

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

FILED

JUL 29 2024

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of)
)
TURING FX LLC)
(NFA ID #543537),)
)
ROCKHILL CAPITAL)
MANAGEMENT LLC)
(NFA ID #557569),)
)
and)
)
CHRISTIAN HILLENBRAND)
(NFA ID #544771),)
)
Respondents.)

NFA Case No. 24-BCC-008

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 Turing FX LLC (Turing), Rockhill Capital Management LLC (Rockhill) and Christian Hillenbrand (Hillenbrand).

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Turing has been a commodity pool operator (CPO) Member of NFA. As such, Turing 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, Rockhill has been a CPO Member of NFA. As such, Rockhill 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, Hillenbrand was an associated person (AP) and principal of Turing and Rockhill, and an NFA Associate. As such, Hillenbrand was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Further, Turing and Rockhill are liable for violations of NFA Requirements committed by Hillenbrand during the course of his activities on behalf of Turing and Rockhill.

BACKGROUND

4. Turing has been a CPO Member of NFA since January 2022 and is located in Chicago, Illinois. Turing operated a pool by the name of Turing FX Capital LP (the Turing Pool), which began operating in January 2022 and ceased trading in August 2023.
5. Rockhill has been a CPO Member of NFA since July 2023 and is located in Chicago, Illinois. Rockhill operates one pool by the name of Rockhill Investments LP (the Rockhill Pool), which began operating in September 2023 and liquidated in July 2024.
6. In addition to being an AP and principal of Turing and Rockhill, Hillenbrand is the sole owner and chief executive officer of Turing and Rockhill and the individual who oversees each firms' day-to-day operations.

7. NFA commenced an exam of Turing in August 2023 due to concerns identified during reviews of the Turing Pool's financial filings. As alleged in more detail below, NFA's exam of Turing found that the firm and Hillenbrand committed serious violations of NFA Rules.
8. Further, during follow-up on the Turing exam, NFA found that many of the violations that had been committed by Turing and Hillenbrand were also being committed by Rockhill and Hillenbrand.

APPLICABLE RULES

9. NFA Compliance Rule 2-45, together with a related Interpretive Notice, prohibit CPOs from permitting any of their commodity pools to make a direct or indirect loan or advance of pool assets to the CPO or any other affiliated person or entity. NFA's Board of Directors adopted the prohibition in 2009 as a result of situations where pool participants suffered losses from loans CPOs made to themselves, their principals and related entities.
10. NFA Compliance Rule 2-4 requires Members and Associates to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their commodity futures business.
11. NFA Compliance Rule 2-13 provides that any Member who violates certain CFTC Part 4 Regulations is deemed to have violated an NFA Requirement. Such Part 4 Regulations include CFTC Regulation 4.21(a), which requires CPOs to deliver to a prospective pool participant a Disclosure Document for the pool no later than the time the CPO delivers to the prospective pool participant a subscription agreement for the pool. Additionally, CFTC Regulation 4.26(d)

requires CPOs to file a Disclosure Document, and any amendments thereto, with NFA not less than 21 calendar days prior to the date the CPO first intends to deliver such Disclosure Document to a prospective pool participant.

12. NFA Compliance Rule 2-13 also incorporates CFTC Regulation 4.22, which requires, in pertinent part, CPOs to periodically distribute to each pool participant in each pool it operates an account statement that includes a statement of operations, a statement of changes in net asset value for the pool, and an oath or affirmation that, to the best of the knowledge and belief of the individual making the oath or affirmation, the information contained in the document is accurate and complete. CFTC Regulation 4.22 also provides that it shall be unlawful for an individual to make the required oath or affirmation if the individual knows or should know that any of the information in the document is not accurate and complete.
13. NFA Compliance Rule 2-2(f) provides that no Member or Associate shall willfully submit materially false or misleading information to NFA or its agents.

COUNT I

VIOLATIONS OF NFA COMPLIANCE RULE 2-45: PERMITTING PROHIBITED ADVANCES OF POOL ASSETS.

14. The foregoing paragraphs are realleged as if fully stated herein.

Turing

15. The Turing Pool's Disclosure Document included an expense cap provision under which Turing agreed to cap the Turing Pool's annual organizational and operating expenses at a set amount of the Turing Pool's net asset value (NAV). The Turing Pool's Disclosure Document also indicated that Turing was

responsible for paying all of the Turing Pool's organizational and operating expenses and would then obtain reimbursement from the Turing Pool for expenses up to the expense cap.

