

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

In the Matter of:)	
)	
DORSET FUND MANAGEMENT LLC)	
(NFA ID #525137),)	
)	
and)	NFA Case No. 24-BCC-015
)	
MICHAEL DUBIN)	
(NFA ID #208929),)	
)	
Respondents.)	
)	

ANSWER TO COMPLAINT

Respondents Dorset Fund Management LLC and Michael Dubin (“Respondents”), by and through their undersigned attorneys, and for their Answer to the Business Conduct Committee Complaint (the “Complaint”) filed against them, state as follows:

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Dorset was a commodity pool operator (CPO) and NFA Member. As such, Dorset was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

ANSWER: Respondents admit the allegations in the first sentence of Paragraph 1 of the Complaint. To the extent the remaining allegations of Paragraph 1 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations contained in Paragraph 1 of the Complaint.

2. At all times relevant to this Complaint, Dubin was a principal and associated person (AP) of Dorset and an NFA Associate. As such, Dubin was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. Dorset is liable for violations of NFA Requirements committed by Dubin during the course of his activities on behalf of Dorset.

ANSWER: Respondents admit the allegations in the first sentence of Paragraph 2 of the Complaint. To the extent the remaining allegations of Paragraph 2 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations contained in Paragraph 2 of the Complaint.

BACKGROUND

3. Dorset has been a registered CPO and NFA Member since January 2020. The firm is located in New York, New York.

ANSWER: Respondents admit the allegations in the first sentence of Paragraph 3 of the Complaint. To the extent the allegations in the second sentence of Paragraph 3 refer to where Dorset was located during the NFA's exam, Respondents admit the allegations in that sentence. Respondents otherwise deny the allegations contained in Paragraph 3 of the Complaint.

4. Dubin is one of two managing members of the firm and has been a principal and AP of the firm and an NFA Associate since January 2020.

ANSWER: Respondents admit the allegations in Paragraph 4 of the Complaint.

5. Julian Rundle (Rundle) is the other managing member of Dorset and its chief investment officer. Rundle became a principal of the firm in March 2024 but is not an AP of the firm or an NFA Associate.

ANSWER: Respondents admit Rundle is a managing member of Dorset, Dorset's chief investment officer, and became a principal of Dorset in March 2024. To the extent the remaining allegations in the second sentence of Paragraph 5 of the Complaint refer to Rundle's AP or NFA Associate status during the time of the NFA's exam, Respondent admits those allegations. Respondents otherwise deny the allegations contained in Paragraph 5 of the Complaint.

6. In July 2020, Dorset listed with NFA a commodity pool called Dorset Natural Resources & Commodity Investment Fund LP (the Onshore Fund) and claimed an exemption for the pool under CFTC Regulation 4.7, which provides relief from certain reporting and

disclosure requirements based on the pool's participants being qualified eligible persons (QEPs).

ANSWER: Respondents admit Dorset listed the Onshore Fund with NFA in July 2020 and claimed an exemption under CFTC Regulation 4.7. To the extent the allegations in Paragraph 6 of the Complaint refer to the text of CFTC Regulation 4.7, that regulation speaks for itself. Respondents deny any allegations in Paragraph 6 inconsistent therewith. To the extent the allegations in Paragraph 6 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 6 of the Complaint.

7. The Onshore Fund commenced futures trading on U.S. exchanges in October 2021. As of June 2024, the Onshore Fund had a net asset value (NAV) of approximately \$65 million and more than 40 participants.

ANSWER: Respondents admit the allegations in the first sentence of Paragraph 7 of the Complaint. To the extent the remaining allegations in Paragraph 7 refer to the Onshore Fund's books and records, those documents speak for themselves. Respondents deny any allegations in Paragraph 7 of the Complaint that are inconsistent therewith. Respondents otherwise deny the allegations in Paragraph 7 of the Complaint.

8. NFA commenced an examination of Dorset in August 2023.

ANSWER: Respondents admit that NFA commenced an examination of Dorset in August 2023.

9. As alleged in more detail below, NFA's exam found serious deficiencies at Dorset, including recordkeeping, reporting and registration violations. The firm also failed to cooperate fully and promptly with NFA and, along with Dubin, failed to adequately supervise its employees and agents.

ANSWER: Respondents admit the NFA has asserted its exam found deficiencies at Dorset but deny that the NFA has stated any cognizable violations. To the extent the allegations in Paragraph 9 of the Complaint call for a legal conclusion, no response is required and,

therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 9 of the Complaint.

APPLICABLE RULES

10. NFA Registration Rule 208 provides, in pertinent part, that a CPO must report to NFA each individual who becomes a principal of the CPO within twenty days of the individual becoming a principal.

ANSWER: To the extent the allegations in Paragraph 10 of the Complaint refer to the text of NFA Registration Rule 208, that rule speaks for itself. Respondents deny any allegations in Paragraph 10 that are inconsistent therewith. To the extent the allegations in Paragraph 10 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 10 of the Complaint.

11. NFA Bylaw 301(b) provides, in pertinent part, that no person may be associated with a Member of NFA unless the person is registered with NFA as an Associate or is an NFA Member.

