

**NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE**

In the Matter of:)
)
YORK BUSINESS ASSOCIATES LLC)
d/b/a TRANSACT FUTURES)
(NFA ID #309379),)
)
INFINITY FUTURES LLC)
(NFA ID #266569),)
)
JAMES PAUL MOONEY)
(NFA ID #194247),)
)
JAMES CAGNINA, JR.)
(NFA ID #312643),)
)
PATRICK ZIELBAUER)
(NFA ID #346230),)
)
and)
)
BRIAN SASS)
(NFA ID #318139),)
)
Respondents.)

NFA Case No. 20-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 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 York Business Associates, LLC d/b/a Transact Futures (York), Infinity Futures LLC (Infinity), James Paul Mooney (Mooney), James Cagnina, Jr. (Cagnina), Patrick Zielbauer (Zielbauer) and Brian Sass (Sass).

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, York was a futures commission merchant (FCM) registered with the Commodity Futures Trading Commission (CFTC or Commission) and a NFA Member. As such, York 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, Infinity was registered with the CFTC as an introducing broker (IB) and a NFA Member. As such, Infinity was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.
3. At all times relevant to this Complaint, Mooney was registered with the CFTC as an AP of York and Infinity, listed as a principal of York and Infinity, and an NFA Associate. As such, Mooney was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.
4. At all times relevant to this Complaint, Cagnina was registered with the CFTC as an AP of York and Infinity, listed as a principal of Infinity, and an NFA Associate. As such, Cagnina was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.
5. At all times relevant to this Complaint, Zielbauer was registered with the CFTC as an associated person (AP) of Infinity, and an NFA Associate. As such, Zielbauer was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

6. At all times relevant to this Complaint, Sass was registered with the CFTC as an AP of York, listed as a principal of York and Infinity, and an NFA Associate. As such, Sass was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

BACKGROUND

7. York is an FCM Member located in Deer Park, Illinois.
8. Infinity is an IB Member located in Chicago, Illinois. Infinity is a wholly-owned subsidiary of York and introduces substantially all of its business to York. The firm has one branch office, which is located in Bee Cave, Texas (Bee Cave Branch).
9. Mooney, Cagnina and two other individuals collectively own about 95% of York. Mooney and Cagnina are responsible for supervising Infinity's APs. At the time of the activities relevant to this Complaint, Mooney and Cagnina also supervised the Infinity employee who was primarily responsible for overseeing Zielbauer and the Bee Cave Branch (hereafter referred to as Zielbauer's "direct supervisor" at Infinity). Mooney, Cagnina and Zielbauer's direct supervisor each work out of Infinity's office in Chicago.
10. Zielbauer has been a registered AP of Infinity and an NFA Associate since 2004. At the time of the activities relevant to this Complaint, he was an AP at the Bee Cave Branch. Zielbauer became the manager of the Bee Cave Branch on April 21, 2017.
11. Sass is responsible for the accounting/finance functions at York and Infinity. Sass is also responsible for supervising individuals employed in York's

compliance department. At the time of the activities relevant to this Complaint, Sass supervised the individual in York's compliance department who was responsible for monitoring, reviewing and analyzing suspicious account deposit activity (hereafter referred to as "York's compliance officer").

Suspicious Activities involving Joseph Rokop and RBT Capital LLC

12. At the time of the activities relevant to this Complaint, Joseph Rokop (Rokop) owned and operated two entities—RBT Capital LLC (RBT) and EdifyTrading.com (Edify). Neither Rokop, RBT nor Edify has any current or former CFTC registration or NFA membership status.
13. Edify is a trading education and mentorship service. In February 2016, Edify formally became an "educator" for Infinity. As an Infinity "educator," Edify conducted educational webinars and trading demonstrations on Infinity's website. Infinity promoted these sessions by sending e-mail "blasts" to select customers and advertised them via newsletters and various social media outlets. Zielbauer and Rokop knew one another before Edify became an Infinity "educator."
14. When Edify became an "educator" for Infinity in February 2016, Infinity conducted due diligence that consisted of "Googling" Rokop, RBT and Edify and accessing certain social media accounts they operated.
15. At the time of the activities relevant to this Complaint, Rokop maintained two accounts that Infinity introduced to York. One account was a personal account in Rokop's name. The other account was in the name of RBT.
16. Rokop opened the RBT account on April 1, 2016. During the life of RBT's account, Rokop deposited about \$627,000, withdrew about \$80,000, paid

commissions of about \$75,000 and incurred trading losses of about \$470,000.

