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**NATIONAL FUTURES ASSOCIATION
BEFORE THE HEARING PANEL**

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)	
)	
FX CURRENCY TRADERS, INC.,)	
ET AL. (FX Currency Traders, Inc.,)	NFA Case No. 11-BCC-026
NFA ID #416525, and Jacob N.)	
Martinez, NFA ID #394295),)	
)	
Respondents.)	

DECISION

Having reviewed the Complaint issued by the Business Conduct Committee (BCC) of National Futures Association (NFA) in the above-captioned case, having considered the Offer of Settlement (Offer) submitted by FX Currency Traders, Inc. (FXCT) and Jacob N. Martinez (Martinez), and having accepted their Offer, the Hearing Panel hereby issues this Decision as to FXCT and Martinez.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On October 17, 2011, the BCC issued a Complaint against FXCT, a forex firm and independent introducing broker (IB) NFA Member located in Lake Mary, Florida. The Complaint also named Martinez as a respondent. Martinez was sole owner, chief executive officer, and a listed principal of FXCT. Martinez was also registered as an associated person (AP) of FXCT and an NFA Associate.

The Complaint alleged that FXCT violated NFA Compliance Rule 2-36(d) by doing business with a non-NFA Member, viz., Market Traders Institute (Market Traders), which was required to be registered as an IB with the Commodity Futures Trading Commission (CFTC) but was not registered as such. The Complaint also

alleged that FXCT violated NFA Compliance Rules 2-36(b)(1) and (e) by failing to carry out its supervisory duty to ensure that Market Traders, as FXCT's agent, did not use misleading and deceptive promotional material to generate customer leads. The Complaint further alleged that FXCT and Martinez violated NFA Compliance Rule 2-36(e) by failing to exercise due diligence to determine whether entities with which FXCT conducted business were required to be registered with the CFTC and NFA Members.

In addition, the Complaint alleged that FXCT violated Compliance Rule 2-10 by failing to keep accurate financial records, and violated NFA Financial Requirements Section 5(a) by failing to maintain required minimum adjusted net capital. The Complaint also alleged that FXCT violated NFA Compliance Rule 2-36(c), as incorporated in and by NFA Compliance Rule 2-39(a), by failing to observe high standards of commercial honor and just and equitable principles of trade in that it manipulated its financial books and records to make it appear as though it was complying with its minimum capital requirement when it was not.

The Complaint further alleged that Martinez, as chief executive officer and sole owner of FXCT, violated NFA Compliance Rule 2-36(e) by failing to adequately carry out his supervisory duties as evidenced by the fact that he allowed FXCT to engage in impermissible business activity with Market Traders, that he failed to screen and supervise other entities with which FXCT did forex business, and that he manipulated FXCT's financial books and records to make it appear as though the firm was in capital compliance at all times when it was not.

II

OFFER OF SETTLEMENT

Without admitting or denying the allegations of the Complaint, FXCT and Martinez submitted an Offer in which they offered to settle this case on the following terms and conditions. FXCT agreed not to reapply for NFA membership or act as a principal of an NFA Member. Martinez agreed not to reapply for NFA associate membership or apply for NFA membership for a period of three years from the date of a Decision accepting his Offer. Martinez further agreed not to act in any capacity requiring registration or to act as a principal of an NFA Member during this three-year period. Martinez also agreed that if, after expiration of this three-year period, he reapplies for NFA associate membership or applies for NFA membership or principal status with an NFA Member, he shall pay a \$150,000 fine to NFA on or before the date on which he makes any such application.

Martinez also agreed that if, after expiration of the three-year period referred to above, he becomes an AP or principal of an NFA Member, then he and any NFA Member of which he becomes an AP or principal shall – for an additional two years – comply with the enhanced supervisory requirements set forth in NFA Compliance Rule 2-9(b) and its accompanying Interpretive Notice.

FXCT and Martinez also agreed that their Offer and any Decision accepting their Offer may be used in an action to enforce their terms or a subsequent disciplinary action where they may be considered as aggravation evidence on the issue of sanctions.

III

PENALTY

Having considered the matter and having accepted the Offer of FXCT and Martinez, the Hearing Panel orders as follows:

1. FXCT shall not reapply for NFA membership or act as a principal of an NFA Member.
2. Martinez shall not reapply for NFA associate membership or apply for NFA membership for a period of three years from the date of this Decision. During this three-year period, Martinez shall not act in any capacity requiring registration or act as a principal of an NFA Member.
3. If, after expiration of the three-year period referred to above, Martinez reapplies for NFA associate membership or applies for NFA membership or principal status with an NFA Member, he shall pay a \$150,000 fine to NFA on or before the date on which he makes any such application and no action shall be taken with respect to any such application unless and until the above fine has been paid in full.
4. If, after expiration of the three-year period referred to above, Martinez becomes an AP or principal of an NFA Member, then he and any NFA Member of which he becomes an AP or principal shall – for an additional two years – comply with the enhanced supervisory requirements set forth in NFA Compliance Rule 2-9(b) and its accompanying Interpretive Notice.

The Offer and this Decision accepting the Offer shall bar any future Member Responsibility Action or BCC Complaint against FXCT and Martinez for any conduct occurring, of which NFA had corporate knowledge, up to the date of their Offer; and shall resolve and terminate all complaints, investigations and audits, relative to them, which had been received or were pending as of the date of their Offer.

Notwithstanding the foregoing terms and conditions, the Offer, and this Decision accepting the Offer, may be used in an action to enforce their terms or in a subsequent

disciplinary action or regulatory action, where they may be considered as evidence in aggravation.

IV

INELIGIBILITY

Pursuant to the provisions of CFTC Regulation 1.63, this Decision and the sanctions imposed herein render Martinez 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
HEARING PANEL**

Dated: 03/01/2012

By: Claris G. Matthews Harris
Chairperson

m/cxc/decisions/FXCT and Martinez Decision

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on March 1, 2012, I served a copy of the attached Decision, by sending such copy in the United States Mail, postage prepaid, certified mail, return receipt requested, and by regular mail, first-class delivery, in envelopes addressed as follows to:

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Douglas E. Arend, Esq.
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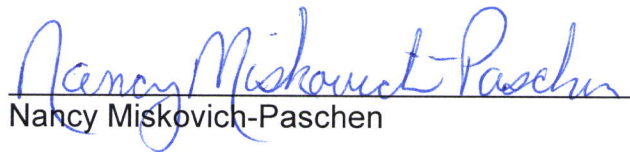
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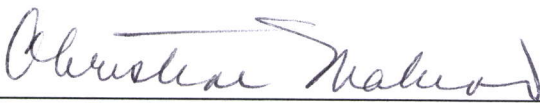
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Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 1st day of March 2012.


Notary Public

