



f/k/a UBS Diversified FX Growth, L.P. (“UBFXG”), Universal Brokerage FX Management, LLC, f/k/a UBS Diversified FX Management, LLC (“UBFXM”), and UBS Diversified Growth, LLC (“UBSDG”), seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), to be codified at 7 U.S.C. §§ 1 *et seq.* This Court entered an *ex parte* statutory restraining order against Defendants on November 23, 2009 and an Agreed Order of Preliminary Injunction against Defendant Cook on December 8, 2009.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

### **A. Jurisdiction and Venue**

1. This Court has jurisdiction over the subject matter of this action and Defendant Cook pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder.

2. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), in that Defendant Cook currently resides in this District and the acts and practices in violation of the Act have occurred within this district.

**B. Parties to This Agreed Order**

3. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, 7 U.S.C. §§ 1 *et seq.*, and the regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2009).

4. Defendant Cook currently resides in the Sherburne County Jail in Elk River, Minnesota. He is part owner and managing partner of, and operates, OGP, and holds himself out to the public as its president and chief investment director. He also holds himself out to the public as a partner and operator of, and solicited investors on behalf of, OGA. Cook has also identified himself as a partner of UBFXA, UBFXG, UBFXM and UBSDG. In addition, Cook held himself out as the majority owner of Crown Forex S.A., and represented to FINMA that he owned 51% of the company. Cook also was a signatory on several bank accounts maintained in the names of various entities, including Market Shot, LLC, Oxford Global FX, LLC, Oxford Global Investments, LLC, and Oxford Global Partners, LLC.

5. Cook was intermittently registered with the Commission as an associated person (“AP”) of certain other registered persons from January 2001 through November 2007, but has not been registered with the Commission in any capacity since then. In 2001, Cook was subject to a registration denial proceeding brought by the National Futures Association (“NFA”) for conduct reflecting lack of honesty. In 2005, Cook was sanctioned by the NFA in connection with a disciplinary action charging him with

making misleading statements about the profit potential of futures and options trading, failing to uphold high standards of commercial honor and just and equitable principles of trade, failing to give appropriate risk disclosures to a customer and inflating the customer's annual income and net worth, and converting customer funds and failing to transmit orders through the firm's carrying broker.

### **C. Conclusions of Law**

6. Sections 4b(a)(2)(A) and (C) of the Act, as amended by the CRA, prohibit any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g) of the Act, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market – (A) to cheat or defraud or attempt to cheat or defraud the other person; and (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for the other person.

7. By making material misrepresentations and/or failing to disclose material facts to his retail forex customers and by misappropriating his customers' funds, Defendant Cook cheated, defrauded and deceived or attempted to cheat, defraud or deceive his retail forex customers in violation of Sections 4b(a)(2)(A) and (C) of the Act, as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A) and (C).

8. Section 4b(a)(2)(B) of the Act, as amended by the CRA, prohibits any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g) of the Act, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market – (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record.

9. By making or causing to be made false account statements, which were issued to at least some customers who invested money with him, Defendant Cook violated Section 4b(a)(2)(B) of the Act, to be codified at 7 U.S.C. § 6b(a)(2)(B).

10. During the relevant time, Cook and others directly and indirectly controlled OGA, OGP, UBFX and UBFXD, and did not act in good faith or knowingly induced, directly or indirectly, the acts constituting their violations of the Act, as alleged in the Complaint. Pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Cook is liable for their violations of Sections 4b(a)(2)(A), (B) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A), (B) and (C), as alleged in the Complaint, to the same extent as OGA, OGP, UBFX and UBFXD.

### **III. NEED FOR A PERMANENT INJUNCTION AND OTHER ANCILLARY RELIEF**

11. Defendant Cook engaged in acts and practices that violate Sections 4b(a)(2)(A), (B) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C.

§§ 6b(a)(2)(A), (B) and (C). Unless restrained and enjoined by this Court, there is a reasonable likelihood that Defendant Cook will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act.

