NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

In the Matter of:)
)

ANGUS JACKSON, INC. OF FLORIDA)
(NFA ID #190396),   )
)

MARTIN H. BEDICK   )   NFA Case No. 10-BCC-039
(NFA ID #29028),   )
)

     and   )
)

MICHAEL E. ROSE   )
(NFA ID #194486),   )
)

     Respondents.   )

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having found reason to believe that NFA Compliance Rules ("NFA Requirements") are being, have been, or are about to be violated and that the matter should be adjudicated, this Committee issues this Complaint against Angus Jackson, Inc. of Florida ("Angus Jackson"), Martin H. Bedick ("Bedick"), and Michael E. Rose ("Rose").

ALLEGATIONS

JURSIDICTION

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

2. At all times relevant to this Complaint, Rose was the president, principal, director of trading, and associated person ("AP") of Angus Jackson and an NFA Associate. As such, Rose was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Angus Jackson is liable for violations of NFA Requirements committed by Rose in the course of his activities on behalf of Angus Jackson.

3. At all times relevant to this Complaint, Bedick was the vice president, principal and AP of Angus Jackson and an NFA Associate. As such, Bedick was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Angus Jackson is liable for violations of NFA Requirements committed by Bedick in the course of his activities on behalf of Angus Jackson.

BACKGROUND

4. Angus Jackson is located in Fort Lauderdale, Florida and became an IB Member of NFA in January 1992. Prior to its IB registration, Angus Jackson was registered as a futures commission merchant from September 1986 to October 1988.

5. NFA commenced an audit of Angus Jackson in August 2010. Prior to the audit, NFA was contacted by Martin Rosenthal ("Rosenthal"), who claimed that he had solicited customers for Angus Jackson and had received commissions for accounts he had solicited even though he was not a registered AP of the firm. Further, Rosenthal represented that he had assisted Angus Jackson in deceiving

NFA auditors in prior audits about his role at the firm and the commission payments he had received.

6. In addition to the information NFA received from Rosenthal, NFA's audit also found that Angus Jackson had failed to develop and implement an anti-money laundering ("AML") program and had recurring issues regarding its handling of bunched orders. These deficiencies are alleged in detail below.

APPLICABLE RULES

7. NFA Compliance Rule 2-2(f) provides that no Member or Associate shall willfully submit materially false or misleading information to NFA or its agents.

8. NFA Compliance Rule 2-4 provides, in pertinent part, that Members shall observe high standards of commercial honor and just and equitable principles of trade while conducting their commodity futures business.

9. NFA Bylaw 1101 provides, in pertinent part, that no Member may carry an account, accept an order or handle a transaction in commodity futures contracts for or on behalf of any non-Member of NFA that is required to be registered with the CFTC and that is acting in respect to the account, order or transaction for a customer.

10. NFA Bylaw 301(b) provides, in pertinent part, that no person may be associated with a Member of NFA unless the person is registered with NFA as an Associate or is an NFA Member.

11. NFA Compliance Rule 2-9(c) provides, in pertinent part, that each IB shall develop and implement a written AML program approved in writing by senior management reasonably designed to achieve and monitor the Member's

compliance with the applicable requirements of the Bank Secrecy Act, and the

implementing regulations promulgated thereunder by the Department of the

Treasury and the Commodity Futures Trading Commission ("CFTC"). Among

other requirements, an AML program must provide for:

(1)   an independent annual review of the AML program to be conducted by Member personnel or by a qualified outside party; and

(2)   ongoing training for appropriate personnel.

12.   NFA Compliance Rule 2-26 provides, in pertinent part, that any Member or

Associate who violates CFTC Regulation 155.4 shall be deemed to have violated

an NFA Requirement.

13.   NFA Compliance Rule 2-10 provides, in pertinent part, that each Member shall

maintain adequate books and records necessary and appropriate to conduct its

business including, without limitation, the records required to be kept under

CFTC Regulations 1.18 and 1.32 through 1.37.

COUNT I

VIOLATION OF NFA COMPLIANCE RULES 2-2(f) AND 2-4 AND NFA BYLAWS 1101 AND 301(b): SUBMITTING FALSE AND MISLEADING INFORMATION TO NFA, FAILING TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE, DOING BUSINESS WITH A NON-NFA MEMBER THAT WAS REQUIRED TO BE REGISTERED, AND ALLOWING AN UNREGISTERED INDIVIDUAL TO SOLICIT CUSTOMERS .

14.   The allegations contained in paragraphs 1 through 10 are realleged as paragraph

14.

15.   In 1988, Rosenthal was named as a respondent in an NFA arbitration case

charging him with churning, misrepresentation, breach of fiduciary duty, fraud,

and negligence. Rosenthal did not answer the arbitration claim and an award

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was entered against him for $17,797 which he has never paid. In 1987, Rosenthal was named as a respondent in a CFTC Reparations case in which the administrative law judge entered a judgment against him and in favor of a customer for $13,026. Rosenthal has also never paid this judgment. Based on the unpaid arbitration award and reparations judgment, Rosenthal believed that he was ineligible for CFTC registration and that he could not do business in the futures industry that required registration.

16. Some years ago, Rosenthal opened a personal trading account with Angus Jackson. Rosenthal solicited a few friends to open accounts at Angus Jackson which Rosenthal traded pursuant to a power of attorney.

17. Due to the commissions generated by Rosenthal's accounts, Bedick asked Rosenthal to become an AP of Angus Jackson. Rosenthal told Bedick that he could not become registered as an AP; whereupon, Bedick told Rosenthal that Angus Jackson could still find a way to compensate him.

