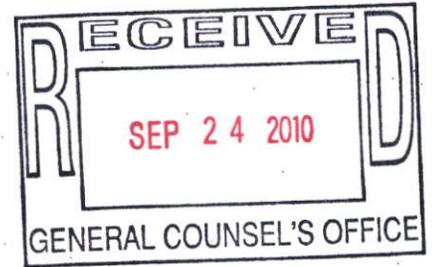


NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE



In the Matter of:)
)
VISTA TRADING ADVISORS, INC.)
(NFA ID #397384),)
)
MATTHEW E. MEYER)
(NFA ID #359974),)
)
FRANCIS R. ZOFAY)
(NFA ID #397655),)
)
and)
)
SETH GOLDBERGER)
(NFA ID 3404282),)
)
Respondents.)

NFA Case No. 10-BCC-021.

ANSWER TO COMPLAINT

Vista Trading Advisors, Inc. ("VTA") and Matthew E. Meyer ("Meyer") (VTA and Meyer are sometimes collectively referred to as "Respondents"), by and through their undersigned counsel, Schuyler, Roche & Crisham, P.C., hereby submit the following as their Answer to the Complaint issued by the Business Conduct Committee of the National Futures Association ("NFA").

ANSWERS TO ALLEGATIONS

1. At all times relevant to this Complaint, VTA was an introducing broker ("IB") NFA Member. As such, VTA was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

ANSWER: Admit.

2. At all times relevant to this Complaint, Meyer was the president, a principal, and an associated person ("AP") of VTA and an NFA Associate. As such, he was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. VTA is liable for violations of NFA

Requirements committed by Meyer in the course of his activities on behalf of VTA.

ANSWER: Respondents admit the first and second sentences of paragraph 2, and deny the third sentence of paragraph 3.

3. At all times relevant to this Complaint, Zofay and Goldberger were APs of VTA and NFA Associates. As such, they were and are required to comply with NFA Requirements and are subject to disciplinary proceedings for violations thereof. VTA is liable for violations of NFA Requirements committed by Zofay and Goldberger in the course of their activities on behalf of VTA.

ANSWER: Respondents admit the first and second sentences of paragraph 3, and deny the third sentence of paragraph 3.

4. VTA has been an IB Member of NFA since May 19, 2008. It is located in Boca Raton, Florida and Meyer is the firm's president and sole owner.

ANSWER: Admit.

5. NFA received several complaints from customers who alleged that VTA personnel made questionable trade recommendations and charged very high commissions. NFA initiated an audit of VTA on January 11, 2010. NFA's review of trading results in VTA's customer accounts for 2008 and 2009 revealed that the vast majority of them sustained realized losses. During the firm's six months of existence in 2008, 68 of 70 customers suffered overall losses totaling almost \$879,000 while only two accounts achieved profits, totaling only \$10,000. In 2009, 141 of the firm's 156 active customers realized overall losses totaling \$2.55 million, while only fifteen customers actually made money with total profits of approximately \$34,000. In contrast to the losses suffered by its customers, VTA's \$98 per contract commission rate generated approximately \$189,000 in commissions in 2008 and \$1.2 million in commissions in 2009.

ANSWER: Respondents lack sufficient knowledge or information to admit or deny the allegations in paragraph 5.

6. NFA's review of the trading in VTA's customers' accounts also revealed that VTA, Meyer and VTA APs Zofay and Goldberger failed to abide by high ethical standards by making trade recommendations that were designed to generate high commission revenue without considering the best interests of their customers. Although Meyer told NFA that the firm did not have power of attorney over any customer accounts, he acknowledged that none of VTA's customers traded accounts based on their own trading ideas. Meyer added that he did market research that generated the trades that were recommended to VTA's customers and said that most of the trades involved bull call spreads. He stated that either he or one of his APs called the customer and asked if they wanted to place the recommended trade and, if the customer agreed, the firm would place it on the customer's behalf. NFA's review of VTA's customer trading statements confirmed that the firm routinely recommended bull call spreads to its customers.

