This argument merely shows I Trade's misunderstanding of the regulatory framework. NFA did not take an action under the SAR reporting requirements set forth in the Code of Federal Regulations. As noted above, NFA Compliance Rule 2-9(c) requires I Trade to adopt and implement an AML program that is designed to achieve and monitor its compliance with the BSA and the implementing regulations (which would include the SAR reporting requirements). In addition, NFA's Board of Directors adopted a detailed interpretive notice that clearly sets out I Trade's obligations with respect to monitoring, investigating and reporting suspicious activity. This is the rule that NFA enforced in this matter, and it was wholly appropriate for it to do so.

a regulatory action by Jamaican authorities and that his offices had been raided by regulatory authorities in Jamaica. Given this knowledge, I Trade and Martinez, as its AML compliance officer, should have investigated these circumstances in order to determine whether I Trade should accept Smith as a client and accept his funds, and whether a SAR was required. Martinez testified that he and his father (J. Martinez) had investigated these circumstances previously and had concluded that there were no concerns with respect to this information. He also claimed they knew so much about Smith and his businesses that there was no reason to suspect any wrongdoing.

The Hearing Panel, however, considered the "investigation" the Martinezes had previously conducted and concluded it was nothing more than taking Smith at his word. We agree. Although J. Martinez testified that he advised Smith to remove the suspicions involving the Ponzi scheme by paying redemptions quickly and that Smith had done so, Martinez readily admitted that neither he nor his father ever confirmed that Smith had returned all the funds to the investors in the alleged Ponzi scheme. J. Martinez also admitted that they never really looked into the regulatory action or the raids at Smith's offices because they relied upon Smith who told them the regulatory action and raids weren't anything to be concerned about because the only reason for the action and raids was that the Jamaican government did not like the large sums of money being invested with Smith rather than the National Bank of Jamaica. This Committee also finds that I Trade's overall investigation of Smith and his company was lacking. At no time did either Martinez ever review the corporate records of Smith's corporations. Rather, according to J. Martinez, the Martinezes visited Smith's offices

and were satisfied that the business was legitimate because 30 people appeared to be working there.

The Hearing Panel found, and the evidence supports, that after Smith funded his accounts, there were circumstances surrounding the accounts that were red flags under I Trade's AML Policy and any objective standard. These red flags included:

- The deposit and withdrawal activity in the Smith accounts was highly unusual. Over a six-week period, and before any trading occurred, Smith deposited \$58.9 million in an Olint TCI account. During this same period Smith withdrew \$11 million and transferred \$1.25 million into two new Olint TCI accounts at I Trade. Two TCI FX accounts received deposits of \$40 million and \$20 million and did little or no trading.
- The size of the free credit balances in the Olint TCI and TCI FX accounts was highly unusual, and since I Trade did not pay any interest on these funds, Smith was losing hundreds of thousands of dollars in interest by overfunding the accounts.

I Trade argues that based on its investigation and knowledge of Smith, there was no reason to file a SAR for any of these matters. The Hearing Panel, however, determined that I Trade did not investigate this activity, and we agree.

A good deal of I Trade's investigation appears to be Martinez simply speculating that there was a proper purpose for the activity. Even after NFA repeatedly questioned I Trade about this activity, Martinez never asked Smith about the deposit and withdrawal activity in his accounts or why he maintained such large balances that were not earning any interest and never documented his conclusions that the activity was not suspicious. Rather, Martinez indicated that the deposit and withdrawal activity was not suspicious because Smith "may" have been using I Trade as a "liquidity merchant." If this in fact was true, the Committee actually finds this to be an even bigger red flag. Martinez testified at the hearing that Smith had one-half to one billion

dollars under management. Martinez also testified about Smith's extensive business experience. Yet Martinez never questioned the nonsensical usage of a liquidity merchant by an individual who should have had access to the banking system (and the benefits that come from using the banking system). As the Hearing Panel noted, these circumstances were a red flag of mammoth proportions. I Trade and Martinez, however, did not in any way investigate the matter.