The RBT account currently has a debit balance of about \$450.

17. Rokop represented in the account opening documentation that RBT was a "mentorship" business and had an annual income of \$50,001-\$100,000, estimated member equity of \$500,000-\$1 million, and liquid assets of \$50,001-\$99,999.
18. Before Rokop opened the RBT account, Infinity and York obtained a copy of Rokop's LinkedIn profile, which referred to Rokop as the president and CEO of RBT and indicated RBT traded commodities utilizing "pool capital." Before the account opened, no one at Infinity or York questioned Rokop about the reference to "pool capital" or obtained more information about RBT's activities.
19. In September 2018, Sass reported to NFA that Rokop was potentially operating as an unregistered commodity pool operator (CPO). Sass indicated that a customer of York and Infinity (Customer A) had contacted Zielbauer and said he could not access the \$25,000 investment he had given to Rokop.
20. This disclosure prompted NFA to commence an investigation, which found that York's compliance and risk systems are programmed to automatically generate alerts based on suspicious deposit activity that exceeds certain pre-defined thresholds. The alerts include Large Cash Transaction Reviews (Cash Reviews) and Wire Transfer Reviews (Wire Reviews).
21. Cash Reviews are generated if the absolute value of cash transactions exceeds a specific amount during a particular time and may include an "examination of

source of funds." A Cash Review will be closed after York reviews activity in the account.

22. Wire Reviews are generated if cash deposits exceed specific percentages of the account holder's yearly income, liquid net worth or net worth. According to York's compliance manual, Wire Reviews "trigger enhanced due diligence procedures" (hereafter referred to as the "EDD Review"). The compliance manual also states the EDD Review "should be centered on the source of funds" and may include "obtaining a statement of net worth...[and] review of account holder's bank statements..."
23. At the time of the activities relevant to this Complaint, York's compliance officer was responsible for evaluating York's Cash and Wire Reviews. In addition to these system-generated reports, York's compliance officer manually created Bylaw Reports. Since York had no specific written procedures governing when to create Bylaw Reports, York's compliance officer would "judgmentally" select the customer accounts that appeared most frequently on the Cash and Wire Reviews and add them as Bylaw Reports.
24. Almost immediately after the RBT account opened, Rokop's deposit activity generated Cash Reviews and Wire Reviews and caused York's compliance officer to create Bylaw Reports (hereafter collectively referred to as "Red Flags" or "Alerts"). The first Cash Review triggered on April 5, 2016, the first Wire Review triggered on May 3, 2016, and the first Bylaw Report triggered on July 5, 2016. In addition to these Alerts, Rokop's deposit activity in the RBT account triggered an additional 14 Alerts as of August 16, 2016.

25. Contrary to the firm's compliance procedures, York closed all of these Alerts without obtaining any documentation from RBT and Rokop to identify the source of funding for the deposits.
26. After another Cash Review triggered in August 2016, York finally commenced an EDD Review. By that time, Rokop had made cumulative deposits of about \$140,000 to the RBT account.
27. As part of the EDD Review, York's compliance officer contacted Zielbauer by e-mail and asked him to request that Rokop complete "the attached [net worth] template...as well as [obtain] the last 3 bank statements from the bank account where the funding is coming from." In the e-mail, York's compliance officer explained that one purpose of the EDD Review was "to ensure that the customer is adequately capitalized" and requested Zielbauer to "please ensure that the statements come from an account demonstrating that capitalization."
28. Rokop provided a statement reflecting a net worth of \$7,371.84. However, neither Zielbauer nor York's compliance officer obtained the specified bank statements from Rokop. Rather, they accepted credit card payment processing statements (hereafter referred to as "Payment Statements"). The Payment Statements showed that Rokop processed about \$183,000 (net of processing fees) in credit card payments from January 1, 2016 through July 31, 2016.
29. In his response, Rokop represented that the credit card payments related to his mentorship business. However, the Payment Statements were in Rokop's name, not in the name of RBT or Edify. Further, the Payment Statements contained no indication as to the purpose or ultimate source of the credit card payments.

