NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

FILED

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NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of: ATLANTAS GROUP, INC. (NFA ID #366450), EDMUND K. HYSNI (NFA ID #183604), and STEVEN H. JOSEFF (NFA ID #32911), Respondents.	NFA Case No. 12-BCC-023

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 Atlantas Group, Inc. ("Atlantas"), Edmund K. Hysni ("Hysni") and Steven H. Joseff ("Joseff").

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Atlantas was an independent introducing broker ("IB") NFA Member. As such, Atlantas 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, Hysni was the sole associated person ("AP") and listed principal of Atlantas, as well as an NFA Associate. As such, Hysni was required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Atlantas is also liable for violations of NFA Requirements committed by Hysni in the course of his activities on behalf of the firm.

3. At all times relevant to this Complaint, Joseff was an NFA Associate. As such, Joseff was required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Atlantas is also liable for violations of NFA Requirements committed by Joseff in the course of his activities on behalf of the firm.

BACKGROUND

4. Atlantas is located in West Bloomfield, Michigan. The firm has been an IB NFA Member since March 6, 2006. Hysni is the owner and president of the firm.

5. Hysni has been employed in the futures industry since 1985 and has previously worked at several "Disciplined Firms," i.e., firms that NFA or the Commodity Futures Trading Commission ("CFTC") permanently barred for deceptive sales practices.

6. Joseff has never been an AP of Atlantas. However, from December 8, 2008 to October 31, 2010, Joseff was registered as an AP and a branch manager of Midwest Futures, Inc. ("Midwest"), which is an IB NFA Member headquartered in Nebraska. In addition, Joseff was an NFA Associate during the time that he was an AP of Midwest.

7. Joseff – like Hysni – previously worked as an AP at several Disciplined Firms, including First National Monetary Corp., where Joseff and Hysni worked together from July 1985 to January 1986. The CFTC obtained a permanent injunction against First National Monetary Corp. in 1986 in a case in which the firm was charged with sales practice fraud.

8. NFA commenced an audit of Atlantas on November 2, 2011, at which time the firm had 36 active customer accounts that cleared through Vision Financial Markets LLC ("Vision"). NFA's audit focused on the firm's commission and fee charges and its trading activities and was triggered by Atlantas' 2011 annual questionnaire in which the firm reported a commission/fee rate of $99 per round-turn and a high amount of commissions generated in proportion to the firm's net liquidating equity.

9. During the audit, NFA reviewed certain financial records, including the firm's bank statements from January 2010 through November 2011, as well as bank statements for Hysni's personal accounts and the accounts of two management companies the firm used to pay general business expenses. This review revealed that Atlantas had received more than $2.7 million in commission payments from Vision since January 1, 2010.

10. NFA's review of the bank records also revealed numerous checks that Atlantas paid each month to the firm's management companies. These checks were issued between January 2010 and November 2011 and totaled almost $3.3 million. NFA also reviewed the expenses paid by Atlantas' management companies and found modest payments for rent, telephone and other miscellaneous expenses. In addition, NFA noticed approximately $3 million paid

by the management companies to Hysni, but of this money NFA could only trace about $1.8 million deposited to Hysni's personal bank account.

11. NFA asked Hysni what he did with the rest of the money which he received from the management companies but did not deposit into his personal bank account. Hysni said that he used this money to pay taxes and other miscellaneous expenses. However, on further questioning, Hysni admitted that he actually used some of this money to purchase cashier's checks payable to Joseff for Joseff's share of the commissions generated by accounts solicited by Joseff on behalf of Atlantas.

12. NFA subsequently determined that Joseff solicited customers for Atlantas from January 2009 through at least June 2011 without being registered as an AP of Atlantas. During part of this time, from January 2009 until October 2010, Joseph was registered as an AP of Midwest and an NFA Associate. However, Joseff never was registered as an AP of Atlantas. Thus, from October 2010, when his AP registration with Midwest was terminated, until June 2011, when he stopped soliciting for Atlantas, Joseff was not registered with any firm.

