

BrokerCheck Report

AVATAR CAPITAL GROUP LLC

CRD# 150136

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

**AVATAR CAPITAL GROUP LLC**

CRD# 150136

SEC# 8-68218

Main Office Location

525 WASHINGTON BLVD.
14TH FLOOR
JERSEY CITY, NJ 07310

Mailing Address

525 WASHINGTON BLVD.
14TH FLOOR
JERSEY CITY, NJ 07310

Business Telephone Number

(212) 437-8120

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 03/16/2009.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **No**

The number of disclosures from non-registered control affiliates is 6

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 06/30/2022

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 03/16/2009.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

AVATAR CAPITAL GROUP LLC

Doing business as AVATAR CAPITAL GROUP LLC

CRD# 150136

SEC# 8-68218

Main Office Location

525 WASHINGTON BLVD.
14TH FLOOR
JERSEY CITY, NJ 07310

Mailing Address

525 WASHINGTON BLVD.
14TH FLOOR
JERSEY CITY, NJ 07310

Business Telephone Number

(212) 437-8120



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	FX DIRECT DEALER LLC ("FXDD")
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	03/2009
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ASSENTATO, EMIL 1952191
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	01/2022
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ASSENTATO, EMIL 1952191
Is this a domestic or foreign entity or an individual?	Individual
Position	MEMBER, CHIEF EXECUTIVE OFFICER
Position Start Date	03/2009

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
<hr/>	
Legal Name & CRD# (if any):	GARLAND, JOSEPH TIMOTHY 1043919
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF FINANCIAL OFFICER AND FINOP
Position Start Date	03/2012
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No
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Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any): ASSENTATO, EMIL

1952191

Is this a domestic or foreign entity or an individual? Individual

Company through which indirect ownership is established MAX Q

Relationship to Direct Owner OWNER

Relationship Established 01/2009

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): CURRENCY MOUNTAIN HOLDINGS LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Company through which indirect ownership is established FX DIRECT DEALER LLC

Relationship to Direct Owner OWNER

Relationship Established 12/2012

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): MAX Q INVESTMENTS LLC ("MAX Q")

Is this a domestic or foreign Domestic Entity

Firm Profile



Indirect Owners (continued)
entity or an individual?

Company through which indirect ownership is established	CURRENCY MOUNTAIN HOLDINGS LLC
Relationship to Direct Owner	OWNER
Relationship Established	12/2012
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 11/23/2009 to 08/29/2022.

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 8 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
U S. government securities dealer
U S. government securities broker
Municipal securities dealer
Municipal securities broker
Put and call broker or dealer or option writer
Non-exchange member arranging for transactions in listed securities by exchange member

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	HILLTOP SECURITIES INC.
CRD #:	6220
Business Address:	1201 ELM ST SUITE 3500 DALLAS, TX 75270
Effective Date:	10/01/2018
Description:	APPLICANT INTRODUCES ON A FULLY DISCLOSED BASIS TO ITS CLEARING FIRM, HILLTOP SECURITIES INC.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM ST
SUITE 3500
DALLAS, TX 75270
Effective Date: 10/01/2018
Description: APPLICANT INTRODUCES ON A FULLY DISCLOSED BASIS TO ITS
CLEARING FIRM, HILLTOP SECURITIES INC.

This firm does have accounts, funds, or securities maintained by a third party.

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM ST
SUITE 3500
DALLAS, TX 75270
Effective Date: 10/01/2018
Description: APPLICANT INTRODUCES ON A FULLY DISCLOSED BASIS TO ITS
CLEARING FIRM, HILLTOP SECURITIES INC.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: HILLTOP SECURITIES INC.
CRD #: 6220
Business Address: 1201 ELM ST
SUITE 3500
DALLAS, TX 75270
Effective Date: 10/01/2018
Description: APPLICANT INTRODUCES ON A FULLY DISCLOSED BASIS TO ITS
CLEARING FIRM, HILLTOP SECURITIES INC.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	6	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 6

Reporting Source: Firm

Affiliate: FXDIRECT DEALER LLC

Current Status: Final

Allegations: COMPLAINT:

ON SEPTEMBER 3, 2014, NFA ISSUED A COMPLAINT CHARGING FXDD WITH FAILING TO IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING PROGRAM, FAILING TO OFFSET TRANSACTIONS IN THE ACCOUNTS OF CERTAIN CUSTOMERS IN A FAIR AND ACCEPTABLE METHOD, FAILING TO FILE CERTIFIED FINANCIAL STATEMENTS IN A TIMELY MANNER AND USING MISLEADING PROMOTIONAL MATERIAL TO SOLICIT CUSTOMERS. THE COMPLAINT ALSO CHARGED FXDD AND BOTKIER WITH FAILING TO ADEQUATELY SUPERVISE THE FIRM'S OPERATIONS AND ITS EMPLOYEES.