ANSWER: Respondents deny the allegations in the first sentence of paragraph 6. Respondents admit the allegations in sentences two, three and four of paragraph 6. Respondents lack sufficient knowledge or information to admit or deny the allegations in the last sentence of paragraph 6.

7. In addition to reviewing trading and commission records, NFA interviewed a sample of VTA's customers regarding their dealings with the firm. Information gathered during those interviews indicated that Meyer, Zofay and Goldberger engaged in misleading solicitation tactics in order to entice individuals to open and/or add to their accounts. Specifically, their solicitations were unbalanced in the presentation of profit and loss potential and highlighted profitable returns that had no relationship to the actual performance experienced by the firm's

customers. VTA's APs also failed to make adequate risk disclosure and/or to disclose the impact of VTA's commission structure on the likelihood of achieving profits.

ANSWER: Respondents lack sufficient knowledge or information to admit or deny the allegations in the first sentence of paragraph 7. Respondents deny the remaining allegations in paragraph 7.

8. In view of the systemic abuse engaged in by VTA's personnel, it is apparent that VTA and Meyer failed in meeting their obligation of diligent supervision.

ANSWER: Deny.

9. NFA Compliance Rule 2-2(a) provides that no Member or Associate shall cheat, defraud or deceive, or attempt to cheat, defraud or deceive, any commodity futures customer.

ANSWER: Admit.

10. NFA Compliance Rule 2-4 provides that Members and Associates shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their commodity futures business.

ANSWER: Admit.

11. NFA Compliance Rule 2-29(a)(1) provides that no Member or Associate shall make any communication with the public which operates as a fraud or deceit.

ANSWER: Admit.

12. NFA Compliance Rule 2-9(a) provides that each Member shall diligently supervise its employees and agents in the conduct of their commodity futures activities for or on behalf of the Member. Each Associate who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's commodity futures activities on behalf of the Member.

ANSWER: Admit.

COUNT I

VIOLATION OF NFA COMPLIANCE RULES 2-2(a), 2-29(a)(1) AND 2-4: MAKING DECEPTIVE AND MISLEADING SALES SOLICITATIONS AND FAILING TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

13. The allegations contained in paragraphs 1 through 3, 5 through 7 and 9 through 11 are realleged as paragraph 13.

ANSWER: Respondents reallege and reincorporate their responses to paragraphs 1 through 3, 5 through 7 and 9 through 11 as their responses to paragraph 13.

14. David Zucker ("Zucker") was solicited by Meyer to open a non-discretionary account through VTA beginning in June 2009 and he opened an account in mid-July.

ANSWER: Admit.

15. During Meyer's solicitations he falsely represented that \$100,000 was the minimum that Zucker needed to deposit into an account and told Zucker that any position that he wanted to put on would cost at least that much. He added that VTA had a great investment opportunity and that "everyone knows the U.S. Dollar is going down." Meyer continued that, if Zucker would invest \$100,000 immediately, VTA would be able to write him a check from the profits in a matter of months. Zucker made an initial deposit to his account of \$100,000, virtually all of which was immediately spent on an options trade. Meyer contacted Zucker later that same evening and told him that he had several other great investment opportunities but that Zucker would have to invest additional funds since his initial \$100,000 was tied up in the original trade. Zucker told Meyer that he was leery of investing more funds, but Meyer assured him that his trade recommendations were very profitable and that after doing business with VTA he would be more than able to payoff his mortgage in full.

ANSWER: Deny.

16. When Zucker asked Meyer to explain how the spread trades that he was recommending worked, Meyer simply told him that "you can make more money doing spreads." In addition, Meyer did not explain VTA's commission structure to Zucker or how it related to his chances of making a profit. Nor did Meyer make any effort to inform Zucker regarding the risks that he would be undertaking trading futures with VTA.

ANSWER: Deny.

17. Meyer and VTA's solicitation to Zucker was deceptive and misleading in that it was unbalanced in the presentation of profit and loss potential and highlighted profitable returns that had no relationship to the actual performance experienced by VTA's customers. In addition, Meyer failed to make adequate risk disclosure and/or to disclose the impact of VTA's commission structure on the likelihood of achieving profits to Zucker.