16. However, instead of Turing paying these expenses and then obtaining reimbursement from the Turing Pool, the Turing Pool paid for the vast majority of its own operating expenses and Turing simply created a receivable on the Turing Pool's financial statements for expenses that exceeded the pool's expense cap. By the time the Turing Pool liquidated in August 2023, the pool's unaudited liquidation statement reported that this receivable had grown to more than \$240,000.
17. Under NFA Rules, this receivable amounts to an improper advance of pool assets to Turing since Turing (and not the Turing Pool) was required to pay these expenses.
18. By reason of the foregoing acts and omissions, Turing is charged with violating NFA Compliance Rule 2-45.

Rockhill

19. Like the Turing Pool's Disclosure Document, the Rockhill Pool's Disclosure Document included an expense cap provision under which Rockhill agreed to cap the Rockhill Pool's annual organizational and operating expenses at a set amount of the pool's NAV. The Rockhill Pool's Disclosure Document also indicated that Rockhill was responsible for paying all of the pool's organizational and operating expenses and would then obtain reimbursement from the Rockhill Pool for expenses up to the expense cap.

20. However, instead of Rockhill paying these expenses and then obtaining reimbursement from the Rockhill Pool, the Rockhill Pool paid for its own operating expenses and Rockhill, like Turing, created a receivable on the Rockhill Pool's financial statements for expenses that exceeded the pool's expense cap. As of March 31, 2024, the Rockhill Pool's financial statements reflected that this receivable had grown to approximately \$146,500.
21. Under NFA Rules, this receivable amounts to an improper advance of pool assets to Rockhill since Rockhill (and not the Rockhill Pool) was required to pay these expenses.
22. By reason of the foregoing acts and omissions, Rockhill is charged with violating NFA Compliance Rule 2-45.

COUNT II

VIOLATIONS OF NFA COMPLIANCE RULE 2-4: ACTING CONTRARY TO HIGH STANDARDS OF COMMERCIAL HONOR AND JUST AND EQUITABLE PRINCIPLES OF TRADE BY FAILING TO ACT HONESTLY, FAIRLY AND IN THE BEST INTEREST OF THE POOLS AND THEIR PARTICIPANTS.

23. The foregoing paragraphs are realleged as if fully stated herein.
24. NFA Compliance Rule 2-4 requires Turing and Rockhill, as a CPO Members, and Hillenbrand, as an NFA Associate, to observe high standards of commercial honor and just and equitable principles of trade, which includes the obligation to act honestly, fairly and in the best interest of the pools they operate at all times.

Turing

25. Turing and Hillenbrand disregarded their obligations under NFA Compliance Rule 2-4 by creating and failing to repay the receivable on the Turing Pool's

financial statements for expenses that exceeded the pool's expense cap, as described in Count I above.

26. In addition, Turing and Hillenbrand misused the Turing Pool's assets to pay charges of approximately \$201,000 on credit cards in the name of Hillenbrand and an affiliated non-Member entity, which charges represented payments to various online "trader funding programs."
27. Websites for these "trader funding programs" promote teaching people how to trade and providing "successful traders" with capital to trade and a share of trading profits.
28. However, such expenses were not permitted or described in the Turing Pool's Disclosure Document or otherwise disclosed in writing to the Turing Pool's participants, though Hillenbrand represented that these expenses were disclosed verbally to some participants in the Turing Pool.
29. Hillenbrand informed NFA that he wanted to participate in these "trader funding programs" in order to raise capital for the Turing Pool. However, such expenses did not benefit the Turing Pool as Hillenbrand acknowledged that he never performed to the level necessary to obtain capital or a share of trading profits. Moreover, Hillenbrand never provided NFA with evidence to show that any such capital should be deposited into an account in the name of the Turing Pool if he proved to be a "successful trader."
30. The foregoing allegations demonstrate that Turing and Hillenbrand failed to act honestly, fairly and in the best interests of the Turing Pool and its participants at all times.

31. By reason of the foregoing acts and omissions, Turing and Hillenbrand are charged with violating NFA Compliance Rule 2-4.