COMPLAINT:

ON SEPTEMBER 3, 2014, NFA ISSUED A COMPLAINT CHARGING FXDD WITH FAILING TO IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING PROGRAM, FAILING TO OFFSET TRANSACTIONS IN THE ACCOUNTS OF CERTAIN CUSTOMERS IN A FAIR AND ACCEPTABLE METHOD, FAILING TO FILE CERTIFIED FINANCIAL STATEMENTS IN A TIMELY MANNER AND USING MISLEADING PROMOTIONAL MATERIAL TO SOLICIT CUSTOMERS. THE COMPLAINT ALSO CHARGED FXDD AND BOTKIER WITH FAILING TO ADEQUATELY SUPERVISE THE FIRM'S OPERATIONS AND ITS EMPLOYEES.

Initiated By: NFA

Date Initiated: 09/03/2014

Docket/Case Number: NFA 14BCC00017

Principal Product Type: Other

Other Product Type(s): FOREIGN EXCHANGE

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)



Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 12/08/2014

Sanctions Ordered: Monetary/Fine \$500,000.00

Other Sanctions Ordered: ON DECEMBER 8, 2014, PURSUANT TO A SETTLEMENT OFFER SUBMITTED BY FXDD AND BOTKIER, FXDD WAS ORDERED TO PAY A \$500,000 FINE. FXDD WAS ALSO ORDERED TO VOLUNTARILY WITHDRAW AS A PROVISIONALLY REGISTERED SWAP DEALER; AND THEREAFTER OPERATE ONLY AS AN NFA MEMBER IB. AS AN NFA MEMBER IB, FXDD WAS ORDERED TO NOT ACT AS A COUNTERPARTY OR DEALER IN ANY SWAPS TRANSACTION AND MAINTAIN ADJUSTED NET CAPITAL AS REQUIRED FOR AN IB UNDER NFA FINANCIAL REQUIREMENTS SECTION 5.

Sanction Details: ON DECEMBER 8, 2014, PURSUANT TO A SETTLEMENT OFFER SUBMITTED BY FXDD AND BOTKIER, FXDD WAS ORDERED TO PAY A \$500,000 FINE. FXDD WAS ALSO ORDERED TO VOLUNTARILY WITHDRAW AS A PROVISIONALLY REGISTERED SWAP DEALER; AND THEREAFTER OPERATE ONLY AS AN NFA MEMBER IB. AS AN NFA MEMBER IB, FXDD WAS ORDERED TO NOT ACT AS A COUNTERPARTY OR DEALER IN ANY SWAPS TRANSACTION AND MAINTAIN ADJUSTED NET CAPITAL AS REQUIRED FOR AN IB UNDER NFA FINANCIAL REQUIREMENTS SECTION 5.

Reporting Source: Firm

Affiliate: BOTKIER JOSEPH

Current Status: Final

Allegations: COMPLAINT:

ON SEPTEMBER 3, 2014, NFA ISSUED A COMPLAINT CHARGING FXDD WITH FAILING TO IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING PROGRAM, FAILING TO OFFSET TRANSACTIONS IN THE ACCOUNTS OF CERTAIN CUSTOMERS IN A FAIR AND ACCEPTABLE METHOD, FAILING TO FILE CERTIFIED FINANCIAL STATEMENTS IN A TIMELY MANNER AND USING MISLEADING PROMOTIONAL MATERIAL TO SOLICIT CUSTOMERS. THE COMPLAINT ALSO CHARGED FXDD AND BOTKIER WITH FAILING TO ADEQUATELY SUPERVISE THE FIRM'S OPERATIONS AND ITS EMPLOYEES.