ANSWER: To the extent the allegations in Paragraph 11 of the Complaint refer to the text of NFA Bylaw 301(b), that bylaw speaks for itself. Respondents deny any allegations in Paragraph 11 that are inconsistent therewith. To the extent the allegations in Paragraph 11 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 11 of the Complaint.

12. NFA Compliance Rule 2-5 requires, in pertinent part, each Member to cooperate promptly and fully with NFA in any investigation, inquiry, audit, examination or proceeding regarding compliance with NFA requirements or any NFA disciplinary or arbitration proceeding.

ANSWER: To the extent the allegations in Paragraph 12 of the Complaint refer to the text of NFA Compliance Rule 2-5, that rule speaks for itself. Respondents deny any allegations in Paragraph 12 that are inconsistent therewith. To the extent the allegations in Paragraph

12 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 12 of the Complaint.

13. NFA Compliance Rule 2-13(a) provides, in pertinent part, that any CPO Member who violates any of CFTC Regulations 4.1, 4.7, 4.12 and 4.16 through 4.41 shall be deemed to have violated an NFA requirement.

ANSWER: To the extent the allegations in Paragraph 13 of the Complaint refer to the text of NFA Compliance Rule 2-13(a), that rule speaks for itself. Respondents deny any allegations in Paragraph 13 that are inconsistent therewith. To the extent the allegations in Paragraph 13 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 13 of the Complaint.

14. CFTC Regulation 4.7(b) provides, in pertinent part, that CPOs of 4.7 exempt pools must sell participations in the 4.7 exempt pool only to QEPs, maintain records relating to the qualifications of QEP participants, and prepare and distribute to pool participants statements signed and affirmed in accordance with CFTC Regulation 4.22 no less frequently than quarterly within 30 calendar days after the end of the reporting period.

ANSWER: To the extent the allegations in Paragraph 14 of the Complaint refer to the text of CFTC Regulation 4.7(b), that regulation speaks for itself. Respondents deny any allegations in Paragraph 14 that are inconsistent therewith. To the extent the allegations in Paragraph 14 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 14 of the Complaint.

15. CFTC Regulation 4.22 requires a CPO to file an annual pool financial statement (PFS) for any non-exempt pool it operates within 90 days after the end of the pool's fiscal year. For non-exempt pools with net assets of more than \$500,000 at the beginning of the pool's fiscal year, Regulation 4.22 also requires a CPO to distribute monthly account statements to each pool participant within 30 days after the end of the reporting period. Among other information, the account statements must include the pool's NAV at the end of the reporting period, the change in NAV from the end of the previous reporting period, and a signed oath or affirmation.

ANSWER: To the extent the allegations in Paragraph 15 of the Complaint refer to the text of CFTC Regulation 4.22, that regulation speaks for itself. Respondents deny any allegations in Paragraph 15 that are inconsistent therewith. To the extent the allegations in Paragraph 15 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 15 of the Complaint.

16. CFTC Regulation 4.26 requires, in pertinent part, a CPO to file with NFA a Disclosure Document (DDOC) for each pool it operates unless the CPO has claimed an exemption for the pool under Part 4 of the Regulations. Under Regulation 4.26, the CPO must electronically file the DDOC with NFA not less than 21 calendar days prior to the date the CPO first intends to deliver such DDOC to a prospective participant in the pool.

ANSWER: To the extent the allegations in Paragraph 16 of the Complaint refer to the text of CFTC Regulation 4.26, that regulation speaks for itself. Respondents deny any allegations in Paragraph 16 that are inconsistent therewith. To the extent the allegations in Paragraph 16 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 16 of the Complaint.

17. NFA Compliance Rule 2-29(b) provides, in pertinent part, that no CPO Member shall use any promotional material that mentions the possibility of profit unless accompanied by an equally prominent discussion of the risk of loss. Compliance Rule 2-29(b) also provides that no CPO Member shall use any promotional material that includes specific numerical or statistical information about past performance of any actual accounts (including rates of return), unless such information is and can be demonstrated to NFA to be representative of actual performance for the same time period of all reasonably comparable accounts and the performance is presented net of commissions, fees and expenses, subject to limited exceptions.

ANSWER: To the extent the allegations in Paragraph 17 of the Complaint refer to the text of NFA Compliance Rule 2-29(b), that rule speaks for itself. Respondents deny any allegations in Paragraph 17 that are inconsistent therewith. To the extent the allegations in Paragraph 17 call for a legal conclusion, no response is required and, therefore, those

allegations are denied. Respondents otherwise deny the allegations in Paragraph 17 of the Complaint.

18. NFA Compliance Rule 2-29(d) provides, in pertinent part, that statements of opinion included in a CPO Member's promotional material must be clearly identifiable as such and must have a reasonable basis in fact.

ANSWER: To the extent the allegations in Paragraph 18 of the Complaint refer to the text of NFA Compliance Rule 2-29(d), that rule speaks for itself. Respondents deny any allegations in Paragraph 18 that are inconsistent therewith. To the extent the allegations in Paragraph 18 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 18 of the Complaint.