Rockhill

32. During NFA's follow-up on the Turing exam, NFA learned that approximately half of the participants in the Turing Pool rolled their investments over into the Rockhill Pool when the Turing Pool liquidated. Hillenbrand represented that the \$240,000 receivable on the Turing Pool's books was therefore transferred to the Rockhill Pool's books.
33. After informing Hillenbrand that the \$240,000 receivable needed to be repaid, NFA began asking Hillenbrand about his plan for repayment. In April 2024, Hillenbrand informed NFA about a \$402,000 bank loan entered into on November 3, 2023 (the Bank Loan). Hillenbrand represented that the receivable had been paid back in November 2023 using a portion of the Bank Loan's proceeds.
34. However, NFA's review of the Bank Loan documents revealed several concerning facts. First, the Rockhill Pool is listed as a borrower on the loan, along with Rockhill and Hillenbrand. Therefore, the Rockhill Pool is liable for the Bank Loan.
35. Second, the Bank Loan's proceeds are not accessible to the Rockhill Pool and therefore could not have been used to pay back the \$240,000 receivable.
36. Specifically, under the terms of the loan agreement, the borrowers must maintain minimum liquidity of \$402,000 at all times. To comply with this term, the borrowers on the Bank Loan (e.g., Hillenbrand) deposited the \$402,000 in

loan proceeds into a second bank account in the name of the Rockhill Pool (the Collateral Account).

37. In addition, Hillenbrand caused the Rockhill Pool to grant the lender of the Bank Loan a security interest in the Collateral Account and a right to set off all sums owed on the Bank Loan against all of the Rockhill Pool's accounts with the lender, which include the Collateral Account and the Rockhill Pool's operating bank account.
38. Therefore, the Rockhill Pool could not access the Bank Loan's proceeds in the Collateral Account to pay back the \$240,000 receivable or for any other purpose unless Rockhill and/or Hillenbrand posted other collateral.
39. Recently, Hillenbrand informed NFA that the Bank Loan was paid off in July 2024 using the loan proceeds in the Collateral Account.
40. Despite the Rockhill Pool's inability to access the Bank Loan's proceeds, Rockhill and Hillenbrand inaccurately reported on the Rockhill Pool participants' account statements that the pool had an NAV of \$509,316 as of March 31, 2024, which NAV included the \$402,000 in the Collateral Account as an asset. Further, Rockhill and Hillenbrand failed to include a corresponding liability for the loan itself.
41. In addition, like Turing, Rockhill and Hillenbrand disregarded their obligations under NFA Compliance Rule 2-4 by creating and failing to repay a receivable on the Rockhill Pool's financial statements for expenses that exceeded the pool's expense cap, as described in Count I above.

42. Further, like Turing, Rockhill and Hillenbrand misused the Rockhill Pool's assets to pay charges of approximately \$215,000 on credit cards in the name of Hillenbrand and an affiliated non-Member entity, which charges represented more payments to various online "trader funding programs."
43. However, such expenses were not permitted or described in the Rockhill Pool's Disclosure Document or otherwise disclosed in writing to the Rockhill Pool's participants, though Hillenbrand represented that these expenses were disclosed verbally to some participants in the Rockhill Pool.
44. Moreover, such expenses did not benefit the Rockhill Pool as Hillenbrand acknowledged that he never performed to the level necessary to obtain capital or a share of trading profits. In addition, Hillenbrand never provided NFA with evidence to show that any such capital should be deposited into an account in the name of the Rockhill Pool if he proved to be a "successful trader."
45. Rockhill and Hillenbrand also misused Rockhill Pool assets to pay over \$13,000 in interest payments and fees associated with the Bank Loan. However, such expenses were not permitted or described in the Rockhill Pool's Disclosure Document and no additional disclosure was sent to participants regarding these expenses until May 2024 at the direction of NFA.
46. The foregoing allegations demonstrate that Rockhill and Hillenbrand failed to act honestly, fairly and in the best interests of the Rockhill Pool and its participants at all times.
47. By reason of the foregoing acts and omissions, Rockhill and Hillenbrand are charged with violating NFA Compliance Rule 2-4.

COUNT III

VIOLATION OF NFA COMPLIANCE RULE 2-13: FAILING TO TIMELY DELIVER AN NFA-ACCEPTED DISCLOSURE DOCUMENT AND DISTRIBUTING INCOMPLETE AND INACCURATE ACCOUNT STATEMENTS TO POOL PARTICIPANTS

48. The foregoing paragraphs are realleged as if fully stated herein.

Turing

49. NFA's exam of Turing revealed that Turing delivered subscription agreements for the Turing Pool to prospective pool participants and accepted subscriptions into the Turing Pool's bank account prior to delivering a Disclosure Document that had been accepted by NFA.
50. Turing filed a Disclosure Document for the Turing Pool with NFA on January 5, 2022. After Turing addressed numerous comments from NFA, NFA sent Turing an acceptance letter on March 31, 2022, informing Turing that it may begin using the Disclosure Document dated February 28, 2022 to solicit participants in the Turing Pool.
51. However, Turing had begun accepting subscriptions into the Turing Pool on January 6, 2022. Therefore, by the time Turing received NFA's March 31, 2022 letter, the Turing Pool had already accepted more than \$6 million in subscriptions from 18 participants.
52. In addition, the account statements distributed to participants in the Turing Pool were missing certain required information, which prevented participants from having a complete picture as to the performance of the Turing Pool.

