

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

DEC - 9 2009

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)	
)	
FOREX CLUB FINANCIAL)	
COMPANY, INC.)	NFA Case No. 09-BCC-055
(NFA ID #358265),)	
)	
Respondent.)	

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having found reason to believe that NFA Requirements are being, have been or are about to be violated and that the matter should be adjudicated, NFA's Business Conduct Committee issues this Complaint against Forex Club Financial Company, Inc. ("Forex Club").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Forex Club was an NFA Member, registered futures commission merchant ("FCM"), and forex dealer member ("FDM") located in Staten Island, New York.

APPLICABLE RULES

2. NFA Financial Requirements Section 1(b) requires FCMs to file month-end financial reports, including a report as of its fiscal year end, no later than seventeen business days after the date for which the report is prepared.

3. NFA Financial Requirements Section 13(a) requires FDMs to file weekly electronic forex reports ("FXRs") showing liabilities to customers and other financial information required by NFA. The FXR must be prepared as of the last business day of the week and must be filed by noon on the following business day.

COUNT I

VIOLATION OF NFA FINANCIAL REQUIREMENTS SECTIONS 1(b) AND 13(a): FAILURE TO FILE REQUIRED FINANCIAL REPORTS WITH NFA IN A TIMELY MANNER.

4. The allegations contained in paragraphs 1 through 3 are realleged as paragraph 4.
5. Forex Club has filed late financial statements and FXRs in the past, and NFA has sent letters to the firm citing it for its late statements and FXRs. NFA has also charged the firm \$1,800 in late filing fees. However, neither the letters nor fees have had any apparent effect, as evidenced by the fact that *Forex Club continues to file its financial reports and FXRs late, as illustrated in the chart below:*

<u>Statement</u>	<u>Type</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
03/07/08	FXR	03/10/08	03/11/08	1
04/30/08	unaudited 1-FR	05/23/08	05/27/08	1
12/31/08	unaudited 1-FR	01/27/09	01/29/09	2
06/26/09	FXR	06/29/09	06/30/09	1
09/04/09	FXR	09/08/09	09/11/09	3
09/25/09	FXR	09/28/09	09/29/09	1
11/06/09	FXR	11/09/09	11/16/09	5

6. As alleged above, NFA Financial Requirements Section 1(b) requires FCMs to file month-end financial reports, including a report as of its fiscal year end, no

later than seventeen business days after the date for which the report is prepared. However, as shown in the above chart, Forex Club failed to file its 12/31/08 and 4/30/08 unaudited financial statements within the seventeen-day deadline.

7. As alleged above, NFA Financial Requirements Section 13(a) requires FDMs to file weekly FXRs showing liabilities to customers and other financial information required by NFA. The FXR must be prepared as of the last business day of the week and must be filed by noon on the following business day. Again, as illustrated by the above chart, Forex Club failed to file its 3/7/08, 6/26/09, 9/4/09, 9/25/09 and 11/6/09 FXRs by the required deadline.
8. By reason of the foregoing acts and omissions, Forex Club is charged with violations of NFA Financial Requirements Sections 1(b) and 13(a).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty days of the date of the Complaint. The Answer shall respond to each allegation in the Complaint by admitting, denying or averring that you lack sufficient knowledge or information to admit or deny the allegation. An averment of insufficient knowledge or information may only be made after a diligent effort has been made to ascertain the relevant facts and shall be deemed to be a denial of the pertinent allegation.

The place for filing an Answer shall be:

National Futures Association
300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing
E-Mail: Docketing@nfa.futures.org
Facsimile: 312-781-1672

Failure to file an Answer as provided above shall be deemed an admission of the facts and legal conclusions contained in the Complaint. Failure to respond to any allegation shall be deemed an admission of that allegation. Failure to file an Answer as provided above shall be deemed a waiver of hearing.

POTENTIAL PENALTIES, DISQUALIFICATION AND INELIGIBILITY

At the conclusion of the proceedings conducted as a result of or in connection with the issuance of this Complaint, the Committee may impose one or more of the following penalties:

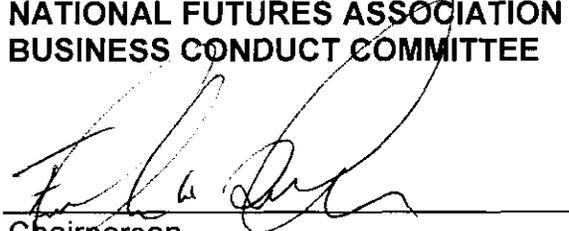
- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Act. Respondents in this matter who apply for registration in any new capacity, including as an associated person with a new sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, penalties imposed in connection with this Complaint may temporarily or permanently render Respondents who are individuals ineligible to serve on disciplinary committees, arbitration panels and governing boards of a self-regulatory organization, as that term is defined in CFTC Regulation 1.63.

**NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTEE**

Dated: 12-9-09

By: 
Chairperson

m/rvh/Forex Club Complaint

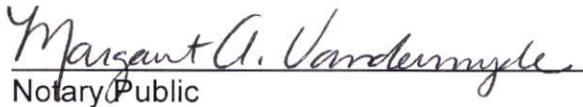
AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on December 9, 2009, I served a copy of the attached Complaint, by sending such copy in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:

Forex Club Financial Company, Inc.
1200 South Avenue
Suite 203
Staten Island, NY 10314
Attn: Michael Felice, President


Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 9th day of December 2009.


Notary Public

