

**NATIONAL FUTURES ASSOCIATION
BEFORE THE
HEARING PANEL**

FILED

SEP - 6 2022

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)
)
DIRECT HEDGE DANMARK)
FONDSMAEGLERSELSKAB AS)
(NFA ID #479077))
)
and)
)
MORTEN OREBO DAM)
(NFA ID #479490))
)
)
Respondents.)

NFA Case No. 22-BCC-009

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 and accepted the Offer of Settlement (Offer) submitted by Direct Hedge Danmark Fondsmæglersekskab AS (Direct Hedge) and Morten Orebo Dam (Dam), this Hearing Panel (Panel) hereby issues this Decision as to Direct Hedge and Dam.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On June 29, 2022, the BCC issued a Complaint against Direct Hedge, a registered introducing broker, approved swap firm and NFA Member headquartered in Hellerup, Denmark. The Complaint also named Dam as a Respondent. Dam is a

registered associated person (AP) and principal of Direct Hedge, and an NFA Associate.

Count I of the Complaint alleged that Direct Hedge failed to keep oral pre-trade communication records required to be kept under Commodity Futures Trading Commission (CFTC) Regulation 1.35, in violation of NFA Compliance Rule 2-10(a).

Count II of the Complaint alleged that Direct Hedge failed to register an individual as an AP and an NFA Associate, in violation of NFA Bylaw 301(b). Count III of the Complaint alleged that Direct Hedge and Dam failed to diligently supervise the firm and its employees, in violation of NFA Compliance Rule 2-9(a).

II

OFFER OF SETTLEMENT

Without admitting or denying the allegations in the Complaint, Direct Hedge and Dam submitted an Offer in which they proposed to settle the charges against them by agreeing that Direct Hedge would pay a fine of \$70,000 to NFA within 30 days of the effective date of a Decision accepting their Offer. Direct Hedge and Dam also agreed to the inclusion of findings by the Hearing Panel in its Decision accepting the Offer that Direct Hedge and Dam committed the violations alleged in the Complaint.

III

FINDINGS

Pursuant to the Offer, the Panel finds that Direct Hedge violated NFA Compliance Rule 2-10(a) and NFA Bylaw 301(b); and that Direct Hedge and Dam violated NFA Compliance Rule 2-9(a).

IV

PENALTY

Having considered the matter and having accepted the Offer submitted by Direct Hedge and Dam, the Panel hereby orders Direct Hedge to pay a fine in the amount of \$70,000 to NFA within 30 days of the effective date of this Decision.

This Decision and the Offer shall not be used as the sole basis for any other action or proceeding by NFA against the Respondents, except that the 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 disciplinary history and as evidence in aggravation on the issue of sanctions.

V

INELIGIBILITY

Pursuant to CFTC Regulation 1.63, this Decision and the sanctions imposed herein render Dam 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 three (3) 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
HEARING PANEL**

Date: 09/06/2022

By: *Louis Lendbergh*
Chairperson