

**NATIONAL FUTURES ASSOCIATION
BEFORE THE
HEARING PANEL**

In the Matter of:)	
)	
LONG LEAF TRADING GROUP, INC.)	
(NFA ID #417912),)	
)	
and)	NFA Case No. 20-BCC-001
)	
JAMES ALAN DONELSON)	
(NFA ID #509805),)	
)	
Respondents.)	

DECISION

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee (BCC) of National Futures Association (NFA) in the above-captioned case, and having considered the Offer of Settlement (Offer) by Long Leaf Trading Group, Inc. (Long Leaf) and James Alan Donelson (Donelson), and having accepted their Offer, the Hearing Panel hereby issues this Decision as to them.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On February 4, 2020, the BCC issued a Complaint against Long Leaf, a former introducing broker Member of NFA located in Chicago, Illinois. The Complaint also named Donelson as a respondent. Donelson is a former NFA Associate and the prior president and an associated person (AP) of Long Leaf.

The Complaint alleged that Long Leaf and Donelson failed to observe high standards of commercial honor and just and equitable principals of trade by engaging in

complex multi-legged option trading strategies that were geared more towards generating commissions for themselves than benefitting their customers, in violation of NFA Compliance Rule 2-4. The Complaint further alleged that Long Leaf – acting through its former brokers who were APs of the firm – used misleading sales solicitations, often directed towards inexperienced customers, which exaggerated profit potential and downplayed the risk of loss, in violation of NFA Compliance Rules 2-2(a) and 2-29(a)(1). In addition, the Complaint alleged that Long Leaf exercised discretion over customer accounts without obtaining written authority to exercise such discretion, in violation of NFA Compliance Rule 2-8(a), and permitted individuals to act as APs without sponsoring the individuals as APs of the firm, in violation of NFA Bylaw 301(b) and in further violation of NFA Compliance Rule 2-4. Lastly, the Complaint alleged that Long Leaf and Donelson failed to diligently supervise the firm's operations and employees, in violation of NFA Compliance Rule 2-9(a).

II

OFFER OF SETTLEMENT

Without admitting or denying the allegations of the Complaint, Long Leaf and Donelson submitted an Offer in which they agreed to settle the charges against them on the following terms:

- a. Long Leaf agreed to not reapply for NFA membership or act as a principal of an NFA Member at any time in the future; and
- b. Donelson agreed to not apply for NFA membership, or reapply for NFA associate membership, or act as a principal of an NFA Member at any time in the future.

III

PENALTY

Having considered the matter and having accepted the Offer of Long Leaf and Donelson, the Hearing Panel orders as follows:

- a. Long Leaf shall not reapply for NFA membership or act as a principal of an NFA Member at any time in the future; and
- b. Donelson shall not apply for NFA membership, or reapply for NFA associate membership, or act as a principal of an NFA Member at any time in the future.

This Decision accepting Long Leaf and Donelson's Offer shall not be used as a sole basis for any other action or proceeding by NFA against Long Leaf or Donelson, including any registration matter, except their Offer and this Decision may be used in an action to enforce the terms thereof or in a subsequent disciplinary action or regulatory action, where they may be considered as evidence in aggravation on the issue of sanctions.

IV

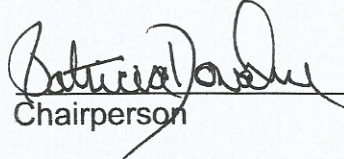
INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission (CFTC) Regulation 1.63, this Decision and the sanctions imposed herein render Donelson 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 five 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
BUSINESS CONDUCT COMMITTEE**

Date: August 7, 2020

By: 
Chairperson

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