ANSWER: Deny.

18. In addition to making misleading and deceptive sales solicitations to Zucker, VTA and Meyer also recommended trades to Zucker that were not in Zucker's best interest and were apparently motivated to maximize commissions for VTA and Meyer.

ANSWER: Deny.

19. Zucker made four deposits, totaling \$390,900, within eight days of opening his account. He liquidated the account on August 24, 2009, having lost more than \$74,000 – nearly \$73,000 of which was attributable to commissions and fees. He made six trades in those first eight days, which were the only trades placed in the account. They included three bull call spreads and three purchases of out-of-the-

money options. All of the trades were consistent with VTA's commission maximizing strategy.

ANSWER: Respondents admit the allegations in the sentences one through four of paragraph 19 subject to what the actual records reflect. Respondents deny the allegations in sentence five of paragraph 19.

20. For example, Zucker's initial deposit of \$100,000 was made on July 16th. On that same day, acting on Meyer's advice, Zucker purchased 100 out-of-the-money Dec 09 US Dollar options that cost \$90,000 in premiums and generated nearly \$10,000 in commissions. They were liquidated on August 21st at a total loss of \$17,000, including commissions.

ANSWER: Respondents admit the allegations in paragraph 20 subject to what the actual records reflect.

21. In addition, on July 22nd, Zucker traded a 100 lot bull call Crude Oil spread that generated commissions and fees of nearly \$20,000. The trade needed a 27.9% favorable swing in the market for Zucker to regain his commissions on the transaction. However, the spread was liquidated six days later when it had moved only \$4,000 in Zucker's favor, leaving him \$16,000 short of regaining his commissions. Further, the equity returned to the account as a result of the liquidation was used, in part, to purchase 100 out-of-the-money Euro options on July 28th that cost \$91,000 in premiums and \$7,000 in commissions. The trade was liquidated later that same day with a market loss of almost \$9,000 in addition to the commissions. On July 28th, Zucker also traded a 100 lot bull call spread in the Canadian Dollar which generated \$14,000 in fees and commissions and which required a 17.5% move just to break even. The trade was liquidated three trading days later at a loss, including commissions, of \$18,000.

ANSWER: Respondents admit the allegations in paragraph 21 subject to what the actual records reflect.

22. Meyer and VTA's conduct in recommending trades to Zucker that maximized commissions for Meyer and VTA without regard for the best interests of Zucker constituted a gross breach of their obligation to uphold high standards of commercial honor and just and equitable principles of trade.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 22 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 22.

23. Meyer cold called Jeremy LeVan ("LeVan") on behalf of VTA in early January 2009 and LeVan opened an account through the firm the next month.

ANSWER: Admit.

24. LeVan initially told Meyer that he was leery of investing in the market given the economic climate; however, Meyer continued to call on a daily basis until LeVan agreed to open an account. Meyer made numerous assurances to LeVan during the initial solicitation process. For example, he told LeVan that investing in futures was extremely easy, especially when one was as experienced as Meyer and did due diligence before recommending specific trades. When LeVan asked Meyer why it was so easy to profit in futures, he replied that, "All you have to do is invest X amount and I will potentially make a much larger X figure for you." Meyer added that LeVan had nothing to worry about because of Meyer's expertise.

ANSWER: Respondents admit that Meyer solicited Mr. LeVan to open a trading account introduced by VTA, and state further that such solicitation was in compliance with NFA rules. Respondents deny the remaining allegations of wrongdoing in paragraph 24.

25. Meyer told LeVan that he had made a lot of money in the past for himself and his customers and that, because of his trading success, he was able to live in an exclusive neighborhood in South Florida. Meyer also told LeVan that he had a "huge customer base" and that LeVan should feel privileged, "as he usually doesn't make these types of calls to just any individual." He added that the majority of his customers had a net worth of over \$1 million. Despite the reality that the overwhelming majority of VTA's customers suffered overall losses and that the few customers who realized any profits enjoyed very modest gains, Meyer claimed that he had averaged profits of more than 30% in each of his customer accounts.