Martinez also tried to explain I Trade's decision not to file a SAR by noting that the transfers were being made between accounts in the name of the same entity. This Committee fails to see how this reduces the highly suspicious nature of the withdrawal and deposit activity. Moving funds around between different accounts may be indicative of the layering stage of money laundering.²

After NFA notified I Trade that this activity was troublesome, Martinez told Smith to cease it or Martinez would close Smith's account and Martinez documented this conversation (See NFA Exhibit 20). Even at this point, however, Martinez did not question Smith about this activity. Moreover, two days after the date on Martinez's note, Smith withdrew \$20 million and Martinez did not close the account or otherwise follow up with Smith.

The Hearing Panel correctly concluded that I Trade did not follow its own AML Policy and conduct a meaningful and sufficient investigation of Smith or the activity

² Money laundering usually follows three stages – placement, layering and integration. During the layering stage, the money goes through various financial transactions to change its form and make it difficult to follow. This may include, among other things, bank to bank transfers or making numerous deposits and withdrawals to vary the amount of money in the accounts.

in his accounts and, therefore, I Trade and Martinez had no basis to conclude that the firm should not file a SAR or SARs.

2. Customers A and B

The Hearing Panel also found that I Trade ignored the red flags surrounding the accounts of Customers A and B. Both individuals deposited funds into their I Trade accounts that far exceeded the levels of income and net worth listed on their account opening documents. The Hearing Panel concluded that I Trade did not properly investigate these discrepancies, and again, we agree.

I Trade argues that it did not file a SAR regarding Customer A because it was common for a Jamaican to understate his or her financial position, and Customer A later updated her account papers to reflect a greater net worth. The Martinezes testified that I Trade accepted the greater net worth figure because Customer A told J. Martinez that she operated a multi-million dollar website and she also told him that she wanted to invest more money because her trading was going well.

Most of the information that I Trade claims it relied upon to determine that the excess deposits were not suspicious, however, did not come to its attention until several months after the suspicious activity began. I Trade's first red flag was when Customer A deposited \$90,000 in December, four months prior to her conversation with J. Martinez and her update to the account documents. In fact, Customer A deposited over \$1 million into her I Trade account before she ever updated her account papers or told J. Martinez that she operated a multi-million dollar website.

I Trade also should have questioned Customer A's statement that she wanted to invest more money because her trading was going well. This statement was

contrary to Customer A's account with I Trade, which had lost approximately \$1.6 million by then. Rather than question this discrepancy, I Trade again simply speculated without any basis that she had other accounts that were doing well. Moreover, if I Trade truly believed that she had other accounts that were doing well, then I-Trade should have questioned why she continued to deposit large amounts of money in this account and almost immediately lose it.

I Trade also argues that it had no reason to suspect that Customer A was laundering money because she lost most of the money she invested in a short period of time. This is another nonsensical argument. Clearly, I Trade's focus should have been on the time that Customer A made her \$90,000 deposit and the other significant deposits. At that time, I Trade had no way of knowing absent a planned manipulation of its trading system that Customer A would eventually lose most of the money she invested.

Similarly, I Trade argued that it had no reason to file a SAR with respect to Customer B because Customer B updated his account opening documents to indicate a greater net worth and he told Martinez that he had inherited some money. As with Customer A, Customer B did not revise his account opening documents or tell Martinez that he had inherited some money until several months after he made deposits far in excess of his listed net worth. I Trade should have investigated this discrepancy at the time it occurred. In addition, I Trade should have verified that Customer B had, in fact, inherited money, especially in light of the fact that the account had no activity for nearly five months, while carrying a balance of over \$140,000 that was not earning any interest. Again, I Trade did not question Customer B about this unusual activity.

Compliance Rule 2-9(c) and the related interpretive notice, as well as I Trade's AML Policy, require a firm to investigate suspicious activity in a timely fashion and based on that investigation to reach a conclusion as to whether a SAR needs to be filed. I Trade did not do this with respect to Customers A and B. Rather, I Trade attempts to rely upon nonsensical post hoc rationales to try to establish that the activity was not suspicious.

The record clearly supports the Hearing Panel's finding that I Trade violated NFA Compliance Rule 2-9(c) because it failed to investigate the suspicious activity and circumstances surrounding the accounts of Smith and Customers A and B and, therefore, I Trade and Martinez had no basis for concluding that I Trade did not have to file SARs with respect to the activity.

