

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

FILED

AUG 31 2011

In the Matter of:

MOHR & MOORE LLC
(NFA ID #412404),

and

WILLIAM ELMER MOORE
(NFA ID #274245),

Respondents.

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

NFA Case No. 11-BCC-019

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having 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 Mohr & Moore LLC ("M&M") and William Elmer Moore ("Moore").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, M&M was a commodity trading advisor and forex firm Member of NFA located in Frisco, Texas.
2. At all times relevant to this Complaint, Moore was the sole principal and associated person ("AP") of M&M and an NFA Associate.

APPLICABLE RULES

3. NFA Compliance Rule 2-39(a) provides, in pertinent part, that Members and Associates who solicit customers, introduce customers to a counterparty, or

manage accounts on behalf of customers in connection with forex transactions shall comply with Sections (a), (b), (c), (d), (e), (h), and (l) of Compliance Rule 2-36.

4. NFA Compliance Rule 2-36(c), as incorporated by NFA Compliance Rule 2-39(a), provides that Forex Dealer Members and their Associates shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their forex business.
5. Former NFA Compliance Rule 2-41(b), in effect at all times relevant to this Complaint, provided, in pertinent part, that any Member or Associate managing, directing or guiding, or soliciting to manage, direct, or guide, accounts or trading on behalf of a client by means of a systematic program must, if it intends to manage, direct, or guide the client's account or trade in forex transactions, prepare and deliver a disclosure document ("DD") that complies with the requirements in Commodity Futures Trading Commission ("CFTC") Regulations 4.34, 4.35, and 4.36 as if managing, directing, or guiding accounts or trading in on-exchange futures contracts.
6. 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 for the period required under CFTC Regulation 1.31.

COUNT I

VIOLATION OF FORMER NFA COMPLIANCE RULE 2-41(b): FAILING TO PROVIDE AN APPROVED DISCLOSURE DOCUMENT TO CUSTOMERS.

7. The allegations contained in paragraphs 1, 2 and 5 are realleged as paragraph 7.
8. M&M's DD dated July 9, 2010, which NFA approved on September 29, 2010, disclosed that Moore personally opened and exercised discretion over 110 customer accounts between January and May 2010. However, during that period neither Moore nor M&M had a DD that had been approved by NFA, and Moore admitted that he never provided these customers with a DD.
9. By reasons of the foregoing acts and omissions, Moore and M&M are charged with violations of NFA Compliance Rule 2-41(b).

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-36(c): FAILING TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND FAILING TO DISCLOSE MATERIAL INFORMATION TO CUSTOMERS.

10. The allegations contained in paragraphs 1 through 4 are realleged as paragraph 10.
11. Moore and M&M's trading decisions were based exclusively on a software program developed and/or owned by Trade Star Incorporated ("Trade Star"), a company controlled by Robert Mihailovich ("Mihailovich"), who was convicted of a felony in 2005. However, Moore and M&M never disclosed this information to their customers.
12. M&M and Moore eventually ceased doing business with Mihailovich, after which Moore granted a power of attorney ("POA") to Parthenon Capital ("Parthenon") allowing Parthenon to trade the managed accounts of M&M's customers. Parthenon was owned and operated by Joel Warren ("Warren"), who was

convicted in 2000 of committing assault on a peace officer and who in 2008 had an arrest warrant issued against him for felony auto theft. Moore did not tell his customers that he granted POA to Parthenon. Nor did he tell them about Warren's criminal history.

13. According to Moore, Parthenon was supposed to continue following the Trade Star trading program developed by Mihailovich. However, for unknown reasons, on August 2 and 3, 2011, Parthenon and Warren stopped following the Trade Star trading program and instead initiated trades based on their own trading decisions. These trades were devastating to M&M's customers as their accounts lost over 90% in the two days of trading on August 2 and 3, 2011, with aggregate losses totaling \$527,667.
14. M&M and Moore failed to observe high standards of commercial honor and just and equitable principles of trade in that they recklessly entrusted their customers' investments with two convicted felons, one of whom (viz., Warren) lost over 90% of customers' equity in just two days of trading. In addition, M&M and Moore also failed to disclose to their customers that their accounts were being traded in accordance with a trading program developed by a convicted felon and later by a company owned by another convicted felon. Such information was highly material and relevant to a customer's decision to invest with M&M and Moore.
15. By reasons of the foregoing acts and omissions, Moore and M&M are charged with violations of NFA Compliance Rule 2-36(c), as incorporated in and by NFA Compliance Rule 2-39(a).

COUNT III

VIOLATION OF NFA COMPLIANCE RULE 2-10: FAILING TO MAINTAIN REQUIRED RECORDS.

16. The allegations contained in paragraphs 1 and 6 are realleged as paragraph 16.
17. M&M failed to maintain all customer account opening documents, daily and monthly account activity statements, and trading records to support the performance claims in M&M's DD. M&M was required to maintain these records pursuant to NFA Compliance Rule 2-10 and the CFTC Regulations referenced in such Rule.
18. By reasons of the foregoing acts and omissions, M&M is charged with violations of NFA Compliance Rule 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 S. Riverside Plaza
Suite 1800
Chicago, Illinois 60606-3447
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, NFA 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.

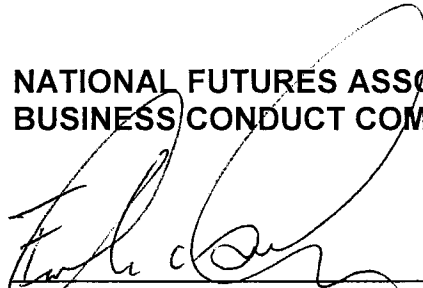
Pursuant to the provisions of CFTC Regulation 1.63, penalties imposed in connection with this Complaint may temporarily or permanently render Respondents

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: 08/31/2011

By:


Chairperson

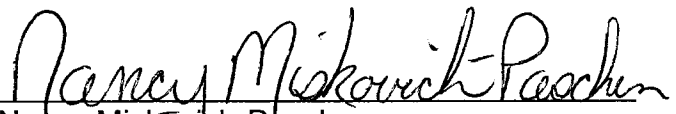
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AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on August 31, 2011, I served copies of the attached Complaint, by sending such copies in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows to:

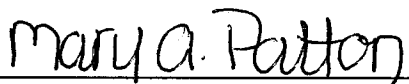
Mohr & Moore LLC
6136 Frisco Square Boulevard
Suite 400
Frisco, TX 75034
Attn: William Moore

William E. Moore
3524 Flatcreek Drive
Plano, TX 75025



Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 31st day of August 2011.



Notary Public