19. NFA Compliance Rule 2-46 provides, in pertinent part, that each CPO Member must file NFA Form PQR (PQR) on a quarterly basis with NFA for each pool that it operates and for which it has any reporting requirement under CFTC Regulation 4.27, within 60 days of each calendar quarter end.

ANSWER: To the extent the allegations in Paragraph 19 of the Complaint refer to the text of NFA Compliance Rule 2-46, that rule speaks for itself. Respondents deny any allegations in Paragraph 19 that are inconsistent therewith. To the extent the allegations in Paragraph 19 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 19 of the Complaint.

20. NFA Compliance Rule 2-9(a) requires each Member to diligently supervise its employees and agents in the conduct of their commodity interest activities for or on behalf of the Member. The Rule also requires each Associate with supervisory duties to diligently exercise such duties in the conduct of that Associate's commodity interest activities on behalf of the Member.

ANSWER: To the extent the allegations in Paragraph 20 of the Complaint refer to the text of NFA Compliance Rule 2-9(a), that rule speaks for itself. Respondents deny any

allegations in Paragraph 20 that are inconsistent therewith. To the extent the allegations in Paragraph 20 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 20 of the Complaint.

COUNT I

VIOLATIONS OF NFA COMPLIANCE RULES 2-13(a) AND 2-46: FAILURE TO MAINTAIN REQUIRED RECORDS, DISTRIBUTE COMPLETE ACCOUNT STATEMENTS TO POOL PARTICIPANTS, TIMELY FILE POOL REPORTS WITH NFA, AND SUBMIT A DISCLOURE DOCUMENT TO NFA FOR REVIEW AND ACCEPTANCE.

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

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 20 of the Complaint as if fully set forth herein.

The Offshore Fund

22. Among other things, CFTC Regulation 4.7 provides CPOs relief from many of the disclosure, reporting and recordkeeping requirements in CFTC Regulations 4.21 through 4.26 with respect to the pools they operate if the CPOs file the required 4.7 exemption notice with NFA for pool offerings to QEPs.

ANSWER: To the extent the allegations in Paragraph 22 of the Complaint refer to the text of CFTC Regulation 4.7, that regulation speaks for itself. Respondents deny any allegations in Paragraph 22 that are inconsistent therewith. To the extent the allegations in Paragraph 22 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 22 of the Complaint.

23. In addition to operating the Onshore Fund, NFA discovered during its exam that Dorset operated a second commodity pool, named Dorset Natural Resources & Commodity Investment Fund Ltd. (the Offshore Fund).

ANSWER: To the extent the allegations in Paragraph 23 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 23 that are inconsistent therewith. To the extent the allegations in Paragraph 23 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 23 of the Complaint.

24. At the time of NFA's exam, the Offshore Fund had approximately 18 U.S. and non-U.S. participants and a NAV of about \$52 million.

ANSWER: To the extent the allegations in Paragraph 24 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 24 that are inconsistent therewith. To the extent the allegations in Paragraph 24 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 24 of the Complaint.

25. Dorset began operating the Offshore Fund in November 2021 and invested the pool's assets in the Onshore Fund.

ANSWER: To the extent the allegations in Paragraph 25 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 25 that are inconsistent therewith. To the extent the allegations in Paragraph 25 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 25 of the Complaint.

26. Since Dorset is based in the U.S. and because the Offshore Fund had U.S. participants and traded in U.S. markets since November 2021 through its investment in the Onshore Fund, Dorset was required, but failed, to list the Offshore Fund with NFA before or when the firm began operating the pool.

ANSWER: To the extent the allegations in Paragraph 26 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 26 that are inconsistent therewith. To the extent the allegations in Paragraph 26

call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 26 of the Complaint.

27. At NFA's directive, Dorset listed the Offshore Fund with NFA in February 2024 as an exempt pool under CFTC Regulation 4.7.

ANSWER: To the extent the allegations in Paragraph 27 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 27 that are inconsistent therewith. To the extent the allegations in Paragraph 27 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 27 of the Complaint.

28. However, because Dorset failed to claim an exemption under Regulation 4.7 for the Offshore Fund prior to February 2024, the firm was not eligible for the relief available to CPOs under Regulation 4.7 for the period prior to claiming the exemption.

ANSWER: To the extent the allegations in Paragraph 28 of the Complaint refer to NFA's exam findings and the text of CFTC Regulation 4.7, those findings and regulation speak for themselves. Respondents deny any allegations in Paragraph 28 that are inconsistent therewith. To the extent the allegations in Paragraph 28 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 28 of the Complaint.

29. As a result, Dorset failed to comply with various regulatory requirements applicable to the Offshore Fund from November 2021, when the pool began operating, to February 2024, when Dorset claimed the 4.7 exemption for the pool.

ANSWER: To the extent the allegations in Paragraph 29 of the Complaint refer to NFA's exam findings and the text of CFTC Regulation 4.7, those findings and regulation speak for themselves. Respondents deny any allegations in Paragraph 29 that are inconsistent therewith. To the extent the allegations in Paragraph 29 call for a legal conclusion, no

response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 29 of the Complaint.

30. Specifically, since Dorset began accepting funds from participants in 2021 to purchase an interest in the Offshore Fund before the firm claimed the 4.7 exemption, the firm should have provided the participants with an NFA-accepted DDOC for the Offshore Fund but did not.