B. The Hearing Panel's Finding that NFA Failed to Prove that Martinez Violated NFA Compliance Rule 2-36(e) is Contrary to the Evidence Presented at the Hearing.

NFA also charged Martinez with violating NFA Compliance Rule 2-36(e) because he failed to properly supervise I Trade's AML Compliance Program. Without discussion, the Hearing Panel concluded that NFA had not proven the charge and dismissed the count with prejudice.

NFA argues that the evidence at the hearing shows that Martinez was responsible for and had supervisory duties with respect to I Trade's AML Compliance Program. Since Martinez did not ensure that the program was followed with respect to the Smith, Customer A and Customer B accounts, he failed to carry out his supervisory duties, in violation of Compliance Rule 2-36(e).

As a preliminary matter, Martinez argues that the Hearing Panel was correct in dismissing the failure to supervise charge against Martinez because NFA did not charge him with failing to supervise the AML function and the Rule cannot be read to apply to him. According to Martinez, the Complaint in this matter charged Martinez with failing to supervise I Trade's **employees and agents** (emphasis added), and since Martinez did not supervise other employees or agents he could not be found to have failed to supervise. Martinez also argues that even if the Appeals Committee determines that NFA charged Martinez with failing to supervise the AML compliance program, the Hearing Panel properly dismissed the charge because Compliance Rule 2-36(e) does not apply to supervising activities (e.g., the AML Compliance Program).³

NFA Compliance Rule 2-36(e) provides as follows:

Each Forex Dealer Member shall diligently supervise its employees and agents in the conduct of their forex activities for or on behalf of the Forex Dealer Member. Each Associate of a Forex Dealer Member who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's forex activities for or on behalf of the Forex Dealer Member.

The first sentence of Compliance Rule 2-36(e) imposes a duty on a Forex Dealer Member (FDM) (e.g., I Trade) to diligently supervise its employees and agents in the conduct of their forex activities for the FDM. The second sentence applies to Associates (e.g., Martinez) who have supervisory duties and requires them to diligently exercise their supervisory duties in the conduct of that Associate's forex activities for the FDM.

³ Martinez also argues that the Hearing Panel could not have found that he failed to supervise the AML process because I Trade did not violate NFA's rules regarding AML compliance. Since this Committee has already determined that I Trade did violate NFA's AML Rule, we will not address this argument.

Clearly the language outlining the supervisory obligations of an FDM versus an Associate is different. Rule 2-36(e) requires an FDM to diligently supervise employees and agents. There is no such language with respect to an Associate's supervisory responsibilities. Associates are required to diligently exercise their supervisory duties. If NFA's Board of Directors had intended an Associate's supervisory duties to apply only to supervising employees and agents, this Committee believes the rule would have specifically stated so.

Martinez was I Trade's senior officer and he had specific responsibility for the firm's AML function – a function that is so important that federal law specifically requires the firm to appoint an AML compliance officer. This Committee concludes that pursuant to NFA Compliance Rule 2-36(e), Martinez had an obligation to diligently exercise his supervisory duties in the conduct of his forex activities, including his activities as the firm's AML compliance officer responsible for implementing the AML program, for or on behalf of I Trade.

Next, this Committee turns to whether NFA charged Martinez with failing to diligently exercise his supervisory duties in the conduct of his forex activities, including his activities as the firm's AML compliance officer responsible for implementing the AML program, for or on behalf of I Trade. Martinez argues that NFA only charged him with failing to supervise employees and agents, and therefore he was not given the opportunity to defend against a charge that he failed to supervise the function. In reviewing the Complaint in this matter, this Committee notes that the Complaint clearly notifies Martinez that he is being charged with violating NFA Compliance Rule 2-36(e) (Complaint, paragraph 37) and the full text of Compliance Rule 2-36(e) is provided

(Complaint, paragraph 13). To support this charge, NFA alleges in the Complaint that Martinez, as I Trade's president, was responsible for the firm's overall operations and was the firm's AML compliance officer responsible for overseeing the firm's AML Policy, which included filing SARs (Complaint, paragraph 34). Nothing in the allegations limited Martinez's failure to supervise to any supervisory responsibilities he had with respect to employees and agents. In fact, there is nothing in the allegations that even refers to any responsibility Martinez had for supervising other employees or agents. Therefore, the Committee finds that the Complaint in this matter clearly and adequately notified Martinez that NFA alleged that he failed to supervise I Trade's AML function.