COMPLAINT:



ON SEPTEMBER 3, 2014, NFA ISSUED A COMPLAINT CHARGING FXDD WITH FAILING TO IMPLEMENT AN ADEQUATE ANTI-MONEY LAUNDERING PROGRAM, FAILING TO OFFSET TRANSACTIONS IN THE ACCOUNTS OF CERTAIN CUSTOMERS IN A FAIR AND ACCEPTABLE METHOD, FAILING TO FILE CERTIFIED FINANCIAL STATEMENTS IN A TIMELY MANNER AND USING MISLEADING PROMOTIONAL MATERIAL TO SOLICIT CUSTOMERS. THE COMPLAINT ALSO CHARGED FXDD AND BOTKIER WITH FAILING TO ADEQUATELY SUPERVISE THE FIRM'S OPERATIONS AND ITS EMPLOYEES.

Initiated By: NFA

Date Initiated: 09/03/2014

Docket/Case Number: NFA 14BCC00017

Principal Product Type: Other

Other Product Type(s): FOREIGN EXCHANGE

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought:

Resolution: Settled

Resolution Date: 12/08/2014

Sanctions Ordered: Monetary/Fine \$500,000.00

Other Sanctions Ordered: ON DECEMBER 8, 2014, PURSUANT TO A SETTLEMENT OFFER SUBMITTED BY FXDD AND BOTKIER, FXDD WAS ORDERED TO PAY A \$500,000 FINE. FXDD WAS ALSO ORDERED TO VOLUNTARILY WITHDRAW AS A PROVISIONALLY REGISTERED SWAP DEALER; AND THEREAFTER OPERATE ONLY AS AN NFA MEMBER IB. AS AN NFA MEMBER IB, FXDD WAS ORDERED TO NOT ACT AS A COUNTERPARTY OR DEALER IN ANY SWAPS TRANSACTION AND MAINTAIN ADJUSTED NET CAPITAL AS REQUIRED FOR AN IB UNDER NFA FINANCIAL REQUIREMENTS SECTION 5.

Sanction Details: ON DECEMBER 8, 2014, PURSUANT TO A SETTLEMENT OFFER SUBMITTED BY FXDD AND BOTKIER, FXDD WAS ORDERED TO PAY A \$500,000 FINE. FXDD WAS ALSO ORDERED TO VOLUNTARILY WITHDRAW AS A PROVISIONALLY REGISTERED SWAP DEALER; AND THEREAFTER OPERATE ONLY AS AN NFA MEMBER IB. AS AN NFA MEMBER IB, FXDD WAS ORDERED TO NOT ACT AS A COUNTERPARTY OR DEALER IN ANY SWAPS TRANSACTION AND MAINTAIN ADJUSTED NET CAPITAL AS REQUIRED FOR



AN IB UNDER NFA FINANCIAL REQUIREMENTS SECTION 5.

Disclosure 2 of 6

Reporting Source: Firm

Affiliate: FXDIRECT DEALER LLC

Current Status: Final

Allegations: FXDIRECTDEALER, LLC ORDERED TO PAY \$600,000 CIVIL MONETARY PENALTY AND TO COMPLY WITH THREE-YEAR REGISTRATION BAN AS FCM OR RFED FOR VIOLATING MINIMUM FINANCIAL REQUIREMENTS AND A PRIOR CFTC ORDER

FIRM'S SUPERVISORY FAILURES LED TO REPEATED AND EXTENDED PERIODS OF UNDERCAPITALIZATION

WASHINGTON, DC - THE U.S. COMMODITY FUTURES TRADING COMMISSION (CFTC) TODAY ISSUED AN ORDER FILING AND SIMULTANEOUSLY SETTling CHARGES AGAINST FXDIRECTDEALER, LLC (FXDD), A CFTC-REGISTERED RETAIL FOREIGN EXCHANGE DEALER (RFED) AND FUTURES COMMISSION MERCHANT (FCM) HEADQUARTERED IN NEW YORK, NEW YORK, FOR FAILING TO MEET THE MINIMUM FINANCIAL REQUIREMENTS FOR RFEDS AND FCMS, FAILING TO SUPERVISE ITS EMPLOYEES, AND FAILING TO COMPLY WITH A PRIOR CFTC ADMINISTRATIVE ORDER DATED SEPTEMBER 30, 2013 (PRIOR ORDER) (SEE CFTC PRESS RELEASE 6725-13). FXDD HAS BEEN REGISTERED WITH THE CFTC AS AN FCM SINCE DECEMBER 10, 2009 AND AS AN RFED SINCE SEPTEMBER 2, 2010.