13. As alleged in more detail below, it appears that Atlantas did not register Joseff as an AP of the firm to avoid NFA's Enhanced Supervisory Requirements ("ESR") which would have been triggered if Atlantas had registered Joseff as an AP since both he and Hysni had previously worked at Disciplined Firms. Instead, Atlantas allowed Joseff to solicit customers without being an AP of the firm and concealed this arrangement by paying Joseff under the table.

14. During the time that Joseff illegally solicited customers on behalf of Atlantas, he also engaged in misleading sales practices which exaggerated the profit potential

and minimized the risk of loss of trading and touted Hysni's supposed expertise and successful track record. In at least one instance, Joseff also instructed a customer to inflate his income on the Vision account opening documents to avoid raising any "red flags."

15. In addition to Joseff, Hysni also solicited customers on behalf of Atlantas. Both he and Joseff misled customers about how much account equity would be at risk, failed to explain commission and fees clearly, and did not provide details about the fundamentals and risks of trading option spreads.

16. Besides making misleading sales solicitations to customers, Atlantas and Hysni charged extremely high commission rates – ranging from about $99 to almost $125 per contract – and used an aggressive options trading strategy that involved out-of-the-money option spreads and large numbers of contracts which frequently made no financial sense for Atlantas' customers. The combination of high commissions and Atlantas' aggressive trading strategy produced significant revenue for Atlantas and Hysni, but limited returns for their customers, as evidenced by the fact that Atlantas generated more than $3.6 million in commissions from January 2009 through December 2011, while the firm's customers incurred losses of almost $4.5 million during that same period.

17. The options trades that Atlantas recommended to its customers usually had high commission breakevens requiring significant market moves for the trades to overcome the high commission charges and become profitable.

18. Atlantas and Hysni sometimes recommended to customers a complex trading strategy known as a "reverse iron condor," which combined the purchase of out-of-the money call and put spreads. However, the customers whom Atlantas and

Hysni placed in "reverse iron condor" spreads were practically guaranteed to lose on these trades due to the combination of the conflicting nature of the individual spread trades, which comprised the reverse iron condor, and Atlantas' exorbitant commission and fee charges.

19. In addition to charging high commissions, Atlantas also used virtually all of its customers' available equity. Thus, even where a customer realized a profit on a particular trade, Atlantas would quickly use that profit to acquire another position and charge yet another exorbitant commission. Not surprisingly, of the 75 customers that Atlantas had in 2009 through 2011, only one of them ended up with an overall net gain during that period, and that gain was modest.

20. NFA analyzed the activity in fifteen of Atlantas' customer accounts. These fifteen accounts had net deposits totaling approximately $1.9 million and suffered net losses of more than $1.4 million, which were largely due to the over $2 million in commissions, fees and other charges that these accounts were charged. The commission-to-equity ratio for these accounts averaged close to 30% with the highest being over 38%. Virtually all of these fifteen customers had little or no prior experience trading futures and options and ten of the customers used retirement funds to fund their accounts.

21. Atlantas and Hysni also exercised discretion over customer accounts without having written authorization to exercise discretion. Several Atlantas customers told NFA that they had little or no understanding of the trading strategy that Atlantas and Hysni employed, completely relied on Hysni's trade recommendations and purported expertise, and were not even aware that trades had been placed in their accounts until after the fact.

APPLICABLE RULES

22. 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.

23. NFA Compliance Rule 2-2(a) provides that no Member or Associate shall cheat, defraud or deceive, or attempt to cheat, defraud or deceive, any commodity futures customers.

24. 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.

25. NFA Compliance Rule 2-4 provides that Members and Associates shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their commodity futures business.

26. NFA Compliance Rule 2-8(a) provides, in pertinent part, that no Member or Associate shall exercise discretion over a customer's commodity futures account unless the customer or account controller has authorized the Member or Associate, in writing, by power of attorney or other instrument, to exercise such discretion.