ANSWER: Respondents admit that Meyer solicited Mr. LeVan to open a trading account introduced by VTA, and state further that such solicitation was in compliance with NFA rules. Respondents deny the remaining allegations of wrongdoing in paragraph 25.

26. Meyer did not discuss the nature of the risk that LeVan would be undertaking or the potential loss that could be incurred. Nor did Meyer discuss commission rates, how commissions were charged on spread transactions or their potential impact on profitability. When LeVan received his monthly customer account statement and did not know how to interpret it, he asked Meyer to help him understand the statement. Meyer simply told him that his account was in good standing and that the numbers on the monthly statement did not matter since they did not take the open spread positions that had plenty of time to experience a profit into consideration.

ANSWER: Deny.

27. Meyer and VTA's solicitation to LeVan was deceptive and misleading in that it was unbalanced in the presentation of profit and loss potential and highlighted

profitable returns that had no relationship to the actual performance experienced by VTA's customers. In addition, Meyer lied about the past performance of his customers and failed to make adequate risk disclosure and/or to disclose the impact of VTA's commission structure on the likelihood of achieving profits to LeVan.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 27 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 27.

28. In addition to making misleading and deceptive sales solicitations to LeVan, Meyer and VTA also recommended trades to LeVan that were not in LeVan's best interest and were apparently motivated to maximize commissions for VTA and Meyer.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 28 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 28.

29. LeVan made two deposits to his account, totaling \$103,328, between February 20 and March 27, 2009. By May 28th, his account had lost nearly \$60,000 – more than \$47,000 of which was attributable to commissions and fees. He made a total of ten trades through VTA, all of which were bull call spreads that were consistent with VTA's commission maximizing strategy.

ANSWER: Respondents admit the allegations in the first and sentence sentences and the first clause of the third sentence in paragraph 29 subject to what the actual records reflect. Respondents deny the remaining allegations in paragraph 29.

30. LeVan made an initial deposit to his account of \$5,000 on February 20th. On February 18, before the account was even funded, LeVan purchased a 6 lot spread trade on June 09 Gold that cost \$3,600 in premiums and generated

nearly \$1,200 in commissions. LeVan needed to achieve a 33% return to just recoup the commissions and fees charged in order to just break even on the trade.

ANSWER: Respondents admit the allegations in paragraph 30 subject to what the actual records reflect.

31. Another example that illustrates Meyer's advice to LeVan occurred on March 27th when Meyer recommended putting on a 53 lot spread on Nov 09 Soybeans which cost nearly \$28,000 in premiums and nearly \$10,500 in commissions. This required LeVan to realize a 37.7% return on the spread before he could break even. By April 8th, the spread position had moved approximately \$1,300 in LeVan's favor. At that point the spread was offset with gains that were far less than the commissions that were originally charged on the spread. Meyer then advised LeVan to use the cash equity from the offset of the spread to enter into a new spread position. LeVan purchased a 47 lot spread on the Sep 09 Euro which generated over \$9,000 in commissions and required a return of 48% to break even.

ANSWER: Respondents admit the allegations in paragraph 31 subject to what the actual records reflect, and state further that Meyer complied with all NFA rules with respect to Mr. LeVan's account.

32. Yet another example of VTA and Meyer's commission maximizing strategy occurred on April 17, 2009 when Meyer recommended the purchase of a 36 lot spread on Sep 09 Wheat which cost nearly \$12,000 in premiums and generated over \$7,000 in commissions and fees. In that instance, LeVan was required to achieve a 60.9% return in order to pay for the cost of the commissions. Overall, the total return that LeVan needed to cover the commissions and fees on the ten

spread trades recommended to him by Meyer was 39.9%, with breakeven points on individual trades ranging between 24.8% and 60.9%.

ANSWER: Respondents deny that Respondents had a "commission maximizing strategy", admit the remaining allegations in paragraph 32 subject to what the actual records reflect, and state further that Meyer complied with all NFA rules with respect to Mr. LeVan's account.