53. The account statements simply included a statement of changes in NAV and rate of return for the individual participant. The account statements did not include a statement of operations, a statement of changes in NAV for the pool as a whole or the required oath or affirmation.
54. By reason of the foregoing acts and omissions, Turing is charged with violating NFA Compliance Rule 2-13.

Rockhill

55. Like Turing, Rockhill also delivered subscription agreements for the Rockhill Pool to prospective participants and accepted subscriptions into the Rockhill Pool's bank account prior to delivering a Disclosure Document that had been accepted by NFA.
56. Rockhill filed a Disclosure Document for the Rockhill Pool with NFA on August 8, 2023. On August 22, 2023, Rockhill received a comment letter from NFA informing Rockhill of several items that needed to be corrected before the firm could begin using the Disclosure Document to solicit participants in the Rockhill Pool.
57. After Rockhill addressed several other comment letters, NFA sent Rockhill an acceptance letter on November 17, 2023, informing Rockhill that it may begin using the Disclosure Document dated November 16, 2023 to solicit participants in the Rockhill Pool.
58. However, Rockhill had begun accepting subscriptions into the Rockhill Pool on September 29, 2023. Therefore, by the time Rockhill received NFA's November

17, 2023 letter, the Rockhill Pool had already accepted at least \$677,000 in subscriptions from 14 participants.

59. Additionally, as alleged in paragraph 40, Rockhill inaccurately reported on the Rockhill Pool participants' account statements that the pool had an NAV of \$509,316, as of March 31, 2024, and recorded the \$402,000 in the Collateral Account as an asset, while failing to record a corresponding liability for the loan itself.
60. Even though Rockhill knew or should have known that the NAV reported on the Rockhill Pool participants' March 31, 2024 account statements was inaccurate, the account statements included an oath or affirmation in which Hillenbrand, on Rockhill's behalf, attested that the information contained in the account statements was accurate and complete.
61. By reason of the foregoing acts and omissions, Rockhill is charged with violating NFA Compliance Rule 2-13.

COUNT IV

VIOLATION OF NFA COMPLIANCE RULE 2-2(f): WILLFULLY SUBMITTING FALSE OR MISLEADING INFORMATION TO NFA

62. The foregoing paragraphs are realleged as if fully stated herein.

Rockhill

63. Despite the Rockhill Pool's inability to utilize the Bank Loan's proceeds, Rockhill inaccurately reported that the Rockhill Pool had an NAV of \$509,048 on the December 31, 2023 pool quarterly report (PQR) and the December 31, 2023 unaudited financial statement filed with NFA. Further, Rockhill included the

\$402,000 in the Collateral Account as an asset on the Rockhill Pool's PQR and unaudited financial statement, while failing to include a corresponding liability for the loan itself.

64. By submitting inaccurate filings to NFA, Rockhill and Hillenbrand provided NFA with false and misleading information regarding the Rockhill Pool's NAV.
65. Hillenbrand's actions are willful if he made them with a reckless disregard for the truth. Therefore, even if Hillenbrand incorrectly believed that the Rockhill Pool was not liable for the Bank Loan and that the funds in the Collateral Account were accessible to the Rockhill Pool, he was reckless in reaching this conclusion since he signed the loan documents on behalf of the Rockhill Pool identifying the Rockhill Pool as a borrower on the Bank Loan and granting the lender of the Bank Loan a security interest in the Collateral Account.
66. By reason of the foregoing acts and omissions, Rockhill and Hillenbrand are charged with violating NFA Compliance Rule 2-2(f).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty (30) 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 place for filing an Answer shall be:

National Futures Association
320 South Canal Street
Suite 2400
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.

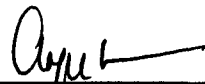
The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act. The Respondent in this matter who applies for registration in any new capacity, including as an AP with a new sponsor, may, after opportunity for hearing, 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: 07/29/2024

By: 
Chairperson