27. NFA Compliance Rule 2-9(a) provides that each Member shall diligently supervise its employees and agents in the conduct of their commodity futures activities for or on behalf of the Member. Each Associate who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's commodity futures activities on behalf of the Member.

28. NFA Compliance Rule 2-29(a)(1) provides that no Member or Associate shall make any communication with the public which operates as a fraud or deceit.

COUNT I

VIOLATIONS OF NFA BYLAW 301(b) AND COMPLIANCE RULES 2-2(a), 2-2(f), 2-4 AND 2-29(a)(1): PERMITTING AN INDIVIDUAL TO ACT AS AN AP WITHOUT SPONSORING THE INDIVIDUAL AS AN AP OF THE FIRM; WILLFULLY PROVIDING MISLEADING INFORMATION TO NFA; MAKING MISLEADING SALES SOLICITATIONS; AND FAILING TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE.

29. The allegations contained in paragraphs 1 through 15, 22 through 25 and 28 are realleged as paragraph 29.

30. As alleged above, during the time that Joseff was an NFA Associate, he was not sponsored by Atlantas but by Midwest. Yet, from approximately January 2009 until sometime in June 2011, Joseff solicited customers on behalf of Atlantas. In particular, Joseff solicited 24 customers to open accounts through Atlantas and had numerous conversations with these customers before they decided to open their accounts. Joseff was the initial contact at Atlantas for a number of these customers and their first dealings with Hysni generally occurred only after they opened their accounts.

31. In return for soliciting customers for Atlantas, Atlantas and Hysni paid Joseff almost $468,000 through an "under-the-table" arrangement designed to conceal these payments. Specifically, Hysni wrote monthly checks from the bank accounts of Atlantas' management companies payable to himself and then used these funds to purchase cashier's checks payable to Joseff.

32. The Interpretive Notice to NFA Compliance Rule 2-9(b), "Enhanced Supervisory Requirements," provides that a Member firm with less than five APs will be required to adopt the ESR if two or more of the firm's APs previously worked at a Disciplined Firm. As alleged above, both Hysni and Joseff previously worked at Disciplined Firms. As such, if Atlantas had registered Joseff as an AP of the firm

it would have obligated Atlantas to adopt the ESR and its requirement that Atlantas tape record all conversations with existing and potential customers and meet a higher capital requirement. To avoid the ESR, Atlantas and Hysni had Joseff solicit customers for Atlantas without sponsoring him as an AP and then paid him under the table to conceal the fact that he was working as a de facto AP of the firm.

33. By having Joseff solicit customers on behalf of Atlantas, without being registered as an AP of the firm, Atlantas violated NFA Bylaw 301(b) which prohibits a Member from allowing a person to be associated with the Member unless the person is registered with NFA as an Associate or is an NFA Member.

34. Not only did Joseff solicit customers on behalf of Atlantas without being registered as an AP of the firm, but the sales solicitations he made to customers on behalf of Atlantas were misleading in that they hyped the profit potential, and downplayed the risk of loss, of trading options, touted Hysni's supposed expertise, and falsely represented that Hysni had a successful track record.

35. For example, in 2011, Joseff solicited David Van Drunen ("Van Drunen") to open a trading account through Atlantas. Joseff represented to Van Drunen that he was "business partners" with Hysni and claimed Hysni was the "expert" on options and commodities. Joseff told Van Drunen that trading options would offer him the best return and were a smart and conservative investment. Joseff also told Van Drunen that he could expect to make between 200-300% within nine months and have up to $1 million in his account within a few years. Joseff told Van Drunen that he and Hysni only made money if Van Drunen made money but never discussed the commission charges Van Drunen would be charged.

36. After numerous phone calls with Joseff, which occurred over the course of four to six weeks, Van Drunen decided to open an account. However, Van Drunen changed his mind after reviewing the risk disclosure statements, so he called Joseff and told him that the investment was not for him due to the risks involved as he could not afford to lose any money. Joseff assured Van Drunen that the risks only applied to futures.