30. Rokop also claimed, "Bank account of 100K plus billables of 200K gives you 300K." However, the Payment Statements, on their own, did not evidence legitimate billables of any amount.
31. Notwithstanding Rokop's conflicting information and incomplete documentation, York's compliance officer concluded the 2016 EDD Review by noting that Rokop:

has an annual income of \$100-250K and a [net worth] of more than \$1mil...Provided a [net worth] template showing low [net worth] however he also provided statements showing \$300K+ in annual income YTD...
32. York's compliance officer closed the August 2016 EDD Review without limiting or restricting Rokop's deposit or trading abilities.
33. From August 2016 through April 2018, the deposit activity in the RBT account generated nearly 200 more Alerts. Notwithstanding the number of Alerts, York conducted no additional EDD Reviews to verify the source of funding for RBT's trading account.
34. As of May 16, 2018, Rokop's deposits to the RBT account totaled about \$612,000. Around this time, York commenced another EDD Review of RBT's trading account. In a recorded conversation between Zielbauer and Rokop on May 22, 2018, Zielbauer emphasized that Rokop needed to provide the financial information York had requested, so they could get "this audit over with."
35. As part of the review, Rokop completed a statement of net worth listing current assets of \$750,000. Nevertheless, during his conversation with Zielbauer, Rokop confessed he "could not be in a worse place financially..." and said he would be unable to timely satisfy a debit balance of approximately \$4,500 that RBT owed to York.

36. Rokop also provided Zielbauer with bank account statements for February 2018 through April 2018. In an accompanying e-mail, Rokop stated the bank statements would show, "two small loans in the past 90 days as we have a great billing history with favorable credit..."
37. One of the bank statements showed that RBT received a \$10,000 wire on April 26, 2018. The description of the wire on the bank statement included the notation, "Funding Crude OIL Trading Account."
38. In addition to the \$10,000 wire, the bank statements showed that RBT received approximately \$23,400 via loans; \$11,000 via counter deposits; about \$12,000 (on a net basis) in internal transfers from other Rokop-controlled bank accounts; and less than \$27,000 in credit card billings.
39. York's compliance officer obtained the net worth and bank statements from Zielbauer around May 17, 2018. However, York's compliance officer did not formally sign-off on the EDD Review until August 21, 2018.
40. In completing the paperwork for the 2018 EDD Review, York's compliance officer wrote the same notation, word-for-word, that he had included in the 2016 EDD Review (referred to in paragraph 31, above). York's compliance officer again closed the 2018 EDD Review without restricting or limiting the deposit or trading activities in the RBT account.
41. As alleged in more detail below, Infinity and York failed to detect or ignored the inconsistent and contradictory information that Rokop provided. York also failed to sufficiently follow its procedures by failing to diligently investigate the numerous and repeated Red Flags generated by the suspicious deposit activity

in the RBT account. Likewise, Infinity failed to follow its procedures regarding reporting customer complaints and suspicious activity.

42. In addition to the suspicious deposits, Zielbauer ignored other warning signs about Rokop's activities. In May and June 2018, Zielbauer received calls from another customer whose account Infinity introduced to York (Customer B). During the calls, Customer B indicated he had invested money with Rokop and was concerned because Rokop would not call him back. However, even though Infinity's procedures required Zielbauer to report customer complaints and suspicious activity to Infinity supervisory personnel, Zielbauer failed to do so.
43. NFA's investigation found that Rokop accepted at least \$117,500 from several customers of Infinity and York for purposes of trading. These and other findings from NFA's investigation revealed that personnel at Infinity and York knew or should have known that Rokop was operating as an unregistered CPO prior to Sass's call to NFA in September 2018.
44. Finally, Infinity and York have each been the subject of CFTC enforcement orders involving a failure to have an adequate supervisory system in place and to detect and investigate suspicious behavior. In 2012, Infinity settled a CFTC administrative action, which found Infinity had ignored warning signs involving the activities of an Infinity customer, who was holding himself out to the public as a commodity trading advisor and trading customer accounts without being properly registered with the CFTC. Likewise, in 2012, York settled a CFTC administrative action, which found York had failed to sufficiently follow-up on suspicious activity

