



failed to perform rudimentary daily account reconciliations between its equity run system – which was under the control of a third-party located in Malaysia – and its back office system. Rather than perform these reconciliations, the Complaint alleged that FX Club simply "trued up" numbers into its general ledger at the end of each month to reconcile the balances in its equity run system and its back office system. Therefore, as a result of this practice, the Complaint alleged that FX Club could not accurately calculate its daily customer liability balance.

The Complaint further alleged that FX Club failed to maintain an adequate anti-money laundering program, in violation of NFA Compliance Rule 2-9(c) in that it did not conduct on-going monitoring of its customers account activity. Furthermore, the Complaint alleged that FX Club violated NFA Compliance Rules 2-48(a) and (b) and Financial Requirements Sections 10 and 13(b) by failing to file timely and accurate trade reports.

In addition, the Complaint alleged that FX Club violated NFA Compliance Rule 2-36(g) by failing to submit all promotional material to NFA for pre-approval as required by NFA's Enhanced Supervisory Requirements. (FX Club was subject to NFA's Enhanced Supervisory Requirements because two of its five APs had been employed by Disciplined Firms.)

Finally, the Complaint alleged that FX Club and Tatarnikov failed to diligently supervise FX's Club's operations and personnel, in violation of NFA Compliance Rule 2-36(e).

## II

### OFFER OF SETTLEMENT

FX Club and Tatarnikov submitted an Offer to this Committee in which, without admitting or denying the allegations of the Complaint, they agreed as follows:

1. They consented to the inclusion of findings in any Decision accepting their Offer that they committed the violations alleged in the Complaint.
2. They stipulated and agreed that FX Club has engaged the accounting and consulting firm, J.H. Cohn, to conduct an examination of FX Club and issue a report detailing any deficiencies it finds during its examination. They further stipulated and agreed to correct all deficiencies and implement all recommendations noted in J.H. Cohn's report no later than 60 days after October 26, 2012 (J.H. Cohn's deadline to issue its report).
3. They stipulated and agreed that for each and every year FX Club is required to file a fiscal year end annual certified financial statement (statement) that it shall submit to NFA no later than 90 days after the end of FX Club's fiscal year a statement prepared by any independent public accountant who is registered under the Sarbanes-Oxley Act (Sarbox) with the exception of the fiscal year 2012 financial statement, which must be prepared and certified by a Sarbox approved accounting firm with whom FX Club has never before done accounting or consulting work.
4. They stipulated and agreed that within 30 days of the effective date of a Decision accepting their Offer, they would pay a fine to NFA in the amount of \$300,000.

## III

### SANCTIONS

Pursuant to the Offer made by FX Club and Tatarnikov, the Committee orders as follows:

1. FX Club shall correct all deficiencies and implement all recommendations noted in J.H. Cohn's report no later than 60 days after October 15, 2012 (J.H. Cohn's deadline to issue its report).

2. For each and every year FX Club is required to file a fiscal year end annual statement that it shall submit to NFA no later than 90 days after the end of FX Club's fiscal year a statement prepared by any independent public accountant who is registered under the Sarbox with the exception of the fiscal year 2012 financial statement, which must be prepared and certified by a Sarbox approved accounting firm with whom FX Club has never before done accounting or consulting work.
3. Within 30 days of the effective date of this Decision, FX Club and Tatarnikov shall pay the amount of \$300,000 to NFA as a monetary sanction.

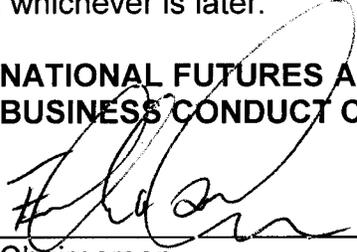
The Complaint in this case as well as this Decision accepting FX Club and Tatarnikov's Offer may be introduced into evidence by NFA in any future proceeding against either of them for the purpose of showing their disciplinary history.

**IV**  
**INELIGIBILITY**

Pursuant to Commodity Futures Trading Commission (CFTC) Regulation 1.63, this Decision and the sanctions imposed herein render Tatarnikov 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 three years after the effective date of this Decision or until all of the sanctions and conditions imposed on them have been fulfilled, whichever is later.

**NATIONAL FUTURES ASSOCIATION  
BUSINESS CONDUCT COMMITTEE**

Date: 10-25-12

By:   
Chairperson

**AFFIDAVIT OF SERVICE**

I, Nancy Miskovich-Paschen, on oath state that on October 25, 2012, I served copies of the attached Decision, by sending such copies by e-mail and regular mail, first-class delivery, in envelopes addressed as follows to:

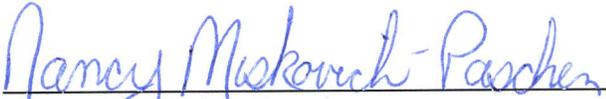
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\_\_\_\_\_  
Nancy Miskovich-Paschen

Subscribed and sworn to before me  
on this 25th day of October 2012.

  
\_\_\_\_\_  
Notary Public