37. Based on Joseff's assurance, Van Drunen decided to go ahead and open an account. Joseph assisted Van Drunen with filling out the account opening documents and, while doing so, told Van Drunen to inflate his annual income to avoid raising any "red flags" or slow down the account opening process. Specifically, Joseff told Van Drunen to select the box on the account form indicating that his income was between $50,000 and $99,999, even though Van Drunen's annual income actually was closer to $40,000.

38. Van Drunen wanted to invest $50,000 but Joseff claimed that Atlantas generally only accepted clients with a $100,000 investment. Because Van Drunen had some extra funds in his business bank account, he decided to invest $100,000 as suggested by Joseff.

39. After Van Drunen opened his account, he dealt with Hysni who made all of the trading decisions for Van Drunen. Van Drunen would call Hysni every few weeks to get an idea how his account was doing as he did not have access to his account statements. Van Drunen asked Hysni several times for the password needed to access his account statements on line, but Hysni never provided the password to Van Drunen claiming that he was too busy or making trades. Van

Drunen eventually received copies of his account statements after he contacted Vision directly.

40. Over the life of Van Drunen's account, the high commission rate of more than $99 per contract caused Van Drunen to incur over $36,000 in total commission and fee charges on four spread trades. Van Drunen closed his account in December 2011 for a total loss of approximately $50,000.

41. By reason of the foregoing acts and omissions, Atlantas is charged with violations of NFA Bylaw 301(b) and NFA Compliance Rules 2-2(a) and 2-29(a)(1); Atlantas and Hysni are charged with violations of NFA Compliance Rule 2-2(f); and Atlantas, Hysni and Joseff are charged with violations of NFA Compliance Rule 2-4.

COUNT II

VIOLATIONS OF NFA COMPLIANCE RULES 2-4 AND 2-8(a): FAILING TO OBSERVE HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE AND EXERCISING DISCRETION OVER CUSTOMER ACCOUNTS WITHOUT OBTAINING WRITTEN AUTHORITY TO EXERCISE SUCH DISCRETION.

42. The allegations contained in paragraphs 1 through 4, 16 through 21, 25 and 26 are realleged as paragraph 42.

43. NFA's Interpretive Notice entitled, "Commissions, Fees and Other Charges," makes clear that a Member who recommends transactions that maximize commissions without regard to the customers' best interests violates high standards of commercial honor and just and equitable principles of trade under NFA Compliance Rule 2-4.

44. As alleged above, Atlantas and Hysni employed a trading strategy that relied heavily on out-of-the-money option spreads and extremely high commission and

fee charges, which produced significant commission revenue for Atlantas and Hysni but created a high hurdle for customers to overcome in order to make a profit.

45. In addition, Atlantas and Hysni made virtually all of the trading decisions for their customers and frequently placed trades in customers' accounts without first discussing the trades with the customers or getting their authorization to place the trades. However, Atlantas and Hysni never obtained a power of attorney from any of their customers granting them trading discretion over the customers' accounts.

46. An example of the aggressive trading strategy that Atlantas and Hysni employed to maximize commissions for themselves with little regard for their customers' well-being is reflected in the activity in the account of Van Drunen.

47. Atlantas and Hysni made all of the trading decisions for Van Drunen and often placed trades in his account without first obtaining his authorization to place these trades. Moreover, Atlantas and Hysni never obtained a power of attorney from Van Drunen granting them trading discretion over his account.

48. Van Drunen made his initial deposit of $100,000 on June 29, 2011. Within one week, Atlantas and Hysni had placed virtually all of the account equity into three spreads, for which total premiums were approximately $66,350 and total commissions and fees were more than $33,000 leaving Van Drunen with a ledger balance of just a little over $400.

49. All of the trades in Van Drunen's account were out-of-the-money option spreads with commission breakevens of approximately 50%. The following is an example

of the typical trading activity that occurred in Van Drunen's account, which involved an out-of-the-money silver call spread.

