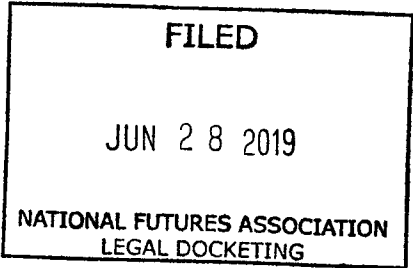


NATIONAL FUTURES ASSOCIATION  
BEFORE THE  
BUSINESS CONDUCT COMMITTEE



In the Matter of: )  
)  
SYSTRA LLC )  
(NFA ID #411141) )  
)  
and )  
)  
ROBERT H. KOPP )  
(NFA ID #348556), )  
)  
Respondents. )

NFA Case No. 19-BCC-007

**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 Systra LLC (Systra) and Robert H. Kopp (Kopp).

**ALLEGATIONS**

**JURISDICTION**

1. At all times relevant to this Complaint, Systra was an NFA Member commodity trading advisor (CTA) located in Chicago, Illinois. As such, Systra 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, Kopp was a listed principal and associated person (AP) of Systra and an NFA Associate. As such, Kopp was and is

required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Systra is liable for violations of NFA Requirements committed by Kopp during the course of his activities on behalf of Systra.

3. Systra has been a CTA NFA Member since June 2009. Systra's main office is located in Chicago. The firm was also a registered IB from October 2012 to July 2018 and a forex firm from March 2014 to July 2017. The firm maintains a branch office in Dusseldorf, Germany.
4. Kopp is a listed principal and an AP of Systra and an NFA Associate. Kopp appears to spend much of his time in Germany where Systra's branch office is located.
5. Systra's most recent annual questionnaire, prepared on May 31, 2018, reported no assets under management and no managed accounts and indicated that the firm was not soliciting customer accounts. Several years ago, Systra had managed accounts including an account for Systra Opportunity Fund Limited, a British Virgin Islands company of which Kopp was a member of the board of directors.
6. Systra has been the subject of three NFA examinations, including an initial applicant exam. The firm's 2017 examination resulted in NFA issuing a Staff Letter to the firm for the deficiencies noted during the exam, including failure to provide annual AML training to Kopp, conduct an annual audit of its AML program, list the firm's Dusseldorf, Germany office as a branch office, file

quarterly and annual CTA PR Reports, and provide training on the firm's Information Systems Security Program (ISSP).

7. In April 2019, NFA received a complaint from an individual who alleged that he was unable to redeem his interest in the Golden Horn Opportunity Fund (Golden Horn Fund), which was managed by Systra Asset Management, an alias for Systra. This individual had invested over \$250,000 in the Golden Horn Fund in September 2014 and had made redemptions in February 2015 and March 2016, which totaled approximately \$42,000, but had been unable to get back the remainder of his investment in the Golden Horn Fund. The last communication this individual received from Kopp was in April 2017.
8. The administrator of the Golden Horn Fund was Stonegate International Administration LLC (Stonegate), an entity owned by an associate of Kopp who was also a principal of Systra. NFA reviewed Stonegate's website and noted a testimonial from Kopp describing the services Stonegate had provided to the Golden Horn Fund.
9. Based on the foregoing information, NFA commenced an unannounced examination of Systra on May 3, 2019. As alleged in detail, below, Kopp was uncooperative with NFA during the exam and also provided false information to the NFA exam team.

#### **APPLICABLE RULES**

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

11. NFA Compliance Rule 2-5 provides, in pertinent part, that each NFA Member and Associate shall cooperate promptly and fully with NFA in any NFA investigation, inquiry, audit, examination or proceeding regarding compliance with NFA requirements.

### COUNT I

#### **VIOLATIONS OF NFA COMPLIANCE RULES 2-2(f) AND 2-5: PROVIDING FALSE INFORMATION TO NFA AND FAILING TO COOPERATE WITH NFA DURING ITS EXAMINATION OF SYSTRA.**

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12. The allegations contained in paragraphs 1 through 11 are re-alleged as paragraph 12.
13. On May 3, 2019, NFA commenced its examination of Systra. On that date, the NFA exam team visited Systra's listed business address in Chicago, which turned out to be a shared office complex. The exam team spoke with the receptionist and was informed that neither Kopp nor any other employee of Systra was present at the office at that time. NFA then attempted to call Kopp and received no answer. The NFA exam team then sent an email to Kopp advising him of NFA's examination of Systra and instructing him to immediately call NFA staff to answer some initial questions about Systra's current business operations.
14. As NFA did not hear back from Kopp, NFA contacted the other principals of Systra in an attempt to obtain information about the firm and the Golden Horn Fund and obtain contact information for Kopp. One of the principals with whom NFA spoke represented that he too had been unable to reach Kopp for nearly three months and had not done any business for Systra since July 2018, when

Systra withdrew its IB registration. He also represented that he had no knowledge of the Golden Horn Fund or any other funds managed by Kopp or Systra.