in, and failed to diligently supervise its employees' handling of, an account held at York that was used to engage in a commodity pool fraud.

APPLICABLE RULES

45. 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.
46. NFA Compliance Rule 2-9(a) provides, in pertinent part, that each Member shall diligently supervise its employees and agents in the conduct of their commodity futures activities and each Associate who has supervisory duties shall diligently exercise such duties.
47. 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 NFA Associate or is an NFA Member. Bylaw 301(b) further provides that the term "associated with a Member" means any person who is associated with a Member of NFA within the meaning of the term "associated person" as used in the Act or Commission Rules and who is required to be registered as such with the Commission. In turn, Section 4k(1)(ii) of the Act provides, in pertinent part, that it shall be unlawful for any person to be associated with an IB as an employee in any capacity that involves the supervision of any person so engaged in the solicitation or acceptance of customers' orders unless such person is registered with the Commission under this Act as an AP of an IB.
48. NFA Bylaw 1101 provides, in pertinent part, that no Member may carry an account, accept an order or handle a transaction in commodity futures contracts

for or on behalf of any non-Member of NFA that is required to be registered with the Commission.

COUNT I

VIOLATIONS OF NFA BYLAW 1101 AND NFA COMPLIANCE RULE 2-4: DOING BUSINESS WITH AN ENTITY THAT WAS REQUIRED TO BE REGISTERED WITH THE CFTC AS A CPO AND APPROVED AS AN NFA MEMBER, BUT WAS NOT; AND FAILING TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE BY FAILING TO DETECT OR IGNORING SUSPICIOUS ACTIVITY.

49. The allegations contained in paragraphs 2 through 5, 8 through 10, 12 through 19, 27 through 30, 34 through 39, 41 through 45, and 48 are realleged as paragraph 49.
50. As alleged above, prior to doing business with RBT, Infinity obtained a copy of Rokop's LinkedIn profile, which indicated RBT traded commodities utilizing "pool capital." Despite the reference to "pool capital," Infinity failed to perform adequate due diligence to determine if RBT was required to be registered with the CFTC as a CPO and approved as a Member of NFA.
51. After the RBT account opened, Zielbauer ignored or failed to detect other warning signs about Rokop and RBT's activities, including Customer B telling Zielbauer in May 2018 that he had invested money with Rokop. Although Zielbauer reported Rokop to his direct supervisor at Infinity in September 2018, he only did so after Customer A (who, as alleged above in paragraph 19, invested \$25,000 with Rokop) had threatened the possibility of outside legal and regulatory involvement.
52. Zielbauer knew about inconsistent and material statements that Rokop made during the 2018 EDD Review. Notwithstanding his knowledge of those facts and

circumstances, Zielbauer failed to notify compliance or supervisory staff at Infinity or York of them and, thereby, enabled Rokop to provide misleading and likely false information regarding his financial wherewithal to York.

53. By ignoring or failing to detect the numerous warning signs concerning RBT and Rokop's activities, Infinity and Zielbauer violated the high standards of commercial honor and just and equitable principles of trade expected of NFA Members and Associates.
54. As a result of doing business with RBT, Infinity violated the prohibitions of NFA Bylaw 1101 against doing business with an unregistered, non-NFA Member that was required to be registered with the CFTC.
55. By reason of the foregoing acts and omissions, Infinity and Zielbauer are charged with violations of NFA Compliance Rule 2-4, and Infinity is charged with violations of NFA Bylaw 1101.