Trade Date	Size	Contract Type	Long/Short Put/Call	Strike	Premium Collected/ (Paid)	Commissions/ Fees
07/06/11	74	May-12 CMX Silver	Long Call	40.50	($1,139,600.00)	$ 7,364.48
07/06/11	74	May-12 CMX Silver	Short Call	40.75	$1,110,000.00	$ 7,364.48
Total	**148**				**($29,600.00)**	**$14,728.96**

50. Van Drunen paid almost $15,000 in commissions and fees for this silver call spread. When Van Drunen liquidated this position, he incurred a total net loss that exceeded $36,000. Van Drunen closed his account in December 2011 after losing nearly $50,000 (nearly half of his initial $100,000 investment). Over $36,000 of Van Drunen's nearly $50,000 loss was attributable to commissions and fees he paid.

51. Another example is the account of Atlantas customer, Kenneth Rupp ("Rupp"). Rupp was a 74 year old retiree receiving Social Security benefits when he opened his account through Atlantas in May 2010. For some time, Rupp had suffered substantial medical problems that affected his memory and decision-making.

52. Joseff initially solicited Rupp to open an account through Midwest which Rupp did. However, Rupp closed this account after a couple months because of concerns about excessive trading. Joseff then solicited Rupp to open an account through Atlantas, claiming that it would be more of a long-term investment for Rupp with a higher rate of return.

53. Rupp made an initial deposit on June 9, 2010 using $100,000 of his IRA funds. The only trade Rupp's account made in June 2010 involved an option spread

comprised of 346 gold contracts that cost Rupp $106,000, including commissions and fees of about $43,080 (or about $125 per contract), and option premiums of $63,000. After this trade, Rupp's account had a negative ledger balance of about $6,000.

54. This type of trade – an options spread containing numerous contracts and incurring high commission charges – was typical of the trades that Atlantas and Hysni made for Rupp's account.

55. After making his initial deposit of $100,000 to his account in June 2010, Rupp added $188,000 to his account between July and October 2010, and then withdrew $87,000 in August 2011, for total net deposits of $201,000. However, as of March 2012, only $555 remained in Rupp's account even though he made gross trading profits of approximately $253,000. The reason for this is that Rupp's account was charged more than $450,000 in commissions and fees (averaging $120 per contract) which wiped out his gross trading profits and left him with net losses exceeding $200,000. Rupp's account also had extremely high commission breakevens, which ranged from just under 50% to over 83% throughout the life of his account.

56. A particularly egregious example of the trading strategy that Atlantas and Hysni employed with Rupp involved a November 2010 crude oil reverse iron condor spread, as illustrated by the chart below.

Trade Date	**Size**	**Contract Type**	**Long/Short Put/Call**	**Strike**	**Premium Collected/(Paid)**	**Commissions/ Fees**
07/30/10	25	Nov-10 NY Crude	Long Call	84.50	($57,750.00)	$ 3,112 75
07/30/10	25	Nov-10 NY Crude	Short Call	85.50	$ 50,000.00	$ 3,112.75

07/30/10	32	Nov-10 NY Crude	Long Call	86.00	($70,400.00)	$ 3,984.32
07/30/10	32	Nov-10 NY Crude	Short Call	87.00	$ 60,800.00	$ 3,984.32
07/30/10	57	Nov-10 NY Crude	Short Put	73.00	$137,490.00	$ 7,097.07
07/30/10	57	Nov-10 NY Crude	Long Put	74.00	($154,590.00)	$ 7,097.07
Total	**228**				**($34,450.00)**	**$28,388.28**

57. This overall trade, comprised of 228 crude oil contracts, had a commission breakeven of over 82%, with each of the separate legs having similar barriers to profitability because of the high commission and fee charges. These trades eventually were offset in September and October 2010 for a net loss of more than $33,000.

