

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

FILED

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NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:

PLUS EV CAPITAL LLC
(NFA ID #515477)

and

ROHIT CHOPRA
(NFA ID #515604),

Respondents.

NFA Case No. 21-BCC-014

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 Plus EV Capital LLC (EV Capital) and Rohit Chopra (Chopra).

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, EV Capital was an commodity trading advisor (CTA) and NFA Member in Newport Beach, California. As such, EV Capital 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, Chopra was an associated person (AP) and principal of EV Capital, and an NFA Associate. As such, Chopra was and is required to comply with NFA Requirements and is subject to disciplinary

proceedings for violations thereof. EV Capital is liable for violations of NFA Requirements committed by Chopra in the course of his activities on behalf of EV Capital.

BACKGROUND

3. EV Capital has been a CTA NFA Member and Chopra has been an NFA Associate since August 2018. Chopra is the sole owner and employee of EV Capital and has been a principal and AP of the firm since its inception. Chopra has no prior membership or registration history.
4. EV Capital operated a futures trading program known as the Raise Alpha Program (hereafter referred to as "the RAP program"). Chopra participated in the RAP program along with his customers. Trades for the RAP program were made through bunched orders, which were allocated at the end of the trading day.
5. In August 2020, the RAP program sustained huge losses. As a result, several customers requested that Chopra cease trading their accounts. However, Chopra failed to honor these requests and lied by misrepresenting that he had ceased trading the customers' accounts when, in fact, he continued to place trades in their accounts which resulted in losses to them.
6. Further, on several occasions after the RAP program started, Chopra removed himself from the post-trade allocation instructions sent to FCMs when a bunched order resulted in a loss. This saddled his customers with larger losses than they would have incurred had Chopra participated in the trade allocation and absorbed his share of the losses.

APPLICABLE RULES

7. NFA Compliance Rule 2-2(a) provides, in pertinent part, that no Member or Associate shall cheat, defraud or deceive, or attempt to cheat, defraud or deceive, any commodity futures customer.
8. 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.

COUNT I

VIOLATIONS OF NFA COMPLIANCE RULES 2-2(a) AND 2-4: PLACING UNAUTHORIZED TRADES IN CUSTOMERS' ACCOUNTS, LYING ABOUT THE TRADES PLACED IN CUSTOMERS' ACCOUNTS, TRADING RECKLESSLY IN A CUSTOMER'S ACCOUNT, AND FRAUDULENTLY MANIPULATING ALLOCATION INSTRUCTIONS TO BENEFIT CHOPRA TO THE DETRIMENT OF CUSTOMERS.

9. The allegations contained in paragraphs 1 through 8 are realleged as paragraph 9.
10. Chopra traded assets in the RAP program at a notional value. At its peak in May 2020, the notional value amounted to approximately \$10 million.
11. For the quarter ending June 30, 2020, EV Capital's RAP program had approximately 20 participants, including Chopra, and reported assets under management of more than \$3 million.
12. However, by August 2020, the number of participants in the RAP program had been reduced to eight, and the program only traded at a notional level of \$1.2 million.
13. By the end of the trading day on August 13, 2020, all customers in the RAP program were withdrawn from the program due to suffering trading losses, which amounted to more than \$850,000 and resulted in the customers losing all, or

substantially all, of their investments. Chopra subsequently closed the RAP program.

14. When NFA became aware of the large losses sustained by the RAP program in August 2020, NFA commenced an examination of EV Capital and its activities. As part of NFA's examination, NFA reviewed EV Capital's trading records which revealed that over the course of three days – from August 10 through August 12, 2020 – EV Capital and Chopra placed uncharacteristically large trades for customers in the RAP program and that such trades were unprofitable.
15. The review also revealed that EV Capital and Chopra engaged in far greater leverage on these three days than the leverage they had employed in the prior seven months. In fact, Chopra later acknowledged in a disclosure document submitted to NFA that the trading in August 2020 culminated in the RAP program experiencing a drawdown of more than 90% for the month.
16. By the end of the day on August 12, 2020, all but one of the customers had ceased participating in the RAP program. At that point, the account of the remaining customer had a net liquidating value of approximately \$60,000.
17. Late in the day on August 12, EV Capital and Chopra placed trades for over 800 futures contracts for the remaining customer, which included a 580-lot natural gas position that, if held overnight, would require margin of more than \$3.7 million.
18. Although this customer had not requested that trading cease in his account, Chopra acted recklessly by placing trades of this size for the customer's account. Further, Chopra provided evasive answers to NFA when asked why he made such large trades for the remaining customer.