COUNT II

VIOLATIONS OF NFA BYLAW 301(b) AND NFA COMPLIANCE RULE 2-9(a): PERMITTING AN EMPLOYEE TO ACT AS AN AP WITHOUT BEING REGISTERED AS SUCH AND FAILING TO SUPERVISE INFINITY'S EMPLOYEES AND OPERATIONS.

56. The allegations contained in paragraphs 2 through 5, 8 through 10, 12 through 19, 27 through 30, 34 through 39, 41 through 44, 46 through 47, and 50 through 54 are realleged as paragraph 56.
57. As alleged above, Zielbauer reported to his direct supervisor at Infinity. In addition to supervising Zielbauer, his direct supervisor had primary responsibility for supervising the Bee Cave Branch. Despite these responsibilities, Zielbauer's

direct supervisor should have been registered with the CFTC as an AP of Infinity, but was not.

58. Zielbauer's direct supervisor employed an inadequate system to supervise Zielbauer and the Bee Cave Branch, as demonstrated by the numerous failures alleged above. Zielbauer's direct supervisor also represented that, as part of his supervisory review, he regularly listened to Zielbauer's phone conversations. However, Zielbauer's direct supervisor maintained no documentation to evidence such reviews.
59. As alleged above, Zielbauer's direct supervisor reports to Mooney and Cagnina. Mooney and Cagnina are also responsible for supervising all Infinity APs. However, similar to Zielbauer's direct supervisor, Infinity, Mooney and Cagnina also employed an inadequate supervisory system which consisted of lax oversight and inadequate procedures.
60. To fulfill their supervisory responsibilities, Mooney and Cagnina rely on Zielbauer's direct supervisor to inform them of issues and claim they, "maintain continuous contact" with Zielbauer's direct supervisor since they all sit in close proximity to each other in Infinity's Chicago office. When Zielbauer worked out of the Chicago office in 2016, Cagnina apparently supervised Zielbauer by sitting directly across from him. After Zielbauer moved to the Bee Cave Branch, Mooney and Cagnina represented they supervised Zielbauer "in essentially the same manner..."
61. Mooney and Cagnina also claim they supervise Zielbauer through their ability to review his telephone recordings and e-mails. However, Infinity had no

procedures regarding the frequency or scope of those reviews. Additionally, as evidenced by the fact that Zielbauer failed to report the phone calls he received from Customer B in May and June 2018, Mooney and Cagnina had no effective method of enforcing Infinity's procedures which required Zielbauer to report customer complaints and suspicious activity.

62. Mooney and Cagnina also were unable to provide NFA with any written procedures addressing how Infinity supervises its branch offices.
63. As further evidence of their lax supervision, after the circumstances involving Rokop and RBT came to light, Infinity, Mooney and Cagnina only gave Zielbauer a verbal reprimand, notwithstanding his significant role in ignoring and failing to detect the numerous warning signs concerning Rokop and the RBT account. Based on the foregoing, Infinity, Mooney and Cagnina have each failed to diligently perform their supervisory duties.
64. By reason of the foregoing acts and omissions, Infinity, Mooney and Cagnina are each charged with violations of NFA Compliance Rule 2-9(a), and Infinity is charged with violations of NFA Bylaw 301(b).

COUNT III

**VIOLATIONS OF NFA BYLAW 1101 AND NFA COMPLIANCE RULE 2-4:
FAILING TO UPHOLD HIGH STANDARDS OF COMMERCIAL HONOR AND
JUST AND EQUITABLE PRINCIPLES OF TRADE BY DOING BUSINESS WITH
AN ENTITY THAT WAS REQUIRED TO BE REGISTERED WITH THE CFTC AS
A CPO AND APPROVED AS A NFA MEMBER, BUT WAS NOT.**

65. The allegations contained in paragraphs 1, 6 through 7, 11 through 12, 15 through 41, 43 through 45 and 48 are realleged as paragraph 65.