33. Meyer and VTA's conduct in recommending trades to LeVan that maximized commissions for Meyer and VTA without regard for the best interests of LeVan constituted a gross breach of their obligation to uphold high standards of commercial honor and just and equitable principles of trade.

ANSWER: Deny.

34. Oscar West ("West") was initially contacted by VTA broker Goldberger in early May 2009.

ANSWER: Respondents lack sufficient knowledge or information to admit or deny the allegations in paragraph 34.

35. Goldberger told West that he had a great investment opportunity in trading gasoline futures and that, if West would open an account for \$5,000 immediately, he could take part in the great opportunity. Further, Goldberger told West that VTA employed several expert traders in the market and that their customer base was experiencing great profits as a result - a claim that was clearly untrue as is demonstrated by NFA's analysis of the performance of VTA's customer accounts in 2008 and 2009. Goldberger never discussed the risks involved in option trading with West nor did he explain VTA's commission structure or its impact on potential profitability.

ANSWER: Respondents lack sufficient knowledge or information to admit or deny the allegations in paragraph 35.

36. At Goldberger's urging, West opened an account on May 27th with an initial deposit of \$5,000. Five days later Goldberger called and told West that in order to maximize his market potential he needed to invest an additional \$50,000. Goldberger told West that VTA's experts had "done their due diligence" and thought that gasoline would go up drastically by the 4th of July weekend just as it had the previous year.

ANSWER: Respondents admit that Mr. West opened a trading account introduced by VTA and lack sufficient knowledge or information to admit or deny the remaining allegations in paragraph 36.

37. In October 2009, after not hearing anything from Goldberger for several months, West contacted VTA and was connected to Meyer. Meyer told West that Goldberger no longer worked at VTA but that he would be more than happy to take over West's account. Meyer told West that he owned VTA and described himself as the "Super Trader" for VTA. He told West that he had reviewed the past activity in West's account and that he felt bad for the losses he had suffered. Meyer claimed that all of West's losses were "purely due to trade recommendations going different from the firm's research," and told West that he would trade his account until he recouped his losses.

ANSWER: Respondents admit that Mr. Meyer spoke with Mr. West in October of 2009 and lack sufficient knowledge or information to admit or deny the remaining allegations in the first sentence of paragraph 37. Respondents admit the allegation in sentences two and four of paragraph 37, and deny the allegations in sentences three and five of paragraph 37.

38. Goldberger and VTA's solicitation to West was deceptive and misleading in that it patently misrepresented the performance of VTA customers' accounts and suggested that West could profit from a well-known seasonal trend that was

already reflected in the market. Further, Goldberger's solicitation was unbalanced in the presentation of profit and loss potential and failed to make adequate risk disclosure and/or to disclose the impact of VTA's commission structure on the likelihood of achieving profits to West. In addition, the solicitations by both Goldberger and Meyer were deceptive and misleading in that they suggested profitable returns that had no relationship to the actual performance experienced by VTA's customers.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 38 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 38.

39. In addition to making misleading and deceptive sales solicitations to West, VTA, Goldberger and Meyer also recommended trades to West that were not in his best interest and were apparently motivated to maximize commissions for VTA, Goldberger and Meyer.

ANSWER: Deny.

40. West made three deposits into his account totaling \$255,000 between May 20th and October 23, 2009. By December 31st, his account had lost nearly \$238,000 – more than \$84,000 of which was attributable to commissions and fees. He made a total of six trades, all of which were bull call spreads and all of which were consistent with VTA's commission maximizing strategy.

ANSWER: Respondents admit the allegations in paragraph 40 subject to what the actual records reflect.

41. West made his initial deposit of \$5,000 on May 20th. On May 19th, acting on Goldberger's advice and before the account was even funded, West purchased a 6 lot spread trade on Oct 09 Gasoline. That trade cost more than \$3,200 in premiums and generated nearly \$1,200 in commissions. Therefore, West needed

to achieve a 36.3% rate of return to recoup the commissions and fees charged on the trade.

ANSWER: Respondents admit the allegations in paragraph 41 subject to what the actual records reflect.

