FILED

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NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

In the Matter of:	)	
	)	
MAGMA FUND ADVISORS LTD.	)	
(NFA ID #389473),	)	
	)	
and	)	NFA Case No. 08-BCC-032
	)	
DESMOND M. MUTHEMBA	)	
(NFA ID #314480),	)	
	)	
Respondents.	)	

DECISION

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee ("Committee") of National Futures Association ("NFA") against Magma Fund Advisors Ltd. ("Magma") and Desmond M. Muthemba ("Muthemba") (collectively "Respondents") in the above-captioned matter and having considered the Offer of Settlement ("Offer") submitted by Magma and Muthemba and having accepted the Offer, the Committee issues this Decision.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On December 22, 2008, the Committee issued a Complaint alleging that NFA Member Magma provided false information to NFA, failed to list a principal and failed to uphold high standards of commercial honor and just and equitable principles of trade, in violation of NFA Compliance Rule 2-2(f), NFA Registration Rule 208 and NFA Compliance Rule 2-4, respectively. In addition, the Complaint alleged that Magma and Muthemba used deceptive and unbalanced promotional material, in violation of NFA

Compliance Rules 2-2(a), 2-29(b)(2), 2-29(b)(3) and 2-29(b)(4) and that they both failed in executing their duty of diligent supervision, in violation of NFA Compliance Rule 2-9(a).

II

OFFER OF SETTLEMENT

Magma and Muthemba submitted their Offer in which Magma agreed to be withdrawn from NFA membership and to never again apply for NFA membership or principal status with any NFA Member in the future. Muthemba agreed to be withdrawn from Associate NFA membership and principal status with an NFA Member and that he would not apply for Associate NFA membership for two years and that he would not apply for NFA membership or principal status with any NFA Member for five years.

In making their Offer, the Respondents neither admitted nor denied the allegations made against them in the Complaint but agreed to the use of the Offer and this Decision to enforce the terms of the Offer and as evidence in aggravation in any subsequent disciplinary or regulatory action.

III

PENALTY

The Committee, having considered this matter and having accepted the Offer made by Magma and Muthemba, orders that:

1. Magma's NFA membership shall be withdrawn effective immediately upon the issuance of this Decision and that Magma shall never apply for NFA membership or principal status with any NFA Member in the future.
2. Muthemba's Associate NFA membership and his principal status with an NFA Member shall be withdrawn effective immediately upon the issuance

of this Decision and that Muthemba shall not apply for NFA Associate membership for a period of two years from the date of his withdrawal.

3. Muthemba shall not apply for NFA membership or principal status with any NFA Member for a period of five years from the date of his withdrawal.

Magma and Muthemba's Offer and this Decision may be used in any action to enforce the terms of the Offer and may be considered as evidence in aggravation in any subsequent disciplinary, regulatory or registration action.

IV

INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render Muthemba 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, until the later of three years after the effective date of this Decision, or until he has satisfied all the sanctions and conditions imposed by this Decision.

NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTE

Date: 2-11-09

By: _____
Chairman

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AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on February 11, 2009, 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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Nancy Miskovich-Paschen

Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 11th day of February 2009.

Margaret A. Vandermyde

Notary Public

OFFICIAL SEAL
Margaret A. Vandermyde
Notary Public, State of Illinois
MY COMMISSION EXPIRES 03-15-10