UNDER CFTC REGULATIONS, RFEDS AND FCMS THAT OFFER OR ENGAGE IN RETAIL FOREIGN EXCHANGE (FOREX) TRANSACTIONS MUST AT ALL TIMES MAINTAIN ADJUSTED NET CAPITAL (ANC) OF \$20 MILLION, OR MORE IN CERTAIN CIRCUMSTANCES. IN THE PRIOR ORDER, THE CFTC FOUND THAT FXDD FAILED TO MAINTAIN ITS REQUIRED ANC DURING AT LEAST 18 SEPARATE MONTHS BETWEEN NOVEMBER 2010 AND DECEMBER 2012 AND ORDERED FXDD TO, AMONG OTHER THINGS, CEASE AND DESIST FROM FURTHER VIOLATIONS OF ITS ANC REQUIREMENTS.

ACCORDING TO THE ORDER, DURING THE PERIOD MARCH 20, 2013 TO DECEMBER 11, 2013, FXDD IMPROPERLY INCLUDED CERTAIN FUNDS HELD



IN AN ACCOUNT AT AN UNREGULATED ENTITY IN ITS ANC COMPUTATIONS. AFTER EXCLUDING THOSE FUNDS AS REQUIRED, THE ORDER FINDS THAT FXDD WAS UNDERCAPITALIZED FOR 96 DAYS BETWEEN APRIL 24, 2013 AND DECEMBER 13, 2013. ADDITIONALLY, THE ORDER FINDS THAT FXDD WAS UNDERCAPITALIZED FOR 41 DAYS BETWEEN SEPTEMBER 30, 2013 AND DECEMBER 13, 2013 IN VIOLATION OF THE PRIOR ORDER. THE ORDER ALSO FINDS THAT FXDD VIOLATED CFTC MINIMUM FINANCIAL REQUIREMENTS BY MAKING THREE PROHIBITED EQUITY WITHDRAWALS BETWEEN JANUARY 13, 2014 AND FEBRUARY 14, 2014.

EACH OF THESE VIOLATIONS, THE ORDER FINDS, WAS A RESULT OF FXDD'S INADEQUATE SUPERVISORY SYSTEM AND ITS FAILURE TO DILIGENTLY SUPERVISE EMPLOYEES, OFFICERS, AND AGENTS WITH RESPECT TO THE HANDLING AND MONITORING OF FXDD'S COMPLIANCE WITH ITS MINIMUM FINANCIAL REQUIREMENTS.

THE ORDER IMPOSES A \$600,000 CIVIL MONETARY PENALTY AGAINST FXDD FOR ITS VIOLATIONS, AS WELL AS A CEASE AND DESIST ORDER AND A THREE-YEAR REGISTRATION BAN AS AN FCM OR RFED. THE ORDER NOTES THAT IN SETTling THIS MATTER, THE CFTC TOOK INTO ACCOUNT THE CORRECTIVE ACTION THAT FXDD UNDERTOOK AFTER ITS DEFICIENCIES WERE DISCOVERED AND FXDD'S PENDING REQUEST TO WITHDRAW ITS REGISTRATIONS AS AN FCM AND RFED.

THE CFTC THANKS THE NATIONAL FUTURES ASSOCIATION FOR ITS ASSISTANCE.

CFTC DIVISION OF ENFORCEMENT STAFF MEMBERS RESPONSIBLE FOR THIS CASE ARE RACHEL HAYES, CHARLES MARVINE, AND RICHARD WAGNER. KEVIN PICCOLI, GERALD NUDGE, ROBERT LOEBER, AND NICHOLAS CHIACCHERE OF THE CFTC'S DIVISION OF SWAP DEALER AND INTERMEDIARY OVERSIGHT ALSO ASSISTED IN THIS MATTER.

