NATIONAL FUTURES ASSOCIATION
BEFORE THE
MEMBERSHIP COMMITTEE

In the Matter of:	)	
	)	
ROBERT T. KRETSCHMER	)	NFA Case No. 11-REG-010
(NFA ID #424726),	)	
	)	
Respondent.	)	

FINAL ORDER GRANTING CONDITIONAL REGISTRATION

Velocity Futures LLC, a futures commission merchant, has filed an application with National Futures Association (NFA) for Robert T. Kretschmer (Kretschmer or Respondent) to become registered as an associated person (AP) of the firm. On March 30, 2011, NFA's President issued a Notice of Intent to Deny Registration (Notice of Intent) to Kretschmer.

The Notice of Intent alleged that Kretschmer failed to disclose on his registration application, which he verified on September 28, 2010, information that on August 28, 1998, the Texas State Securities Board (TSSB) issued a Disciplinary Order & Undertaking Reprimanding an Agent (Order & Undertaking) to Kretschmer, in connection with TSSB Docket No. 98-052. Without admitting or denying the findings of fact and conclusions of law, Kretschmer consented to the entry of the Order & Undertaking finding that he acted as a dealer at a time when he was not registered with the State of Texas Securities Commissioner as required by Section 12 of the Texas Securities Act, in violation of Sections 14.A(5) and 14.A(6) of the Texas Securities Act.

The Notice of Intent charged that Kretschmer's failure to disclose the information that the TSSB found that he violated state securities laws on his September

2010 registration application may disqualify him from registration under Section 8a(2)(G) of the Commodity Exchange Act (Act), 7 U.S.C. § 12a(2)(G) (2006).

Respondent has submitted an Offer of Settlement (Offer) in the above-referenced proceeding in which he offers to be registered subject to conditions. Upon consideration, a Subcommittee of NFA's Membership Committee (Subcommittee) has determined to accept the Offer.

In his Offer, without admitting or denying the allegations of the Notice of Intent, Respondent acknowledges service of the Notice of Intent, admits the jurisdiction of NFA with respect to the matters set forth in the Notice of Intent, waives a hearing, all post-hearing procedures, Commodity Futures Trading Commission (Commission) and judicial review, and any objection to NFA staff's participation in the consideration of this Offer by the Membership Committee or its designated Subcommittee, and stipulates that the record upon which this Final Order Granting Conditional Registration (Final Order) is granted consists solely of the Notice of Intent and the submissions made by Respondent in response thereto. On the basis of the consent evidenced by the Offer, and without any adjudication on the merits, the Subcommittee orders that Kretschmer's AP registration be hereby granted subject to the following conditions:

1. Respondent is sponsored by an individual or entity eligible under NFA Registration Rule 509(b)(5) to sponsor a registrant whose registration is subject to conditions;

2. Respondent may not directly or indirectly act as a principal, partner, officer, director, or branch office manager of any individual or entity registered or required to be registered with the Commission under the Act or regulations thereunder;

3. Respondent shall not serve on any disciplinary committee, arbitration panel, governing board or oversight panel of any self-regulatory organization (SRO) subject to regulation by the Commission;

4. Respondent may not directly or indirectly exercise supervisory authority over any person registered or required to be registered with the Commission under the Act or regulations thereunder;

5. Respondent may not exercise discretionary trading authority over customer accounts;

6. Respondent must conduct customer business only when physically present in Respondent's sponsor's office or, if out of the office, Respondent must conduct customer business in the physical presence of Respondent's designated supervisor;

7. Respondent shall not violate any provision of the Act, the regulations thereunder, the Final Order, and this Offer or any NFA requirement;

8. Respondent must be strictly supervised by the branch manager of Respondent's sponsor (or, in the case of a sponsor with no branch offices, a designated principal of sponsor) who is physically present in the office on a daily basis. Specifically, the branch manager (or designated principal) must review on at least a monthly basis, and monitor generally, all transaction slips, including office orders and office tickets, for all trading orders received by Respondent. Respondent's sponsor is required to maintain a written record of these monthly evaluations and to submit copies of these monthly written evaluations to NFA's General Counsel's office on a quarterly basis. In addition, the branch manager (or designated principal) must supervise Respondent's registered activities and meet at least once every month with Respondent to discuss any questions, problems, complaints, disputes or claims arising from or related to Respondent's handling of any customer account. Respondent's sponsor shall maintain a written record of these monthly conferences with Respondent and must submit copies of these monthly written records to NFA's General Counsel's office on a quarterly basis;

9. Respondent must immediately cease acting in the capacity in which Respondent is registered, or must immediately notify NFA if Respondent knows that Respondent's sponsor is not complying with Paragraph 8 above. Respondent's failure to either cease acting or notify NFA could adversely affect Respondent's registration under the provisions of Section 8a of the Act and/or, if Respondent is a Member or

Associated with a Member of NFA, subject Respondent to NFA disciplinary action.

10. Respondent's sponsor shall notify NFA immediately in writing of any complaint, whether written or oral, received from any customer which in any way relates to Respondent. Respondent's sponsor shall maintain a separate file of all correspondence and memoranda of telephone calls concerning problems, complaints, disputes or claims arising from or related to Respondent's handling of any customer account;

11. Respondent's sponsor agrees to establish and implement written supervisory policies and procedures to ensure that Respondent's activities are in compliance with the conditions imposed on Respondent's AP registration;

12. If the Commission, NFA, any SRO, law enforcement or regulatory agency institutes a proceeding charging Respondent with any violation of the Act, Commission regulations, NFA requirements, SRO rules, or any order, statute, rule, or regulation, Respondent will immediately notify NFA in writing of such action. NFA may, upon written notice to Respondent, immediately suspend Respondent's registration without regard to the procedures set forth in NFA's Registration Rules, pending the conclusion of the proceedings containing such charge. Respondent shall have the opportunity for a hearing promptly after the suspension, at which NFA would have the burden of showing (i) that Respondent has been charged with the violation referred to herein, and (ii) that Respondent's continued registration is likely to pose a threat to the public interest or threatens to impair public confidence in any market regulated by the Commission;

13. Respondent's sponsor's failure to supervise Respondent in accordance with the conditions set forth above could adversely affect Respondent's sponsor's registration under the provision of Section 8a of the Act and/or, if Respondent's sponsor is a Member or associated with a Member of NFA, subject Respondent's sponsor to NFA disciplinary action; and

14. Respondent's sponsor understands that the terms, conditions and obligations set forth in the Final Order remain effective for the two-year period set forth above or until such time as Respondent's association with Respondent's sponsor is terminated and an individual withdrawal notice

using NFA's Online Registration System is filed, in accordance with Commission Regulation 3.31(c)(1)(ii).

The conditions set forth in this Final Order shall become effective thirty days after service of the Final Order on Kretschmer unless the Commission otherwise directs. These conditions shall remain in effect until two years after the effective date of the Final Order conditioning Kretschmer registration, at which time the conditions will automatically expire.

NATIONAL FUTURES ASSOCIATION

Dated: March 30, 2011

By: _____
Chairman of the Subcommittee

M:mav/Robert T. Kretschmer Final Order

AFFIDAVIT OF SERVICE

I, Myra Lewis, on oath state that on March 30, 2011, I served copies of the attached Final Order Granting Conditional Registration, 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:

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Velocity Futures LLC
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Attn: Jack Earnest
CEO

Myra Lewis

Subscribed and sworn to before me
on this 30th day of March 2011.

Margaret A. Vanderwyde
Notary Public

OFFICIAL SEAL
MARGARET A VANDERWYDE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 09/16/2014