66. As alleged above, RBT traded futures in an account introduced to York. RBT's account contained funds from outside investors that had been pooled together to trade. As a result, RBT should have been registered with the CFTC as a CPO and approved as an NFA Member, but was not.
67. Prior to doing business with RBT, York obtained a copy of Rokop's LinkedIn profile, which indicated RBT traded commodities utilizing "pool capital." Despite the reference to "pool capital," York failed to perform adequate due diligence to determine if RBT was required to be registered. Had York performed adequate due diligence, the firm would have learned that RBT was required to be registered as a CPO, but was not registered as a CPO or in any other capacity.
68. York also failed to detect and ignored numerous warning signs that indicated RBT was acting in a capacity that required registration with the CFTC. Although Rokop's deposit activity in the RBT account generated over 240 Alerts over an approximate two-year period, York's compliance officer conducted only two EDD Reviews during this time. Further, the supporting documentation Rokop provided to York during the EDD Reviews contradicted and did not support the conclusions that York's compliance officer reached.
69. As a result of doing business with RBT, York violated the prohibitions of NFA Bylaw 1101 against doing business with an unregistered, non-NFA Member that was required to be registered with the CFTC. By failing to detect and ignoring the numerous warning signs regarding RBT and Rokop's activities, York violated the high standards of commercial honor and just and equitable principles of trade expected of NFA Members.

70. By reason of the foregoing acts and omissions, York is charged with violations of NFA Bylaw 1101 and Compliance Rule 2-4.

COUNT IV

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

71. The allegations contained in paragraphs 1, 6 through 7, 11 through 12, 15 through 41, 43 through 44, 46, and Count III are realleged as paragraph 71.
72. As alleged above, York repeatedly failed to sufficiently and diligently investigate the suspicious deposit activity in the RBT account. York's compliance officer was responsible for reviewing York's Cash and Wire Reviews, manually creating the Bylaw Reports, compiling and reviewing this information to determine when York should conduct formal EDD Reviews and then conducting the EDD Reviews. Even though deposit activity in the RBT account generated over 240 Red Flags, York's compliance officer only conducted two EDD Reviews over an approximate two-year period.
73. Further, the documentation Rokop provided during the EDD Reviews failed to support the conclusions reached by York's compliance officer. Due to the repeated failure to sufficiently and diligently investigate the Red Flags and adequately conduct the EDD Reviews, the RBT account remained active and Rokop continued to operate RBT as an unregistered CPO.
74. As alleged above, Sass was responsible for overseeing York's compliance officer. Sass also was the individual at York responsible for resolving any procedural issues that York's compliance officer may have encountered when implementing the Red Flag process or conducting EDD Reviews. Had Sass conducted even a cursory review of the York compliance officer's EDD

paperwork and the supporting documentation, he should have realized the compliance officer's conclusions were wrong and not supported by verifiable and independent sources, as required by York's procedures.

75. Notwithstanding the foregoing facts and circumstances, Sass failed to diligently perform his supervisory duties after RBT's activities came to light to ensure that York performed an appropriate review and implemented any needed changes. When Sass reported the incident to NFA in September 2018, he represented that York would conduct an internal investigation of Rokop's activities. Sass also indicated that York intended to "enhance its procedures...most likely [to] include modifying the KYC process and EDD Form by including additional procedures..."
76. However, when NFA recently asked Sass to produce the results of York's internal investigation and evidence of any updated or enhanced procedures, Sass claimed he was "not familiar with the context of that particular statement" to NFA. He also stated that York made no changes to its procedures because his review indicated the procedures were "adequate."
77. York and Sass's supervisory failures are also evidenced by Sass's admission that neither York nor Infinity had taken any steps to try and identify the extent of Rokop's fraudulent activities or determine the number of York customers that Rokop and RBT defrauded.
78. By reason of the foregoing acts and omissions, York and Sass 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 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 Answer must be filed by e-mail to the following address:

Docketing@nfa.futures.org

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 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.

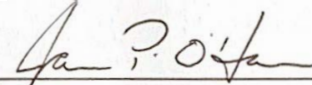
The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act.

Respondents in this matter who apply for registration in any new capacity, including as an associated person with a new sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to Commodity Futures Trading Commission (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: June 1, 2020

By: 
Chairperson