Finally, this Committee must determine whether the evidence at the hearing established that Martinez failed to diligently exercise his supervisory duties. The evidence at the hearing showed that I Trade had sufficient procedures in place to identify, investigate and where appropriate, report suspicious activity. The evidence at the hearing also showed that these procedures were not followed with respect to the three customers. Since Martinez was responsible for ensuring that these procedures were followed, it is clear to this Committee that he failed to diligently exercise his duties and therefore violated NFA Compliance Rule 2-36(e).

Associates with supervisory duties must take their responsibilities seriously because proper supervision ensures that a Member firm meets its regulatory responsibilities. Martinez's gross failure to diligently exercise his supervisory duties resulted in serious lapses in I Trade's AML compliance. The Committee believes his violative conduct deserves a serious penalty and therefore fines him \$50,000.

C. The Sanction Imposed by the Hearing Panel on I Trade was Appropriate.

The Hearing Panel found that I Trade violated NFA Compliance Rule 2-9(c) because it failed to follow its AML Policy and conduct a meaningful and sufficient investigation of suspicious activities occurring in several customer accounts and, therefore, had no basis for its determination not to file SARs with respect to the activities. The Hearing Panel concluded that a significant penalty was appropriate in this matter because violations of the AML requirements may result in serious consequences. The Panel fined I Trade \$250,000 and imposed remedial sanctions on I Trade that require it to hire an outside consultant to do a number of reviews of I Trade's compliance with the BSA, the implementing regulations, NFA's AML rules and its own AML procedures. Both I Trade and NFA argue that the sanctions were not appropriate.

NFA argues that the sanction was too lenient in light of the "obvious complicity among I Trade, Martinez, Smith and Customers A and B." While this Committee is sensitive to NFA's argument, we agree with the Hearing Panel, which noted that although indications of money laundering are present from the evidence in the record, no determination can be made with certainty that Smith was engaged in money laundering and whether I Trade was complicit in that activity if it occurred. Therefore, this Committee does not believe that imposing a permanent bar on I Trade is appropriate in this case.

I Trade argues that the monetary fine was excessive for a number of reasons. First, I Trade argues that the \$250,000 fine was the "most severe monetary penalty available." This argument, however, misstates NFA's sanctioning ability. NFA

Compliance Rule 2-13(a)(iv) authorizes the Hearing Panel to impose a monetary penalty of \$250,000 **per violation** (emphasis added). I Trade violated NFA Compliance Rule 2-9(c) each time it failed to properly implement its AML Program. Although the Hearing Panel did not specifically note the number of times it found that I Trade violated Rule 2-9(c), it was at least three separate instances – one for each of the customers.

I Trade also argues that the monetary fine was excessive because it was inconsistent with fines imposed by FinCEN, NFA and the SEC. In support of this argument, I Trade cites two consent decrees involving FinCEN – one from 2002 and one from 2006. I Trade also cites a consent decree from the SEC. This Committee does not believe that any of the matters cited by I Trade call into question the appropriateness of the Hearing Panel's monetary sanction. These matters were decided by consent. Parties agree to settle matters for a variety of reasons, and this Committee does not believe that the penalties have any precedential value.⁴

Similarly, the prior NFA decisions were resolved through the settlement process and are not much value for precedential purposes. Moreover, the majority of NFA cases cited by I Trade involved firms that had not developed adequate written procedures. None of the cases involved findings present in this case – that the firm failed to adequately monitor for, investigate and report suspicious activity. The case

⁴ The Committee also notes that I Trade appears to have selectively chosen the matters to cite in their brief. From April 2008 through the date of the Hearing Panel's Decision, FinCEN issued three consent decrees involving late or inaccurate SARs. The civil monetary penalties imposed in these matters ranged from \$5,000,000 to \$15,000,000. See In the Matter of Doha Bank, New York Branch, FinCEN No. 2009-1 (April 20, 2009); In the Matter of United Bank of Africa, PLC, New York Branch, FinCEN No. 2008-3 (April 22, 2008); and In the Matter of Sique Corporation and Sique, LLC, FinCEN No. 2008-1 (January 24, 2008).