ANSWER: To the extent the allegations in Paragraph 30 of the Complaint refer to NFA's exam findings and the text of CFTC Regulation 4.7, those findings and regulation speak for themselves. Respondents deny any allegations in Paragraph 30 that are inconsistent therewith. To the extent the allegations in Paragraph 30 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 30 of the Complaint.

31. In addition, the firm failed to file a PFS for the Offshore Fund within 90 days after the pool's fiscal year end for 2021 and 2022.

ANSWER: To the extent the allegations in Paragraph 31 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 31 that are inconsistent therewith. To the extent the allegations in Paragraph 31 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 31 of the Complaint.

32. Similarly, Dorset failed to file PQRs for the Offshore Fund from December 2021 through December 2022.

ANSWER: To the extent the allegations in Paragraph 32 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 32 that are inconsistent therewith. To the extent the allegations in Paragraph 32 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 32 of the Complaint.

The Onshore Fund

33. NFA's exam also revealed reporting and recordkeeping deficiencies associated with the Onshore Fund.

ANSWER: To the extent the allegations in Paragraph 33 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 33 that are inconsistent therewith. To the extent the allegations in Paragraph 33 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 33 of the Complaint.

34. For example, Dorset failed to include the required NAV information and the signed oath or affirmation in the July 2023 account statements that the firm provided to the Onshore Fund participants.

ANSWER: To the extent the allegations in Paragraph 34 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 34 that are inconsistent therewith. To the extent the allegations in Paragraph 34 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 34 of the Complaint.

35. In addition, Dorset failed to provide NFA with evidence to support that the firm timely distributed the July 2023 account statements to participants.

ANSWER: To the extent the allegations in Paragraph 35 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 35 that are inconsistent therewith. To the extent the allegations in Paragraph 35 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 35 of the Complaint.

36. In its January 2024 exam report, NFA cited the firm for the deficiencies related to the July 2023 account statements.

ANSWER: To the extent the allegations in Paragraph 36 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 36 that are inconsistent therewith. To the extent the allegations in Paragraph 36 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 36 of the Complaint.

37. To ensure that Dorset took appropriate corrective action following the exam, NFA reviewed the Onshore Fund's May 2024 accounts statements. Although the firm demonstrated that it timely distributed the May 2024 statements, Dorset again failed to include the required NAV information and the signed oath/affirmation in the statements.

ANSWER: To the extent the allegations in Paragraph 37 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 37 that are inconsistent therewith. To the extent the allegations in Paragraph 37 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 37 of the Complaint.

38. Dorset also failed to comply with other requirements that applied to the Onshore Fund, as a 4.7 exempt pool.

ANSWER: To the extent the allegations in Paragraph 38 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 38 that are inconsistent therewith. To the extent the allegations in Paragraph 38 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 38 of the Complaint.

39. As described previously, Dorset is required to ensure that each participant in 4.7 exempt pool meets the definition of a QEP and maintain records relating to each participant's qualification as a QEP.

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 38 of the Complaint as if fully set forth herein. To the extent the allegations in Paragraph 39 refer to NFA’s exam findings, those

findings speak for themselves. Respondents deny any allegations in Paragraph 39 that are inconsistent therewith. To the extent the allegations in Paragraph 39 call for a legal conclusion, no response is required and, therefore, those allegations are denied.

Respondents otherwise deny the allegations in Paragraph 39 of the Complaint.

40. To demonstrate the QEP qualifications of Onshore Fund participants, Dorset required participants to attest to their QEP status in subscription documents they signed prior to investing.

ANSWER: To the extent the allegations in Paragraph 40 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 40 that are inconsistent therewith. To the extent the allegations in Paragraph 40 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 40 of the Complaint.

41. However, in one instance, NFA noted joint participants in the Onshore Fund failed to fill out the QEP portion of their subscription document, thus failing to attest to their QEP status.

ANSWER: To the extent the allegations in Paragraph 41 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 41 that are inconsistent therewith. To the extent the allegations in Paragraph 41 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 41 of the Complaint.

42. In addition, Dorset filed the Onshore Fund's December 31, 2021 PFS and the Onshore Fund's March 31, 2022 and September 30, 2023 PQRs one day late.

ANSWER: To the extent the allegations in Paragraph 42 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 42 that are inconsistent therewith. To the extent the allegations in Paragraph 42

call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 42 of the Complaint.

43. By reason of the foregoing acts and omissions, Dorset is charged with violating NFA Compliance Rules 2-13(a) and 2-46.

ANSWER: Respondents admit that the Complaint charges Dorset with violating NFA Compliance Rules 2-13(a) and 2-46. To the extent the allegations in Paragraph 43 of the Complaint call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 43 of the Complaint.

COUNT II

VIOLATIONS OF NFA REGISTRATION RULE 208 AND NFA BYLAW 301(b): FAILING TO TIMELY REPORT AN INDIVIDUAL AS A PRINCIPAL OF THE FIRM AND PERMITTING AN UNREGISTERED INDIVIDUAL TO ACT AS AN ASSOCIATED PERSON WITHOUT BEING AN NFA ASSOCIATE.