42. Goldberger continued to encourage West to invest more money and, at Goldberger's request, West deposited an additional \$50,000 on June 2nd. This additional equity was used to cover the purchase of a 50 lot spread on Oct 09 Crude Oil that occurred on May 27th - six days before the new equity was even posted to the account. This trade cost West \$40,000 in premiums and over \$9,500 in commissions. On June 3rd, Goldberger advised West to offset the positions with a gain of \$12,500, which was \$3,000 more than the original commissions charged, and use the freed-up equity to purchase a 55 lot spread on the Sep 09 US Dollar Index for \$36,500 in premiums and nearly \$11,000 in additional commissions. This trade was offset on July 28th at a loss of \$44,000, including the commissions that were charged. Overall, the \$55,000 in investments resulted in more than \$51,000 in losses, of which nearly \$24,000 was due to commissions.

ANSWER: Respondents lack sufficient knowledge or information to admit or deny the allegation that Mr. Goldberg encouraged Mr. West to invest more money, and admit the remaining allegations in paragraph 42 subject to what the actual records reflect.

43. After West spoke to Meyer in October 2009, he acceded to Meyer's suggestion to deposit an additional \$200,000 on October 23rd. At Meyer's advice, West purchased a 297 lot spread on Mar 10 Euro currency which cost nearly \$134,000 in premiums and \$59,000 in commissions - more than 96% of West's equity. This spread required a 44% return before West covered commissions and fees.

ANSWER: Respondents admit the allegations in paragraph 43 subject to what the actual records reflect.

44. Overall, the six spread trades recommended to West by Goldberger and Meyer required a total return of more than 37% simply to recover commissions and fees. Breakeven points for the individual trades ranged between 24% and 44%.

ANSWER: Respondents admit the allegations in paragraph 44 subject to what the actual records reflect.

45. Goldberger, Meyer and VTA's conduct in recommending trades to West that maximized commissions for them without regard for the best interests of West constituted a gross breach of their obligation to uphold high standards of commercial honor and just and equitable principles of trade.

ANSWER: Deny.

46. Helen Stutzman ("H. Stutzman") received an unsolicited phone call from Zofay in early April 2009. Zofay claimed that he worked for a "prestigious brokerage firm" in South Florida and that he had a great investment opportunity in gasoline futures. Zofay added that he had great success in recommending options trades to current and past customers - a claim that was materially at odds with the performance of the vast majority of VTA's customers' accounts.

ANSWER: Respondents admit that Ms. Stutzman opened a trading account introduced by VTA and lack sufficient knowledge or information to admit or deny the remaining allegations in paragraph 46.

47. H. Stutzman agreed to open a joint account with her husband and made an initial deposit of \$5,000 on April 15th. Following Zofay's advice, the entire amount, of which \$1,000 went to commissions, was used to establish an RBOB bull call spread position.

ANSWER: Respondents admit that Ms. Stutzman opened a trading account introduced by VTA, admit the allegation pertaining to the funding and trade referred to in paragraph 47, and lack sufficient knowledge or information to admit or deny the remaining allegations in paragraph 47.

48. Six days later H. Stutzman received a call from Meyer who told her that Zofay was busy on another project and that he would take over the account. Meyer told her that he was the president of VTA and that he had been an expert trader in the industry for many years. Meyer told H. Stutzman that she and her husband needed to deposit another \$50,000 into their account immediately in order to maximize the profit potential of a soybean trade that he was recommending. Neither Zofay nor Meyer ever explained the risk of loss that H. Stutzman was undertaking and never explained how commissions were charged or their potential impact on the profit potential of her trading.

ANSWER: Respondents admit that Mr. Meyer spoke with Ms. Stutzman in April of 2009 and indicated that he was president of VTA, and deny the remaining allegations in paragraph 48.

49. Zofay and VTA's solicitation to H. Stutzman was deceptive and misleading in that it patently misrepresented the performance of VTA customers' accounts. In addition, the solicitations by both Zofay and Meyer were unbalanced in the presentation of profit and loss potential. Further, they failed to make adequate risk disclosure and/or to disclose the impact of VTA's commission structure on the likelihood of achieving profits to H. Stutzman.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 49 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 49.

