NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

In the Matter of:

SYNERGISTIC GROUP LLC
(NFA ID #430255),

and

GEOFFREY THOMPSON
(NFA ID #421211),

Respondents.

NFA Case No. 18-BCC-011

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, this Committee issues this Complaint against Synergistic Group LLC (Synergistic) and Geoffrey Thompson (Thompson).

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Synergistic was a commodity pool operator (CPO) and commodity trading adviser (CTA) Member of NFA located in Frankfort, Illinois.

2. At all times relevant to this Complaint, Thompson was the sole associated person (AP) and a listed principal of Synergistic, and an NFA Associate.
BACKGROUND

3. Synergistic has been an NFA Member since July 2011. Thompson is the firm's sole AP and an NFA Associate. Thompson is also a principal of the firm along with his wife, Nancy Thompson.

4. From October 2010 to September 2011, Thompson was also an AP and principal of TecExplorer.com LLC (TecExplorer), a former NFA Member CPO/CTA.

5. In 2011, Synergistic listed one pool, Synergistic Capital Markets LLC (the Pool), with NFA for which it claimed a 4.7 exemption. However, the Pool has never reported any participants or assets to NFA, since listing the Pool with NFA in 2011. Synergistic has also repeatedly represented to NFA in its pool quarterly reports and annual questionnaires that the Pool was inactive and had not yet launched.

6. In June 2018, NFA identified a pattern of late financial filings by Synergistic, which prompted staff to conduct some preliminary background research into Synergistic, Thompson, and his prior firm, TecExplorer, including requesting information from all NFA Member futures commission merchants (FCMs) and Forex Dealer Members (FDMs) to determine if Synergistic, the Pool, TecExplorer, or any of their affiliates had current or prior open accounts.

7. While the FCMs and FDMs indicated that they had no current or prior open accounts for any of the foregoing entities, NFA’s inquiry revealed at least two matters of interest, viz., TecExplorer still maintained an active website despite having withdrawn from NFA membership; and Thompson and his wife, Nancy, had recently been named in an SEC case charging them with securities fraud.
Among other things, the SEC complaint alleged that Thompson deposited $1.3 million from the sale of stock into an account controlled by Synergistic and used some of these funds to pay off loans received from investors in Synergistic and TecExplorer.

8. Based on the above information, NFA commenced an examination of Synergistic on July 2, 2018. On that date, NFA staff visited Synergistic's business address in Frankfort, Illinois, as listed in NFA's Online Registration System (ORS), which turned out to be a residential home. NFA staff spoke with a woman there who said that she rented the home from the Thompsons and that the Thompsons no longer lived there. NFA then attempted to call Thompson at a phone number he had listed in ORS but there was no answer.

9. Later in the afternoon of July 2, 2018, NFA was able to contact Thompson's wife, Nancy, who claimed that Thompson was traveling and would not be able to contact the NFA exam team for several days. NFA advised Nancy Thompson to inform her husband that he needed to contact the NFA exam team immediately.

10. Shortly thereafter, Thompson called, and had a brief conversation with the exam team during which he represented that Synergistic was not currently doing business and did not have any customers. The exam team informed Thompson that it would send him a follow-up e-mail with requests for certain information and business records.

11. A short time later, NFA sent an e-mail to Thompson which included questions about his current business operations and requests for certain documents. The e-mail gave a deadline of July 5, 2018, which was extended to July 6, 2018, for
Thompson to respond to NFA's requests. The documents sought by NFA included bank statements for Synergistic, as well as its holding company, and TecExplorer, which documents are necessary for NFA to verify Thompson's representation that Synergistic and its affiliate companies are not doing business.

12. NFA also requested a list of outstanding promissory notes that Thompson and/or his companies still owe. NFA's request for a list of outstanding promissory notes was prompted by Thompson's representation to NFA that Synergistic owed money to several investors and by allegations in the SEC's complaint, referenced above.

13. On July 6, 2018, Thompson responded to certain questions in NFA's e-mail but wrote, "pending" next to some of NFA's document requests. Thereafter, NFA has made repeated demands to Thompson, and his lawyer, to provide responses to the questions Thompson has not previously answered and to produce all requested documents.

14. Additionally, on July 7, 2018 – approximately one week after NFA attempted to begin an examination of Synergistic – the firm filed a notice to withdraw its NFA membership.

15. To date, NFA has not received any of the documents it requested or answers to all outstanding questions.

APPLICABLE RULES

16. NFA Compliance Rule 2-5 requires, in pertinent part, that each Member and Associate shall cooperate promptly and fully with NFA in any NFA investigation, inquiry, audit or examination.
COUNT I

VIOLATION OF NFA COMPLIANCE RULE 2-5: FAILURE TO COOPERATE PROMPTLY AND FULLY WITH NFA DURING ITS ATTEMPTED EXAMINATION OF SYNERGISTIC.

17. The allegations contained in paragraphs 1 through 16 are re-alleged as paragraph 17.

18. As alleged above, NFA attempted to commence an exam of Synergistic on July 2, 2018. However, due to Synergistic and Thompson's willful failure to cooperate, NFA was prevented from conducting its exam of the firm and, therefore, has been unable to determine if the firm was and is in full compliance with NFA Requirements.

19. By reason of the foregoing acts and omissions, Synergistic and Thompson are charged with violations of NFA Compliance Rule 2-5.

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within 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 in the Answer claiming 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  
300 South Riverside Plaza, Suite 1800  
Chicago, Illinois 60606  
Attn: Legal Department-Docketing  
E-mail: Docketing@nfa.futures.org  
Facsimile: 312-781-1672

Failure to file an Answer 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 as a result of or in connection with the issuance of this Complaint, the Committee may impose one or more of the following penalties:

(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 $250,000 for each violation found; and
(e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act.

Respondents in this matter who apply for registration in any new capacity, including as an AP with a new sponsor, may be denied registration based on the pendency of this proceeding.
Pursuant to Commodity Futures Trading Commission (CFTC) Regulation 1.63, penalties imposed in connection with this Complaint may temporarily or permanently render Respondents who are individuals 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: 08/04/2018

By: [Signature]
Chairperson