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

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 43 of the Complaint as if fully set forth herein.

45. As alleged above, Dubin and Rundle are managing members of Dorset and, between them, control all the operations and activities of the firm.

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 44 of the Complaint as if fully set forth herein. To the extent the allegations in Paragraph 45 refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 45 that are inconsistent therewith. To the extent the allegations in Paragraph 45 call for a legal

conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 45 of the Complaint.

46. As such, Dorset was required to report both of them as principals of the firm.

ANSWER: To the extent the allegations in Paragraph 46 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 46 that are inconsistent therewith. To the extent the allegations in Paragraph 46 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 46 of the Complaint.

47. However, Dorset did not report Rundle as a principal until March 2024, after NFA directed the firm to do so.

ANSWER: To the extent the allegations in Paragraph 47 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 47 that are inconsistent therewith. To the extent the allegations in Paragraph 47 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 47 of the Complaint.

48. Also, Rundle solicited prospective pool participants. Accordingly, Rundle was required to be registered as an AP of Dorset and an NFA Associate but was not.

ANSWER: To the extent the allegations in Paragraph 48 of Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 48 that are inconsistent therewith. To the extent the allegations in Paragraph 48 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 48 of the Complaint.

49. In August 2023, NFA informed both Dubin and Rundle that Rundle was required to be a principal and AP of the firm and that he must cease AP activities until he became registered.

ANSWER: To the extent the allegations in Paragraph 49 of the Complaint refer to NFA's exam findings and communications with Dubin and Rundle, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 49 that are inconsistent therewith. To the extent the allegations in Paragraph 49 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 49 of the Complaint.

50. Despite NFA's directive, Rundle appeared to continue acting as an AP after August 2023 without being registered and an NFA Associate.

ANSWER: To the extent the allegations in Paragraph 50 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 50 that are inconsistent therewith. To the extent the allegations in Paragraph 50 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 50 of the Complaint.

51. To illustrate, in September 2023, Dubin responded to NFA's request for bank statements, saying the firm needed more time to respond because Rundle handled those matters and was coming back from a trip for "meeting with clients and prospects."

ANSWER: To the extent the allegations in Paragraph 51 of the Complaint refer to NFA's exam findings and communications with Dubin, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 51 that are inconsistent therewith. To the extent the allegations in Paragraph 51 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 51 of the Complaint.

52. NFA's January 2024 exam report cited Dorset for permitting Rundle to solicit investors for the firm's pools without being an AP. In response, the firm indicated that Rundle understood that he was prohibited from soliciting investors until he became a registered AP.

ANSWER: To the extent the allegations in Paragraph 52 of the Complaint refer to NFA’s exam findings and Dorset’s communications with NFA, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 52 that are inconsistent therewith. To the extent the allegations in Paragraph 52 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 52 of the Complaint.

53. Although Rundle was scheduled to sit for the Series 3 exam on August 12, 2024 and again on September 4, 2024, he failed to appear for the Series 3 exam on either date. Currently, he has not set a new testing date and still is not registered as an AP of the firm or an NFA Associate.

ANSWER: To the extent the allegations in Paragraph 53 of the Complaint refer to NFA’s exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 53 that are inconsistent therewith. To the extent the allegations in Paragraph 53 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 53 of the Complaint.

54. By reason of the foregoing acts and omissions, Dorset is charged with violating NFA Registration Rule 208 and NFA Bylaw 301(b).

ANSWER: Respondents admit that the Complaint charges Dorset with violating NFA Registration Rule 208 and NFA Bylaw 301(b). To the extent the allegations in Paragraph 54 of the Complaint call for a legal conclusion, no response is required and, therefore, those allegations are denied. Defendants otherwise deny the allegations in Paragraph 54 of the Complaint.

COUNT III

VIOLATIONS OF NFA COMPLIANCE RULES 2-29(b) AND (d): USING DEFICIENT PROMOTIONAL MATERIALS THAT FAILED TO DEDUCT FEES FROM STATED RATES OF RETURN, MENTIONED THE POSSIBILITY OF PROFIT WITHOUT AN EQUALLY PROMINENT STATEMENT ABOUT RISK OF LOSS, AND INCLUDED UNSUPPORTED STATEMENTS AND OPINIONS.

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

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 54 of the Complaint as if fully set forth herein.

56. In September 2023, Dorset distributed an investor presentation deck to promote the Onshore Fund to potential pool participants. However, NFA's review of the presentation deck (hereafter referred to as promotional material) revealed several deficiencies.

ANSWER: To the extent the allegations in Paragraph 56 of the Complaint refer to NFA's exam findings and Dorset's promotional material, those findings and material speak for themselves. Respondents deny any allegations in Paragraph 56 that are inconsistent therewith. To the extent the allegations in Paragraph 56 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 56 of the Complaint.

57. For example, the promotional material included rates of return that were not net of fees.

ANSWER: To the extent the allegations in Paragraph 57 of the Complaint refer to NFA's exam findings and Dorset's promotional material, those findings and material speak for themselves. Respondents deny any allegations in Paragraph 57 that are inconsistent therewith. To the extent the allegations in Paragraph 57 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 57 of the Complaint.