50. In addition to making misleading and deceptive sales solicitations to H. Stutzman, VTA, Zofay and Meyer also recommended trades to H. Stutzman that were not in her best interest and were apparently motivated to maximize commissions for VTA, Zofay and Meyer.

ANSWER: Deny.

51. The Stutzmans made six deposits, totaling \$127,500, between April 17th and September 29, 2009. When the account closed on December 1st, their losses totaled nearly \$85,000 – almost \$68,000 of which was attributable to commissions and fees. The Stutzmans made a total of twelve trades through VTA, all of which were bull call spreads. All of the trades were consistent with VTA's commission maximizing strategy.

ANSWER: Respondents admit the allegations in the first, second and third sentences of paragraph 51 subject to what the actual records reflect. Respondents deny the allegations in the fourth sentence of paragraph 51.

52. An example of VTA's strategy as applied to the Stutzmans' account occurred just after Meyer took over as their broker. Specifically, acting on recommendations made by Meyer, H. Stutzman deposited \$50,000 and immediately purchased a 66 lot Sep 09 Soybean spread on April 21st, leaving only \$2,300 of cash equity in the account. On April 22nd, after the position had moved against the customer for an unrealized loss of more than \$3,000, Meyer recommended that the remaining equity be used to purchase an additional three lots of the same spread. On April 27th, all 69 lots were offset for a realized loss of more than \$22,000, including over \$13,500 in commissions. The account's remaining equity was then used to purchase a 58 lot Sep 09 Wheat spread which cost more than \$15,000 in premiums and nearly \$11,500 in commissions. This trade needed to realize a 75.4% return in order to overcome the commissions charged.

Ultimately, the position moved in favor of the Stutzmans and the positions were offset on May 12th with a trading gain of nearly \$8,000, which was not enough to overcome the commissions.

ANSWER: Respondents deny the allegations in the first sentence of paragraph 52. Respondents admit the allegations pertaining to the funding and trading referred to in paragraph 52 subject to what the actual records reflect, and deny the remaining allegations in paragraph 52.

53. The May 12th liquidation of the Wheat spread was followed by Meyer's recommendation to H. Stutzman on the same day to put on a 48 lot Dec 09 Gasoline spread that cost more than \$14,000 in premiums and generated nearly \$11,000 in commissions. A 76.6% return was needed in order for the Stutzmans to overcome the commission costs. The spread was ultimately offset on June 18th with a gain of \$6,000, not nearly enough to cover the commissions.

ANSWER: Respondents admit the allegations pertaining to the trading referred to in paragraph 53 subject to what the actual records reflect, and deny the remaining allegations in paragraph 53.

54. Overall, the twelve spread trades that were recommended to H. Stutzman by VTA, Zofay and Meyer required a total return of 39.3% just to cover commissions and fees. Breakeven points on individual trades ranged between 21.4% and 76.6%.

ANSWER: Respondents admit the allegations in paragraph 54 subject to what the actual records reflect.

55. Zofay, Meyer and VTA's conduct in recommending trades to H. Stutzman that maximized commissions for them without regard for the best interests of the Stutzmans constituted a gross breach of their obligation to uphold high standards of commercial honor and just and equitable principles of trade.

ANSWER: Respondents are not obligated to admit or deny the allegations in paragraph 55 to the extent that they are legal conclusions. In the alternative, Respondents deny the allegations in paragraph 55.

56. By reason of the foregoing acts and omissions, VTA, Meyer, Goldberger and Zofay are charged with violations of NFA Compliance Rules 2-2(a), 2-29(a)(1) and 2-4.

ANSWER: Respondents admit that they are charged with violations of the NFA Compliance Rules referenced in paragraph 56 and deny that Respondents violated such rules.

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-9(a): FAILURE TO SUPERVISE.

57. The allegations contained in paragraphs 1 through 3, 5, 6 and 12 are realleged as paragraph 57.

ANSWER: Respondents reallege and reincorporate their responses to paragraphs 1 through 3, 5, 6 and 12 as their responses to paragraph 57.