19. Shortly after midnight on August 13, the Risk Desk of the FCM for the RAP program's allocation account flagged the natural gas position and manually liquidated it, while simultaneously freezing EV Capital's ability to place additional trades.
20. As the result of the emergency liquidation of the natural gas position, the remaining customer incurred a debit balance of approximately \$40,000.
21. Since inception, Chopra was one of the largest participants in the RAP program. Interestingly, Chopra stopped participating in the RAP program on or shortly before August 10, 2020, the very day on which the RAP program experienced a 20% drawdown.
22. NFA asked Chopra about the curious timing of his withdrawal from the RAP program on August 10. He could not remember why, exactly, he had withdrawn from the RAP program at that time but claimed that he would occasionally withdraw from the program to pay firm and personal expenses.
23. As part of NFA's 2021 exam, NFA also reviewed Chopra's e-mail communications. From this review, NFA discovered e-mails to Chopra involving five customers who remained in the RAP program. The e-mails were sent during the evening of August 11, 2020 – the day following the trading losses incurred on August 10 – and requested that EV Capital and Chopra cease trading these customers' accounts.
24. Chopra responded to these e-mails on August 11 and again on August 12, acknowledging the requests that trading cease in the five customers' accounts and providing assurances that the only trading that would occur would be to liquidate existing positions.

25. In subsequent e-mails on August 12 and 13 involving the five customers, Chopra claimed that he had placed no new trades in their accounts – other than trades liquidating their open positions – after receiving written notice on August 11 to cease trading in their accounts.
26. However, Chopra's representations regarding the trading in the five customers' accounts were false. Trading and order allocation records revealed that, in the morning of August 12, 2020 (the day after EV Capital and Chopra received requests to cease trading the five customers' accounts), Chopra placed new trades and allocated some of them to the five customers.
27. As a result of Chopra's unauthorized activity, the five customers incurred additional trading losses of approximately \$17,000.
28. Chopra's lying to EV Capital customers and the unauthorized and reckless trading in customers' accounts contradict the fraud prohibitions under NFA Compliance Rule 2-2(a). Chopra's and EV Capital's conduct also is contrary to their obligation to uphold high standards of commercial honor and just and equitable principles of trade under NFA Compliance Rule 2-4.
29. NFA also expanded its testing of order allocations in the RAP program. Such review found that Chopra did not participate in the trades placed by the RAP program on four separate occasions in 2020, viz., on August 10, as discussed above, and on May 27, June 29, and July 27. On each of these four occasions, Chopra did not include himself in the allocation instructions he prepared and sent to the FCMs at the end of the trading day and, by doing so, avoided losses of at least \$200,000.

30. Chopra's excluding himself from the trade allocations on the foregoing four days was deceptive, in further violation of NFA's fraud prohibitions. Chopra's conduct also demonstrated his self-interest and disregard for the well-being of his customers who suffered greater losses by reason of Chopra not allocating to himself a portion of the trades placed on the foregoing four days, in further breach of Chopra's responsibility to uphold high standards of commercial honor and just and equitable principles of trade.
31. By reason of the foregoing acts and omissions, EV Capital and Chopra are charged with violating NFA Compliance Rules 2-2(a) and 2-4.

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:

National Futures Association
300 South Riverside Plaza, Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing

E-Mail: 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 in connection with the issuance of this Complaint, one or more of the following penalties may be imposed:

- (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 \$500,000 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 a Respondent who is an individual 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: 11/16/2021

By: G. L. Wolff

Chairman