15. NFA also spoke with Thomas Pearson (Pearson), a former principal of Systra, who told NFA that he was no longer affiliated with Systra. However, Pearson did confirm that he had acted as the administrator of the Golden Horn Fund and that Kopp and Systra had managed the fund. Pearson also represented that he believed the Golden Horn Fund ceased operations in February or March 2018. According to Pearson, the highest NAV that the Golden Horn Fund had was \$4 million and it only had non-US investors.
16. During the afternoon of May 3, 2019, NFA received a telephone call from Kopp. Kopp told the NFA exam team that Systra currently manages two non-US accounts, neither of which is currently trading. Kopp also told NFA that Systra is not currently soliciting customer accounts but that he planned to begin soliciting US customers sometime in the future. NFA asked Kopp about the Golden Horn Fund. Kopp indicated that he provided advice, but did not trade for the fund. However, NFA subsequently learned that Kopp's representation was false and that he actively traded several accounts that the Golden Horn Fund maintained at Interactive Brokers LLC (Interactive).
17. Interactive informed NFA that it had five trading accounts for the Golden Horn Fund, which had approximately \$1.1 million in additions and \$817,000 in withdrawals. However, Interactive said that only three of these accounts

remained open with total combined equity of less than \$700 as of March 31, 2019.

18. The account opening documents and order logs for the Golden Horn Fund's accounts at Interactive showed that Kopp was the most active trader for these accounts, contrary to his earlier representation to NFA.
19. RJ O'Brien Associates LLC also carried four managed accounts for Systra – two of which were for US customers and two of which were for foreign customers – which had combined total equity of \$35,115 as of April 30, 2019. However, these accounts have now been converted to customer-directed accounts, and Kopp and Systra no longer have access to them or the ability to trade them.
20. Subsequent to the call from Kopp, NFA emailed him a document request which, among other items, asked Kopp for Systra's bank records going back to January 2018. Additionally, NFA provided Kopp with a written summary of its May 3rd telephone call with him and asked him to confirm its accuracy. NFA also scheduled a follow-up call with Kopp for May 6, 2019 at 1:00 p.m. (CDT). However, minutes prior to the May 6th call, NFA received an email from Kopp canceling the call. NFA sent emails to Kopp requesting to reschedule the telephone call but received no response from Kopp.
21. On the morning of May 7, 2019, NFA once again emailed Kopp, instructing him to contact NFA immediately and advising him that his failure to cooperate could result in a disciplinary action. Later that morning, Kopp sent NFA two emails, one confirming the accuracy of NFA's summary of the May 3, 2019 telephone call between him and NFA, and the other transmitting copies of some of the bank

statements requested by NFA and indicating that the majority of the bank statements would be provided in the coming days. After receiving these emails, NFA emailed Kopp back requesting to meet with him as soon as possible and reiterating its request for Systra's remaining bank statements.

22. Kopp failed to respond to NFA's request for a meeting. Therefore, NFA emailed Kopp on May 8, 2019 again requesting an in-person meeting or conference call and gave Kopp a deadline to respond of May 9, 2019 at 5:00 p.m. (CDT).
23. Kopp missed the May 9th deadline and, as such, NFA attempted to contact Kopp via telephone call and email on May 10, 2019. However, as of the date of this Complaint, NFA has not received the majority of the documentation requested and Kopp has not made himself available for an in-person discussion or conference call.
24. By reason of the foregoing acts and omissions, Systra and Kopp are charged with violating NFA Compliance Rules 2-2(f) and 2-5.

### **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

Email: [Docketing@nfa.futures.org](mailto: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 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 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: 06-28-2019

By:   
Chairperson

m/rvh/Systra and Robert Kopp Complaint