18. In 2004, Bedick sent an e-mail to Rosenthal in which he indicated that he was looking for a way to pay Rosenthal for soliciting customers without creating a direct audit trail from Angus Jackson to Rosenthal. Bedick requested Rosenthal to submit fake invoices to Angus Jackson for "computer services and software." Bedick suggested that the invoices be in the name of Jarma Trading, Inc. ("Jarma"), a company owned by Rosenthal. Bedick said that the phony invoices would allow Angus Jackson to cover up the compensation it paid to Rosenthal for acting as an AP.

19. During NFA's 2005 audit of Angus Jackson, NFA auditors questioned Bedick about a $25,000 payment to Jarma. Bedick told NFA that Jarma was a company owned by Rosenthal and that the $25,000 was for computer software development.

20. During NFA's 2008 audit of Angus Jackson, NFA auditors again questioned Bedick about two payments to Jarma – one for $13,000 and the other for $17,000. Bedick represented that Jarma was a software developer and that these payments were for services pertaining to the development of new computer software, trading programs, and options programs.

21. During NFA's 2010 audit of Angus Jackson, after Rosenthal had confessed his true role at Angus Jackson to NFA, Bedick admitted that the prior payments to Jarma were for commissions generated by Rosenthal's trading and that Jarma never developed or provided any computer software for Angus Jackson. According to Bedick, Jarma was merely a vehicle through which the firm could compensate Rosenthal for acting as an AP.

22. In total, between January 2002 and December 2008, Angus Jackson paid Rosenthal nearly $600,000 in commissions.

23. Rose, the president and principal of Angus Jackson, also was aware that Rosenthal introduced accounts to the firm and was paid compensation for these accounts. However, Rose never disclosed this information to NFA in any of NFA's prior audits of Angus Jackson.

24. By reason of the foregoing acts and omissions, Angus Jackson, Rose and Bedick are charged with violations of NFA Compliance Rules 2-2(f) and 2-4 and NFA Bylaws 1101 and 301(b).

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-9(c): FAILING TO DEVELOP AND IMPLEMENT AN ADEQUATE AML PROGRAM.

25. The allegations contained in paragraphs 1, 4, 6 and 11 are realleged as paragraph 25.

26. Following NFA's 2006 audit of Angus Jackson, this Committee issued a Complaint against Angus Jackson for failing to complete annual AML training. Angus Jackson settled the 2006 case by paying a $10,000 fine to NFA.

27. During NFA's 2010 audit of Angus Jackson, NFA found that none of Angus Jackson's APs who work in areas susceptible to money laundering had taken annual AML training. Four of the firm's APs had a 22-month gap between training sessions and one AP had a 17-month gap between training sessions as detailed below:

AP	Most Recent Training	Previous Training
Martin Bedick	August 5, 2009	October 10, 2007
Charles Maley	August 5, 2009	October 10, 2007
Khadarnath Maniedeo	August 5, 2009	March 18, 2008
Paul Wilcox	August 5, 2009	October 10, 2007
Michael Rose	August 5, 2009	October 10, 2007

28. By reason of the foregoing acts and omissions, Angus Jackson is charged with a violation of NFA Compliance Rule 2-9(c).

COUNT III

VIOLATION OF NFA COMPLIANCE RULES 2-26 AND 2-10: INCLUDING ORDERS FOR PROPRIETARY OR NON-CUSTOMER ACCOUNTS WITH, AND USING POST-EXECUTION ALLOCATION FOR, BUNCHED CUSTOMER ORDERS.

29. The allegations contained in paragraphs 1, 4, 6, 12 and 13 are realleged as paragraph 29.

30. During NFA's 2008 audit of Angus Jackson, NFA found that an order for one of Bedick's personal trading accounts was bunched with orders for customers whose accounts were traded by Angus Jackson according to a third party trading system. Such a practice is prohibited under CFTC Regulation 155.4. In 2008, after this deficiency was brought to Angus Jackson's attention, it represented to NFA that it would no longer bunch orders for proprietary or non-customer accounts with customer orders.

31. However, during NFA's 2010 audit, NFA found that Angus Jackson was still including orders for non-customer accounts with orders for customer accounts in the same bunched order.

32. Moreover, Angus Jackson, acting through Rose, provided post-execution allocation instructions for bunched customer orders, in violation of CFTC Regulation 1.35.

33. By reason of the foregoing acts and omissions, Angus Jackson is charged with violations of NFA Compliance Rules 2-26 and 2-10.

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty (30) 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.
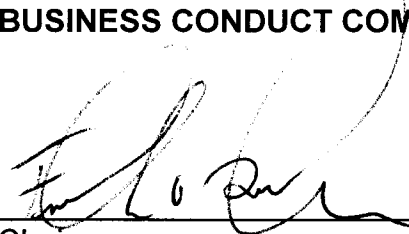
The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act. Respondents in this matter who apply for registration in any new capacity, including as an AP with a new sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to the provisions of 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
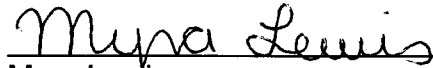BUSINESS CONDUCT COMMITTEE

Dated: 12-22-10

By: _____
Chairperson

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AFFIDAVIT OF SERVICE

I, Myra Lewis, on oath state that on December 22, 2010, 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:

Angus Jackson,Inc. of Florida
2400 East Commercial Boulevard
Suite 814
Ft. Lauderdale, FL 33308
Attn: Martin H. Bedick
         Vice President

Martin H. Bedick
3498 Pine Haven Circle
Boca Raton, FL 33431

Myra Lewis
Myra Lewis

Subscribed and sworn to before me
on this 22nd day of December 2010.

Notary Public

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