cited by I Trade in its Reply brief, In the Matter of Interbank FX, LLC, NFA Case No. 09-BCC-022, was not only resolved by settlement, but the Decision was issued on July 27, 2009, three months after the Decision in this matter.⁵

The Committee also does not agree with I Trade's argument that the penalty imposed by the Hearing Panel establishes a dangerous precedent because it will result in Members filing a SAR whenever a red flag occurs. This argument is premised on a faulty interpretation of the Hearing Panel's findings. The Hearing Panel did not base its finding that I Trade violated NFA Compliance Rule 2-9 (c) on I Trade's failure to file SARs. The Hearing Panel found that I Trade violated NFA Compliance Rule 2-9(c) because it never investigated the suspicious activity. If I Trade had followed its AML policies and determined not to file SARs in these instances, then the firm would not have violated NFA Compliance Rule 2-9(c) unless the failure was significant or there was evidence of bad faith. The Hearing Panel properly concluded that I Trade violated NFA Compliance Rule 2-9(c) because it failed to follow its AML Policy and the requirements of Rule 2-9(c) and investigate the suspicious activity.

The penalty imposed by the Hearing Panel is wholly appropriate given the violations that occurred. Failing to properly investigate suspicious activity is a serious violation that, as the Hearing Panel noted, could result in serious consequences. The

⁵ Moreover, this Committee believes that the Interbank matter actually supports the penalty imposed by the Panel in this matter. Both cases involved suspicious activity (multiple accounts opened in the same name, deposits into the accounts that exceeded net income/net worth figures provided during the account opening process, numerous deposits and withdrawals) that the firm did not investigate and did not report for a significant period of time. Interbank settled the matter by agreeing to pay a fine of \$225,000. Although the matter involved other charges, the matter was resolved through settlement, which often results in a lesser monetary penalty.

penalty imposed by the Hearing Panel provides a deterrent for future violations by I Trade and other Members, while the remedial sanction will help to ensure that I Trade develops the correct process for identifying and investigating suspicious activity

III

CONCLUSION

As discussed above, the Appeals Committee affirms the Hearing Panel's Decision against I Trade in all respects, but reverses the Hearing Panel's finding that NFA did not prove that Martinez violated NFA Compliance Rule 2-36(e). As a result of the Committee's finding that Martinez violated NFA Compliance Rule 2-36(e), the Committee fines Martinez \$50,000, due within 30 days of the effective date of this Decision.

This Decision shall be effective 30 days after it is served on I Trade and Martinez as prescribed by Commodity Futures Trading Commission (Commission or CFTC) Regulation 171.9. I Trade and Martinez may appeal this Decision to the Commission under CFTC Regulation 171.23 by filing a Notice of Appeal and the required filing fees with the Commission within 35 days after the Decision is mailed. Under CFTC Regulation 171.22, I Trade and Martinez may petition the Commission to stay the effective date of this Decision by filing a petition, a Notice of Appeal, and the required filing fees with the Commission within fifteen days after the Decision is mailed.

Under the provisions of CFTC Regulation 1.63, the sanctions imposed in this Decision render Martinez ineligible to serve on a governing board, disciplinary committee, arbitration panel, oversight panel, or governing board of any self-regulatory organization, as the term is defined in CFTC Regulation 1.63, until three years after the

effective date of this Decision or until the sanctions imposed on him have been fulfilled,
whichever is later.

**NATIONAL FUTURES ASSOCIATION
APPEALS COMMITTEE**

Dated: 01/21/2010

By: George E Crapple
George Crapple
Chairperson

(caw:Appeals Committee/I Trade Appeals Decision revised)

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on January 21, 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, in envelopes addressed as follows:

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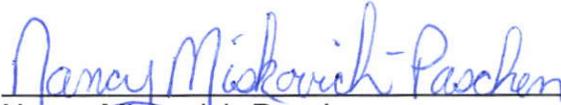
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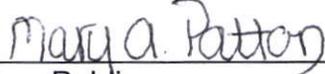
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Nancy Miskovich-Paschen

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



Notary Public