58. The promotional material also mentioned the possibility of profit (e.g., a targeted annual return of 15%-20%) without including an equally prominent discussion of the risk of loss.

ANSWER: To the extent the allegations in Paragraph 58 of the Complaint refer to Dorset's promotional material, that material speaks for itself. Respondents deny any allegations in Paragraph 58 that are inconsistent therewith. To the extent the allegations in Paragraph 58

call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 58 of the Complaint.

59. Additionally, the promotional material included several unsupported references to past performance, such as monthly rates of return prior to when the Onshore Fund commenced trading in October 2021.

ANSWER: To the extent the allegations in Paragraph 59 of the Complaint refer to Dorset's promotional material, that material speaks for itself. Respondents deny any allegations in Paragraph 59 that are inconsistent therewith. To the extent the allegations in Paragraph 59 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 59 of the Complaint.

60. NFA requested support for the performance data prior to October 2021, which Dorset was unable to provide.

ANSWER: To the extent the allegations in Paragraph 60 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 60 that are inconsistent therewith. Respondents otherwise deny the allegations in Paragraph 60 of the Complaint.

61. The promotional material also included opinions that were not identified as opinions and had no reasonable basis in fact.

ANSWER: To the extent the allegations in Paragraph 61 of the Complaint refer to Dorset's promotional material, that material speaks for itself. Respondents deny any allegations in Paragraph 61 that are inconsistent therewith. To the extent the allegations in Paragraph 61 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 61 of the Complaint.

62. For example, the promotional material projected that the Onshore Fund would have \$100 million in assets by the first quarter 2024. However, the firm did not clearly identify that the projection was a statement of opinion and could not support that the projection had a reasonable basis in fact.

ANSWER: To the extent the allegations in Paragraph 62 of the Complaint refer to Dorset's promotional material, that material speaks for itself. Respondents deny any allegations in Paragraph 62 that are inconsistent therewith. To the extent the allegations in Paragraph 62 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 62 of the Complaint.

63. By reason of the foregoing acts and omissions, Dorset is charged with violating NFA Compliance Rules 2-29(b) and (d).

ANSWER: Respondents admit that the Complaint charges Dorset with violating NFA Compliance Rule 2-29(b) and (d). To the extent the allegations in Paragraph 63 of the Complaint call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 63 of the Complaint.

COUNT IV

VIOLATIONS OF NFA COMPLIANCE RULE 2-5: FAILURE TO COOPERATE PROMPTLY AND FULLY WITH NFA.

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

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 63 of the Complaint as if fully set forth herein.

65. During the exam, Dorset failed to cooperate fully and promptly with NFA.

ANSWER: To the extent the allegations in Paragraph 65 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 65 that are inconsistent therewith. To the extent the allegations in Paragraph 65 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 65 of the Complaint.

66. To illustrate, NFA provided Dorset with an initial document request list (request list) on August 7, 2023 and instructed the firm to submit the documents to NFA by August 18, 2023.

ANSWER: To the extent the allegations in Paragraph 66 of the Complaint refer to NFA's August 7, 2023 request list, that list speaks for itself. Respondents deny any allegations in Paragraph 66 that are inconsistent therewith. To the extent the allegations in Paragraph 66 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 66 of the Complaint.

67. The requested materials involved key financial documents necessary to conduct the exam, including bank records for the firm's operating account, broker and custodial statements, and pool participant subscription documents.

ANSWER: To the extent the allegations in Paragraph 67 of the Complaint refer to NFA's August 7, 2023 request list, that list speaks for itself. Respondents deny any allegations in Paragraph 67 that are inconsistent therewith. To the extent the allegations in Paragraph 67 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 67 of the Complaint.

68. Dorset failed to provide many of the key documents by the August 18, 2023 deadline, and some of them remained outstanding for months.

ANSWER: To the extent the allegations in Paragraph 68 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 68 that are inconsistent therewith. To the extent the allegations in Paragraph 68 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 68 of the Complaint.

69. The outstanding documents remained on NFA's request list from August 28, 2023 through the final request list NFA sent the firm on December 21, 2023.

ANSWER: To the extent the allegations in Paragraph 69 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in

Paragraph 69 that are inconsistent therewith. To the extent the allegations in Paragraph 69 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 69 of the Complaint.

70. During that period, NFA contacted the firm numerous times through emails and in conference calls to request the outstanding documents, which included an account statement for the Onshore Fund's investment in an unaffiliated commodity pool and custodial statements for the Onshore Fund's investment in treasury bills.

ANSWER: To the extent the allegations in Paragraph 70 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 70 that are inconsistent therewith. To the extent the allegations in Paragraph 70 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 70 of the Complaint.

71. The investor account statement and treasury bill statements were critical to NFA's exam since they represented nearly 75% of the Onshore Fund's NAV.

ANSWER: To the extent the allegations in Paragraph 71 of the Complaint refer to NFA's exam findings, the Onshore Fund's investor account statements, and the Onshore Fund's treasury bill statements, those findings and statements speak for themselves. Respondents deny any allegations in Paragraph 71 that are inconsistent therewith. To the extent the allegations in Paragraph 71 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 71 of the Complaint.