58. Atlantas and Hysni also constantly put Rupp's capital at risk by immediately using any available funds to keep him actively trading in the market. To illustrate, similar to Rupp's initial trade that left him with a negative ledger balance of $6,000 in June, Atlantas and Hysni caused Rupp to incur another negative ledger balance with his second trade the next month. Specifically, after Rupp deposited additional funds of $91,000 in July 2010, Atlantas and Hysni executed five spread trades, which cost Rupp over $40,000 in commissions and fees, almost $50,000 in premiums, and again left him with a negative ledger balance of about $6,000.

59. Rupp left all trading decisions to Hysni who placed all the trades in Rupp's account, often without first discussing them with Rupp or getting Rupp's prior authorization to place such trades. Yet, Rupp never gave Atlantas or Hysni

power of attorney or other written authorization to exercise trading discretion over his account.

60. Yet another example of Atlantas and Hysni's abusive trading recommendations and strategies involved the account of Atlantas customer, Scott Walter ("Walter").

61. In 2010, Walter received a call from Joseff who solicited Walter to open a trading account through Atlantas. Joseff contacted Walter approximately 20 to 30 times over the course of several months before Walter decided to open an account. Joseff told Walter that Hysni would trade his account. Joseff claimed that Hysni had a lot of experience trading and had a good track record, which contributed to Walter's decision to invest.

62. After making his initial investment, Walter mainly talked to Hysni except when Joseff would occasionally call to solicit additional funds. Although Walter knew that he would be trading options on futures, neither Hysni nor Joseff explained to him their trading strategy or provided any information about the risks, costs, or commissions and fees related to trading options. In addition, Hysni never discussed spread trading with Walter.

63. Hysni made all of the trading decisions for Walter's account. However, Walter never signed a power of attorney granting trading discretion to Hysni; nor did Walter approve of trades prior to Hysni placing them in his account.

64. Walter initially deposited $50,000 on November 18, 2010 using IRA funds. All of the trades placed in Walter's account were option spreads with commission breakevens ranging from almost 50% to over 70%. Yet, some trades placed in Walter's account actually closed with a net profit, but when this occurred, Hysni

would immediately invest these profits back into the market, where they were ultimately lost due to large commissions and fees.

65. Over the life of his account, Walter earned a gross trading profit of approximately $13,000. However, Walter paid more than four times that amount, or about $58,000, in commissions and fees, which produced a net trading loss for Walter of approximately $45,000. The following is an example of the typical trading activity that occurred in Walter's account.

Trade Date	Size	Contract Type	Long/Short Put/Call	Strike	Premium Collected/(Paid)	Commissions/ Fees
02/28/11	24	Sep-11 CBT Corn	Long Call	6.80	($69,600.00)	$2,988.48
02/28/11	24	Sep-11 CBT Corn	Short Call	7.00	$ 61,200.00	$2,988.48
Total	**48**				**($ 8,400.00)**	**$5,976.96**

66. This spread trade had a commission breakeven of over 70% in order to offset the commissions and fees that Walter paid. Furthermore, even though the spread was offset on May 31, 2011 with a gross profit of $3,900, Walter experienced a net loss of over $2,000 on the trade, after factoring in the commissions and fees of $5,976.96. Further, within 30 days of opening his account, Walter paid over $20,000 in commissions/fees and about $29,000 in premiums on four different call spreads, which dropped his ledger balance to $31.00.

67. One additional example of Atlantas and Hysni's abusive trading strategies involved the account of Morris Byram ("Byram"). Joseff solicited Byram to open an account through Atlantas and use his existing IRA to fund his account. Byram told Joseff that he wanted to put his IRA funds in something that was safe,

would balance out any investments in the stock market and "weather the storm." Joseff did not advise Byram that options on futures involved substantial risk and were probably not the best investment for IRA funds and especially for someone like Byram who was seeking a safe investment that would "weather the storm."

68. After Byram made his initial investment, Joseff transferred him to Hysni. However, neither Hysni nor Joseff discussed the risks of trading with Byram. Nor did they discuss the workings of options trading with Byram, or commissions and fees, or how much a trade would have to increase in value before becoming profitable.