#### **IV. PERMANENT INJUNCTION**

##### **IT IS HEREBY ORDERED THAT:**

12. Defendant Cook is permanently restrained, enjoined and prohibited from engaging, directly or indirectly, in:

- a. Cheating, defrauding or willfully deceiving, or attempting to cheat, defraud or willfully deceive, other persons in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or other agreement, contract or transaction subject to paragraphs (1) and (2) of Section 5a(g) of the Act, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market, in violation of Sections 4b(a)(2)(A) and (C) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 6b(a)(2)(A) and (C); and
- b. Willfully making or causing to be made to other persons false reports or statements, or willfully entering or causing to be entered for other persons false records, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or

other agreement, contract or transaction subject to paragraphs (1) and (2) of Section 5a(g) of the Act, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market, in violation of Section 4b(a)(2)(B) of the Act as amended by the CRA, to be codified at 7 U.S.C. § 6b(a)(2)(B);

13. Defendant Cook is also permanently restrained, enjoined and prohibited from engaging, directly or indirectly, in:

a. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29) (2006));

b. Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Commission Regulation (“Regulation”) 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2009)) (“commodity options”), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act as amended by the CRA, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) for his own personal account or for any account in which he has a direct or indirect interest;

c. Having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on his behalf;

d. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account

involving commodity futures, options on commodity futures, commodity options, and/or forex contracts;

e. Soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, and/or forex contracts;

f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2009); and

g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2009)), agent or any other officer or employee of any person registered, exempted from registration or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2009).

**V. RESTITUTION, DISGORGEMENT AND CIVIL MONETARY PENALTY RESERVED FOR FURTHER COURT PROCEEDINGS**

14. The issues of necessary statutory and equitable relief regarding appropriate restitution for defrauded customers and disgorgement and a civil monetary penalty for Defendant Cook are still unresolved. The parties shall attempt to reach an agreement regarding restitution, disgorgement and a civil monetary penalty. If the parties do not

reach an agreement, these issues shall be resolved through further proceedings before this Court, including trial.

15. Until the issues of restitution, disgorgement and a civil monetary penalty are resolved, Defendant Cook shall be enjoined and prohibited from directly or indirectly withdrawing, transferring, removing, dissipating, concealing or disposing of, in any manner, any funds, assets or other property, wherever situated, within his custody, control or possession, including but not limited to all funds, personal property, money or securities held in safes, safety deposit boxes or otherwise, and all funds on deposit in any financial institution, bank or savings and loan account, whether foreign or domestic, including funds or property of Defendant Cook's current and former customers, wherever located, held in the name of Defendant Cook or in the name of any other Defendant or any other person or entity. The assets affected by this paragraph shall include both existing assets and income and assets and income acquired after the effective date of this Order.

## **VI. MISCELLANEOUS PROVISIONS**

16. All notices required to be given by any provision in this Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Associate Director  
Division of Enforcement, Central Region  
Commodity Futures Trading Commission  
525 West Monroe Street, Suite 1100  
Chicago, Illinois 60661

Notice to Defendant Cook:

William J. Mauzy, Esq.  
Law Offices of William J. Mauzy  
510 First Avenue North, Suite 610  
Minneapolis, Minnesota 55403  
(612) 340-9108  
(612) 340-1628 (fax)  
[wmauzy@mauzylawfirm.com](mailto:wmauzy@mauzylawfirm.com)

In the event that Defendant Cook changes his residential or business telephone number(s) and/or address(es) at any time, he shall provide written notice of the new number(s) and/or address(es) to the Commission within twenty (20) calendar days thereof.

17. It is further ordered that copies of this Order may be served by any means, including facsimile transmission and Federal Express, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of the Defendants, or that may be subject to any provision of this Order. Judy McCorkle, Eleanor Oh, and Venice Bickham, all employees of the Commission, are hereby specially appointed to serve process, including this Order and all other papers in this cause.

18. This Order shall remain in effect until further order of the Court and the Court shall retain jurisdiction over this action to ensure compliance with this Order and for all other purposes related to this action.

Dated: September 28 2010

s/Michael J. Davis  
Chief Judge Michael J. Davis  
United States District Court