72. Dorset never provided the investor account statement for the Onshore Fund's investment in the unaffiliated commodity pool. Instead, NFA obtained the statement directly from the third-party commodity pool in which the Onshore Fund invested.

ANSWER: To the extent the allegations in Paragraph 72 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 72 that are inconsistent therewith. To the extent the allegations in Paragraph 72

call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 72 of the Complaint.

73. Dorset eventually provided the treasury bill statements to NFA on January 24, 2024, in response to NFA's repeated demands.

ANSWER: To the extent the allegations in Paragraph 73 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 73 that are inconsistent therewith. To the extent the allegations in Paragraph 73 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 73 of the Complaint.

74. Those repeated demands included the Director of NFA's exam team sending Dorset a January 5, 2024 email that emphasized the firm's obligation to cooperate fully and promptly, reminded the firm of its numerous failures to meet exam deadlines and warned that the firm's continued failure to cooperate with NFA violated NFA Compliance Rule 2-5.

ANSWER: To the extent the allegations in Paragraph 74 of the Complaint refer to NFA's exam findings and communications with Dorset, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 74 that are inconsistent therewith. To the extent the allegations in Paragraph 74 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 74 of the Complaint.

75. When the January 5, 2024 email warning did not prompt Dorset to comply with the outstanding requests, NFA's chief enforcement counsel sent Dubin and Rundle an email that advised them of Dorset's apparent violation of NFA Compliance Rule 2-5 and required the firm to produce the outstanding documents by January 24, 2024.

ANSWER: To the extent the allegations in Paragraph 75 of the Complaint refer to NFA's exam findings and communications with Dubin and Rundle, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 75 that are inconsistent therewith. To the extent the allegations in Paragraph 75 call for a legal

conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 75 of the Complaint.

76. Dorset provided some of the requested documents on January 24, 2024, but did not provide the firm's bank statements until the next day.

ANSWER: To the extent the allegations in Paragraph 76 of the Complaint refer to NFA's exam findings and communications with Dorset, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 76 that are inconsistent therewith. Respondents otherwise deny the allegations in Paragraph 76 of the Complaint.

77. Upon review, NFA noticed the bank statements were in the name of a non-Member affiliate of Dorset. When NFA questioned Dorset about the bank statements, the firm indicated for the first time that it used the affiliate's bank account as its own operating account.

ANSWER: To the extent the allegations in Paragraph 77 of the Complaint refer to NFA's exam findings and communications with Dorset, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 77 that are inconsistent therewith. Respondents otherwise deny the allegations in Paragraph 77 of the Complaint.

78. Dorset's failure to cooperate also extended to its corrective action for NFA's exam findings.

ANSWER: To the extent the allegations in Paragraph 78 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 78 that are inconsistent therewith. To the extent the allegations in Paragraph 78 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 78 of the Complaint.

79. For example, on the first day of the exam, NFA learned the firm did not have written information systems security program (ISSP) procedures or written third-party service provider (TPSP) procedures, as required under NFA Compliance Rule 2-9(a). NFA informed the firm of these procedural requirements in August 2023 and cited these deficiencies in the January 2024 exam report.

ANSWER: To the extent the allegations in Paragraph 79 of the Complaint refer to NFA’s exam findings, the text of NFA Compliance Rule 2-9(a), and communications with Dorset, those findings, rule, and communications speak for themselves. Respondents deny any allegations in Paragraph 79 that are inconsistent therewith. To the extent the allegations in Paragraph 79 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 79 of the Complaint.

80. In August 2024, NFA sent Dubin and Rundle another email regarding Dorset's corrective action to address the outstanding procedures and other pending matters (e.g., Rundle's AP status).

ANSWER: To the extent the allegations in Paragraph 80 of the Complaint refer to NFA’s communications with Dorset, those communications speak for themselves. Respondents deny any allegations in Paragraph 80 that are inconsistent therewith. To the extent the allegations in Paragraph 80 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 80 of the Complaint.

81. To date, Dorset has not provided adequate ISSP or TPSP procedures or informed NFA that the firm has addressed other open matters from the exam.

ANSWER: To the extent the allegations in Paragraph 81 of the Complaint refer to NFA’s exam findings and communications with Dorset, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 81 that are inconsistent therewith. To the extent the allegations in Paragraph 81 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 81 of the Complaint.

82. By reason of the foregoing acts and omissions, Dorset is charged with violating NFA Compliance Rule 2-5.

ANSWER: Respondents admit that the Complaint charges Dorset with violating NFA Compliance Rule 2-5. To the extent the allegations in Paragraph 82 of the Complaint call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 82 of the Complaint.

COUNT V

VIOLATIONS OF NFA COMPLIANCE RULE 2-9(a): FAILURE TO SUPERVISE.

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

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 82 of the Complaint as if fully set forth herein.

84. Under NFA Compliance Rule 2-9(a), Dorset is required to diligently supervise its employees and agents in the conduct of their commodity interest activities for or on behalf of the firm.

ANSWER: To the extent the allegations in Paragraph 84 of the Complaint refer to the text of NFA Compliance Rule 2-9(a), that rule speaks for itself. Respondents deny any allegations in Paragraph 84 that are inconsistent therewith. To the extent the allegations in Paragraph 84 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 84 of the Complaint.