69. Byram left it to Hysni to decide what commodities to invest in and was unaware of Hysni's trading strategy and the types of trades Hysni placed in his account. Byram also never approved any specific trades made by Hysni before they were placed in his account (including an April 2012 Gold spread placed in his account on August 18, 2011); nor did he give Hysni a power of attorney authorizing Hysni to exercise discretionary trading authority over his account.

70. On May 24, 2010, Byram made an initial deposit into his account of about $37,500 from his IRA. A few days later, Byram paid almost $11,000 in commissions and fees for gold, silver and crude oil option trades Hysni placed in his account. The crude oil trades were part of a reverse iron condor, as illustrated in the chart below.

Trade Date	Size	Contract Type	Long/Short Put/Call	Strike	Premium Collected/(Paid)	Commissions/ Fees
05/28/10	12	Sep-10 NY Crude	Long Call	80.00	($41,160.00)	$1,494.12
05/28/10	12	Sep-10 NY Crude	Short Call	81.00	$36,600.00	$1,494.12
05/28/10	12	Sep-10 NY Crude	Short Put	70.00	$33,600.00	$1,494.12
05/28/10	12	Sep-10 NY Crude	Long Put	71.00	($37,440.00)	$1,494.12
Total	**48**				**($8,400.00)**	**$5,976.48**

71. This overall trade cost Byram $8,400 in premiums and almost $6,000 in commissions and fees, for a commission breakeven of more than 70%. In addition, the call legs were offset later for a net profit of $612, while the put legs expired worthless, which produced a loss for Byram of approximately $6,800, after deducting commissions and fees.

72. Byram paid an average commission/fee rate of about $105 per contract, which amounted to approximately $60,600 in total commission and fee charges between May 2010 and August 2011. In addition, even though Byram experienced a gross trading profit of close to $23,800, his account balance as of March 31, 2012 totaled $662 and he sustained an overall net trading loss of approximately $36,800, largely because of the high commissions he was charged.

73. By reason of the foregoing acts and omissions, Atlantas and Hysni are charged with violations of NFA Compliance Rules 2-4 and 2-8(a).

COUNT III

VIOLATIONS OF NFA COMPLIANCE RULE 2-9(a): FAILING TO SUPERVISE.

74. The allegations contained in Counts I and II are realleged as paragraph 74.

75. Atlantas and Hysni failed to properly supervise the firm and its agents to ensure compliance with NFA Requirements. Atlantas and Hysni engaged in abusive trading practices designed to maximize commissions for them, but which often made no financial sense for their customers. In addition, Atlantas and Hysni exercised discretion over customer accounts without written authorization. Furthermore, they permitted an individual who was not a registered AP of the firm – Joseff – to solicit customers using misleading sales solicitations and to encourage a customer to falsify information on his account opening forms.

76. By reason of the foregoing acts and omissions, Atlantas and Hysni are charged with violations of NFA Compliance Rule 2-9(a).

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.

NFA staff is authorized to grant such reasonable extensions of time in which an Answer may be filed as it deems appropriate.

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, 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 herein 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: 06/29/2012

By: ______________________
Chairperson

m/cxc/Complaints/Atlantas Complaint

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on June 29, 2012, I served copies of the attached Complaint, by sending such copies by overnight mail and regular mail, first-class delivery, in envelopes addressed as follows to:

Atlantas Group, Inc.
5640 W. Maple Road
#102
West Bloomfield, MI 48322
Attn: Edmund Hysni, President

Edmund K. Hysni
1315 Forest Bay
Waterford, MI 48328

Steven H. Joseff
5201 Autumn Ridge Court
West Bloomfield, MI 48323

Nancy Miskovich-Paschen

Nancy Miskovich-Paschen

Subscribed and sworn to before me
on this 29th day of June 2012.

Mary A. Patton

Notary Public

OFFICIAL SEAL
MARY A PATTON
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 08/28/2013