58. Meyer was the sole owner of VTA and the lone AP/principal in charge of supervising all areas of VTA's operations.

ANSWER: Admit.

59. The duty to diligently supervise, in part, requires Members and Associates who have supervisory duties to initiate effective procedures to ensure that the Member's employees comply with NFA Requirements in all aspects of their futures-related activities, including sales practices and recommending trades that are in the best interests of their customers.

ANSWER: Admit.

60. The allegations contained in paragraphs 18 through 22, 28 through 33, 39 through 45 and 50 through 55 are realleged as paragraph 60.

ANSWER: Respondents reallege and reincorporate their responses to paragraphs 18 through 22, 28 through 33, 39 through 45 and 50 through 55 as their responses to paragraph 60.

61. Meyer was personally responsible for VTA's abusive commission maximizing strategy in that he represented several times during NFA's fieldwork that he conducted extensive market research before meeting with his staff to discuss the trade recommendations that could be passed along to both current and prospective customers.

ANSWER: Deny.

62. VTA and Meyer failed in their obligation of diligent supervision with regard to VTA's trading strategy in that Meyer wielded his supervisory authority to create and execute trading strategies that were designed to fleece the public.

ANSWER: Deny.

63. The allegations contained in paragraphs 14 through 17, 23 through 27, 34 through 38 and 46 through 49 are realleged as paragraph 63.

ANSWER: Respondents reallege and reincorporate their responses to paragraphs 14 through 17, 23 through 27, 34 through 38 and 46 through 49 as their responses to paragraph 63.

64. VTA and Meyer failed in their obligation of diligent supervision with regard to sales practices in that they presided over a sales force that employed solicitations that were unbalanced in the presentation of profit and loss potential, suggested profitable returns that had no relationship to the actual performance of the firm's customers' accounts and failed to make adequate risk disclosure and/or disclosure of the impact of VTA's commission structure on the likelihood of achieving profits. At least one AP under their supervision also used a well-known

seasonal trend to suggest that a customer could use the information to make profits.

ANSWER: Deny.

65. By reason of the foregoing acts and omissions, VTA and Meyer are charged with violations of NFA Compliance Rule 2-9(a).

ANSWER: Respondents admit that they are charged with violations of the NFA Compliance Rule referenced in paragraph 65 and deny that Respondents violated such rule.

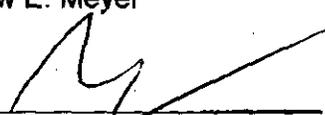
* * *

Any allegation not specifically admitted herein is hereby denied.

WHEREFORE, Respondents respectfully request that the Panel dismiss the Complaint in its entirety and grant Respondents whatever relief is necessary and appropriate.

Respectfully submitted,

Vista Trading Advisors, Inc. and
Matthew E. Meyer

By: 

Jeffrey D. Barclay, One of
their Attorneys

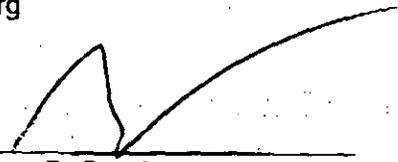
Jeffrey D. Barclay
Schuyler, Roche & Crisham, P.C.
One Prudential Plaza
Suite 3800
130 East Randolph Street
Chicago, Illinois 60601

CERTIFICATE OF SERVICE

I, Jeffrey D. Barclay, on oath state that on September 24, 2010, I served copies of the attached Answer, via email as follows:

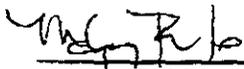
National Futures Association
Attention: Legal Department - Docketing
200 West Madison Street, Suite 1600
Chicago, Illinois 60606
docketing@nfa.futures.org

National Futures Association
Attention: Philip Raleigh
200 West Madison Street, Suite 1600
Chicago, Illinois 60606
PRaleigh@nfa.futures.org



Jeffrey D. Barclay

Subscribed and sworn to before me
This 24th day of September, 2010.



Notary Public