85. Under NFA Compliance Rule 2-9(a), Dubin is required to diligently exercise his supervisory duties in the conduct of his commodity interest activities on behalf of the firm.

ANSWER: To the extent the allegations in Paragraph 85 of the Complaint refer to the text of NFA Compliance Rule 2-9(a), that rule speaks for itself. Respondents deny any allegations in Paragraph 85 that are inconsistent therewith. To the extent the allegations in Paragraph 85 call for a legal conclusion, no response is required and, therefore, those

allegations are denied. Respondents otherwise deny the allegations in Paragraph 85 of the Complaint.

86. As the foregoing allegations illustrate, Dorset fell short of fulfilling its supervisory obligations to comply with NFA Requirements. The firm's supervisory failures included recordkeeping, reporting, registration and procedural deficiencies, along with its failure to cooperate with NFA during and after the exam.

ANSWER: Respondents incorporate each and every prior Answer to the allegations contained in Paragraphs 1 through and including 85 of the Complaint as if fully set forth herein. To the extent the allegations in Paragraph 86 refer to NFA's exam findings, those findings and communications speak for themselves. Respondents deny any allegations in Paragraph 86 that are inconsistent therewith. To the extent the allegations in Paragraph 86 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 86 of the Complaint.

87. Dorset's inadequate supervision is also illustrated by its failure to adequately supervise a third-party service provider. Specifically, in July 2024, NFA requested all emails to or from Dubin and Rundle from October through December 2023, so NFA could ascertain whether Rundle had ceased activities requiring him to be registered as an AP and NFA Associate.

ANSWER: To the extent the allegations in Paragraph 87 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 87 that are inconsistent therewith. To the extent the allegations in Paragraph 87 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 87 of the Complaint.

88. In response to NFA's request, Dorset indicated the firm had recently changed its email vendor and needed additional time to determine if its previous email vendor could and would collect the emails. This response illustrates the firm's lax oversight over an outsourced function.

ANSWER: To the extent the allegations in Paragraph 88 of the Complaint refer to NFA's exam findings and communications with Dorset, those findings and communications speak

for themselves. Respondents deny any allegations in Paragraph 88 that are inconsistent therewith. To the extent the allegations in Paragraph 88 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 88 of the Complaint.

89. At all relevant times, Dubin has been the individual responsible for operations and general compliance matters at the firm, which includes areas where several of the foregoing alleged deficiencies existed.

ANSWER: To the extent the allegations in Paragraph 89 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 89 that are inconsistent therewith. To the extent the allegations in Paragraph 89 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 89 of the Complaint.

90. However, Dubin neglected to ensure the firm complied with its regulatory obligations and, therefore, failed to adequately carry out his supervisory responsibilities.

ANSWER: To the extent the allegations in Paragraph 90 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 90 that are inconsistent therewith. To the extent the allegations in Paragraph 90 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 90 of the Complaint.

91. Dubin illustrated his failure to supervise in other ways. For example, NFA's exam found that Dubin attested to completing NFA's self-exam questionnaire on an annual basis.

ANSWER: To the extent the allegations in Paragraph 91 of the Complaint refer to NFA's exam findings and self-exam questionnaires, those findings and questionnaires speak for themselves. Respondents deny any allegations in Paragraph 91 that are inconsistent therewith. To the extent the allegations in Paragraph 91 call for a legal conclusion, no

response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 91 of the Complaint.

92. However, since the questionnaire covers many of the areas where alleged deficiencies existed (e.g., listing all principals of the firm, preparing written ISSP and TPSP procedures), Dubin either failed to pay attention to the questionnaire while completing it or signed the attestation without adequately reviewing the firm's operations.

ANSWER: To the extent the allegations in Paragraph 92 of the Complaint refer to NFA's exam findings, those findings speak for themselves. Respondents deny any allegations in Paragraph 92 that are inconsistent therewith. To the extent the allegations in Paragraph 92 call for a legal conclusion, no response is required and, therefore, those allegations are denied. Respondents otherwise deny the allegations in Paragraph 92 of the Complaint.

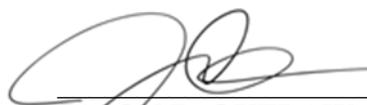
93. By reason of the foregoing acts and omissions, Dorset and Dubin are charged with violating NFA Compliance Rule 2-9(a).

ANSWER: Respondents admit that the Complaint charges Dorset and Dubin with violating NFA Compliance Rule 2-9(a). To the extent the allegations in Paragraph 93 of the Complaint call for a legal conclusion, no response is required and, therefore, those allegations are denied. Defendants otherwise deny the allegations in Paragraph 93 of the Complaint.

Any allegation not specifically admitted herein is hereby denied.

WHEREFORE, Respondents respectfully request that the Panel dismiss the Complaint in its entirety and grant Respondents whatever relief is necessary and appropriate.

Dated: February 14, 2025



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CERTIFICATE OF SERVICE

I hereby certify that on February 14, 2025 a true and correct copy of the foregoing document was served by email to the following:

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