Initiated By: CFTC
Date Initiated: 09/24/2014
Docket/Case Number: CFTC 14-28



Principal Product Type:	Other
Other Product Type(s):	FOREIGN EXCHANGE
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	PAY \$600,000 CIVIL MONETARY PENALTY AND TO COMPLY WITH THREE-YEAR REGISTRATION BAN AS FCM OR RFED
Resolution:	Settled
Resolution Date:	09/24/2014
Sanctions Ordered:	Monetary/Fine \$600,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	PAY \$600,000 CIVIL MONETARY PENALTY AND TO COMPLY WITH THREE-YEAR REGISTRATION BAN AS FCM OR RFED
Sanction Details:	PAY \$600,000 CIVIL MONETARY PENALTY AND TO COMPLY WITH THREE-YEAR REGISTRATION BAN AS FCM OR RFED
Firm Statement	MAY NOT APPLY TO REGISTER 09/24/2014 COMMISSION ORDER 09/24/2014 OTHER (SEE NARRATIVE) 09/24/2014 CEASE AND DESIST ORDER 09/24/2014

Disclosure 3 of 6

Reporting Source:	Firm
Affiliate:	FXDIRECTDEALERS LLC
Current Status:	Final
Allegations:	NFA ISSUED A COMPLAINT CHARGING FXDD WITH FAILING TO IMPLEMENT AN ADEQUATE AML PROGRAM. THE COMPLAINT ALSO CHARGED FXDD AND GREEN WITH FAILING TO SUPERVISE.
Initiated By:	NFA
Date Initiated:	10/23/2012
Docket/Case Number:	NFA 12BCC00030
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)


Other Sanction(s)/Relief Sought:

Resolution: Settled
Resolution Date: 09/18/2013
Sanctions Ordered: Monetary/Fine \$1,095,119.00
Other Sanctions Ordered: CUSTOMER RESTITUTION OF \$1828261.00 (REFLECTED IN CFTC CASE # 13-34)
Sanction Details: FINE \$1095119.00; PAID 9/24/13
 RESTITUTION \$1828261; PAID 9/24/13
Firm Statement THIS WAS ROLLED INTO AND SETTLED WITH NFA 12BCC00021.

Disclosure 4 of 6

Reporting Source: Firm
Affiliate: FXDIRECTDEALERS LLC
Current Status: Final
Allegations: NFA ISSUED A COMPLAINT CHARGING FXDD WITH USING ASYMMETRICAL PRICE SLIPPAGE SETTINGS THAT FAVORED FXDD OVER CUSTOMERS; FAILING TO SUPERVISE THE TRADE INTEGRITY OF THE FIRM'S ELECTRONIC TRADING SYSTEMS; FAILING TO MAINTAIN COMPLETE AND ACCURATE RECORDS; FAILING TO REVIEW THE USE OF PROMOTIONAL MATERIAL; MAKING IMPROPER PRICE ADJUSTMENTS IN CUSTOMERS' ACCOUNTS; KNOWINGLY CONVERTING CUSTOMER FUNDS; FAILING TO IMPLEMENT AN ADEQUATE AML PROGRAM; AND FAILING TO DEVELOP AND IMPLEMENT ADEQUATE PROCEDURES TO ENSURE THAT ALL ENTITIES AND PERSONS THAT THE FIRM DOES BUSINESS WITH ARE REGISTERED WITH THE CFTC AND NFA MEMBERS. THE COMPLAINT ALSO CHARGED FXDD AND GREEN WITH WILLFULLY SUBMITTING MISLEADING INFORMATION TO NFA AND OTHERS; FAILING TO TREAT ALL CUSTOMERS EQUALLY WHEN GIVING PRICE ADJUSTMENTS; AND FAILING TO SUPERVISE.
Initiated By: NFA
Date Initiated: 06/29/2012
Docket/Case Number: NFA 12BCC00021
Principal Product Type: Other
Other Product Type(s): FOREIGN CURRENCY



Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Settled
Resolution Date:	09/18/2013
Sanctions Ordered:	Monetary/Fine \$1,095,119.00
Other Sanctions Ordered:	CUSTOMER RESTITUTION OF \$1828261.00 (REFLECTED IN CFTC CASE # 13-34)
Sanction Details:	FINE - \$1,095,119; PAID 9/24/13 RESTITUTION \$1,828,261; PAID 9/24/13
Firm Statement	IN ADDITION, FXDD WAS ORDERED NOT TO IMPOSE ANY FEES, PENALTIES, OR OTHER CHARGES FOR RESTITUION CREDITS MADE TO CUSTOMERS' ACCOUNTS, NOR IMPOSE ANY FEES OR RESTRICTIONS IF AND WHEN AFFECTED CUSTOMERS WITHDRAW THE RESTITUTION FUNDS CREDITED TO THEIR ACCOUNTS. FINALLY, FXDD WAS ORDERED TO PROVIDE ALL NECESSARY INFORMATION TO NFA SO IT CAN VERIFY THAT FXDD HAS CREDITED THE AFFECTED CUSTOMERS THE AMOUNT OF RESTITUTION DUE THEM FOR UNFAVORABLE PRICE SLIPPAGE THEY EXPERIENCED ON "LIMIT-FILL-OR-KILL" TRADES PLACED IN THEIR ACCOUNTS FROM DECEMBER 10, 2009 UNTIL JUNE 29, 2011; AND THAT THOSE CREDITS WERE, IN FACT, RECEIVED BY SUCH CUSTOMERS.

Disclosure 5 of 6

Reporting Source:	Firm
Affiliate:	FXDIRECTDEALER LLC
Current Status:	Final
Allegations:	FXDD DID NOT MAINTAIN ITS REQUIRED ADJUSTED NET CAPITAL DURING AT LEAST 18 SEPARATE MONTHS BETWEEN NOVEMBER 2010 AND DECEMBER 2012, WITH MONTH-END ADJUSTED NET CAPITAL COMPUTATIONS SHOWING THAT FXDD WAS UNDERCAPITALIZED BY MORE THAN \$7.5 MILLION AT ONE POINT. BECAUSE FXDD REPORTED ITS ADJUSTED NET CAPITAL ON A CONSOLIDATED BASIS WITH ITS SUBSIDIARY, FXDD APPARENTLY DID NOT REALIZE THAT, ON THE REQUIRED STAND-ALONE BASIS, IT FAILED TO SATISFY ITS ADJUSTED NET CAPITAL REQUIREMENTS THROUGHOUT MOST OF THIS PERIOD, THE ORDER FINDS.



Initiated By:	CFTC
Date Initiated:	09/30/2013
Docket/Case Number:	CFTC 13-42
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	FINE
Resolution:	Order
Resolution Date:	09/30/2013
Sanctions Ordered:	Monetary/Fine \$275,000.00 Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	FINE \$275,000; PAID 10/4/2013
Firm Statement	NO OTHER CONDITIONS.

Disclosure 6 of 6

Reporting Source:	Firm
Affiliate:	FXDIRECTDEALER, LLC
Current Status:	Final
Allegations:	THE PRICE QUOTES OFFERED BY FXDD COULD SLIP BETWEEN THE TIME THE CUSTOMER WOULD CLICK ON A PRICE SHOWING ON THE COMPUTER AND THE TIME FXDD WOULD FILL THE ORDER. THE SYSTEM EMPLOYED SLIPPAGE PARAMETERS THAT DETERMINE WHETHER OR NOT THE ORDER IS FILLED OR REJECTED. THE ODER INDICATES FXDD USED ASYMMETRICAL SLIPPAGE PARAMETERS THAT FAVORED THE FIRM OVER THE CUSTOMER.

Initiated By:	CFTC
Date Initiated:	09/18/2013
Docket/Case Number:	CFTC 13-34
Principal Product Type:	Other



Other Product Type(s):	FOREIGN CURRENCY
Principal Sanction(s)/Relief Sought:	Cease and Desist
Other Sanction(s)/Relief Sought:	CIVIL MONETARY PENALTY AND CUSTOMER RESTITUTION
Resolution:	Order
Resolution Date:	09/18/2013
Sanctions Ordered:	Monetary/Fine \$2,742,392.00 Disgorgement/Restitution Cease and Desist/Injunction
Other Sanctions Ordered:	
Sanction Details:	RESTITUTION - \$1,828,261 CFTC CIVIL PENALTY - \$914,131
	PAID -9/24/13
Firm Statement	NO OTHER CONDITIONS.

End of Report



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