

**NATIONAL FUTURES ASSOCIATION  
BEFORE THE  
HEARING PANEL**

FILED

MAR 15 2023

NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING

In the Matter of:

OCEAN SOLUTIONS LLC  
(NFA ID #510217),

JAMES WILLIAM RONAN  
(NFA ID #447017),

and

JOHN MARTIN SCHMIDT III  
(NFA ID #447026),

Respondents.

NFA Case No. 22-BCC-015

**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 Ocean Solutions LLC (Ocean Solutions), James William Ronan (Ronan), and John Martin Schmidt III (Schmidt), this Hearing Panel (Panel) hereby issues this Decision as to the Respondents.

I

**ALLEGED VIOLATIONS OF NFA REQUIREMENTS**

On November 17, 2022, the BCC issued a Complaint against Ocean Solutions, a registered introducing broker and NFA Member headquartered in Vero Beach, Florida. The Complaint also named Ronan and Schmidt as Respondents.

Ronan and Schmidt are registered as associated persons (APs) of Ocean Solutions and NFA Associates.

Count I of the Complaint alleged that Ocean Solutions and Ronan violated NFA Compliance Rule 2-4 by failing to observe high standards of commercial honor and just and equitable principles of trade through their failure to disclose to customers the conflict of interest presented by Ocean Solutions and Ronan brokering trades on behalf of an affiliate, in which Respondents shared management and/or ownership. Count II of the Complaint alleged that Ocean Solutions violated NFA Compliance Rule 2-10(a) by failing to keep records of oral and written pre-trade communications that the firm's APs conducted using their cell phones. Count III of the Complaint alleged that Ocean Solutions, Ronan and Schmidt violated NFA Compliance Rules 2-4 and 2-26 by disclosing confidential customer information to other customers of the firm. Count IV of the Complaint alleged that Ocean Solutions violated NFA Bylaw 301(b) by failing to register the firm's chief executive officer as an AP and an NFA Associate, even though he was in the line of supervisory authority over APs. Finally, Count V of the Complaint alleged that Ocean Solutions violated NFA Compliance Rule 2-9(a) by failing to diligently supervise the firm and its employees.

## **II**

### **OFFER OF SETTLEMENT**

Without admitting or denying the allegations in the Complaint, Ocean Solutions, Ronan, and Schmidt submitted the Offer in which they proposed to settle the charges against them by agreeing that Ocean Solutions would pay a fine of \$140,000, Ronan would pay a fine of \$60,000, and Schmidt would pay a fine of \$30,000, with each fine to be paid to NFA within 30 days of the effective date of the Decision accepting their

Offer. Respondents also acknowledged in their Offer that any Decision accepting the Offer would include findings by the Panel.

### III

#### **FINDINGS**

Pursuant to the Offer, the Panel finds that Ocean Solutions, Ronan, and Schmidt violated NFA Compliance Rules 2-4 and 2-26; and that Ocean Solutions violated NFA Bylaw 301(b) and NFA Compliance Rules 2-10(a) and 2-9(a).

### IV

#### **PENALTY**

Having considered the matter and having accepted the Offer submitted by Respondents, the Panel hereby orders Ocean Solutions to pay a fine of \$140,000, Ronan to pay a fine of \$60,000, and Schmidt to pay a fine of \$30,000, with each fine to be paid to NFA within 30 days of the effective date of this Decision.

This Panel's acceptance of the Offer and this Decision shall settle the Complaint in this case and all matters relating to the Complaint; shall operate to bar any future Member Responsibility Action or BCC complaints against Ocean Solutions, Ronan, and/or Schmidt for any conduct occurring prior to the date of the Offer of which NFA has corporate knowledge; and shall resolve and terminate all complaints, investigations, examinations, and audits relating to Ocean Solutions, Ronan, and/or Schmidt that are pending as of the date of the Offer. The Offer and Decision shall not be used as the sole basis for any other action or proceeding by NFA against Ocean Solutions, Ronan, and/or Schmidt, including any registration matter, except that the Offer and this Decision may be used in an action to enforce the terms hereof 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 Commodity Futures Trading Commission (CFTC) Regulation 1.63, this Decision and the sanctions imposed herein render Ronan and Schmidt 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 they have satisfied all the sanctions and conditions imposed by this Decision.

**NATIONAL FUTURES ASSOCIATION  
HEARING PANEL**

Date: 03-15-2023

By:

  
Chairperson