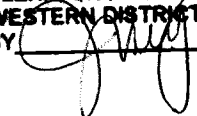


FILED

NOV 15 2012

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY  DEPUTY

U.S. COMMODITY FUTURES TRADING)
COMMISSION,)

Plaintiff,)

Civil Action No. 1:12-cv-00862-LY

v.)

SENEN POUSA, INVESTMENT)
INTELLIGENCE CORPORATION, DBA)
PROPHETMAX MANAGED FX, JOEL)
FRIANT, MICHAEL DILLARD, AND)
ELEVATION GROUP, INC.)

Defendants.)

**CONSENT ORDER OF PERMANENT INJUNCTION AND OTHER STATUTORY AND
EQUITABLE RELIEF AGAINST DEFENDANT JOEL FRIANT**

On September 18, 2012, Plaintiff U.S. Commodity Futures Trading Commission (the "Commission" or "CFTC") filed a Complaint for Injunctive Relief, Civil Monetary Penalties, and Other Equitable Relief ("Complaint") (Docket No. 1) against, among others, Defendant Joel Friant ("Friant"). The Complaint seeks injunctive and other equitable relief for violations of the Commodity Exchange Act ("Act"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), 7 U.S.C. §§ 1 *et seq.*, and the Commission's Regulations ("Regulations") promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* (2012). That same day, the Court entered an *ex parte* statutory restraining order against Friant. (Docket No. 4).

I.
CONSENTS AND AGREEMENTS

To effect partial settlement of the matters alleged in the Complaint against Friant without a trial on the merits or any further judicial proceedings, Friant:

1. Consents to the entry of this Consent Order of Permanent Injunction and Other Relief Against Defendant Joel Friant ("Consent Order");
2. Affirms that he has read and agrees to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent or representative thereof, or by any other person, to induce consent to this Consent Order;
3. Acknowledges service of the Summons and Complaint;
4. Admits the jurisdiction of this Court over him and the subject matter of this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1;
5. Admits the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act, 7 U.S.C. §§ 1, *et seq.*;
6. Admits that venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e);
7. Waives:
 - (a) any and all claims that he may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2006) and 28 U.S.C. § 2412 (2006), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2012), relating to, or arising from, this action;
 - (b) any and all claims that he may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868

(1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this action;

(c) any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) any and all rights of appeal from this Consent Order;

8. Consents to the continued jurisdiction of this Court over him for the purpose of implementing and carrying out the terms and conditions of all orders and decrees, including orders setting the appropriate amounts of restitution, disgorgement and civil monetary penalty, that may be entered herein, to entertain any suitable application or motion for additional relief within the jurisdiction of the Court, to assure compliance with this Consent Order and for any other purpose relevant to this action, even if Frlant now or in the future resides outside the jurisdiction of this Court;

9. Agrees that he will not oppose enforcement of this Consent Order by alleging that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waives any objection based thereon;

10. Agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect his: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the

Commission is not a party. Friant shall undertake all steps necessary to ensure that his agents or employees under his authority or control understand and comply with this agreement; and

11. By consenting to the entry of this Consent Order, Friant neither admits nor denies the allegations of the Complaint or the Findings of Fact and Conclusions of Law in this Consent Order, except as to jurisdiction and venue, which he admits. Further, Friant agrees and intends that the allegations contained in the Complaint and all of the Findings of Fact and Conclusions of Law contained in this Consent Order shall be taken as true and correct and be given preclusive effect, without further proof, in the course of: (a) any current or subsequent bankruptcy proceeding filed by, on behalf of, or against Friant; (b) any proceeding pursuant to Section 8a of the Act, as amended, 7 U.S.C. § 12a, and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 *et seq.* (2011); and/or (c) any proceeding to enforce the terms of this Consent Order.

12. Agrees to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 59 of Part VII of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against him, whether inside or outside the United States.

13. Agrees that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Friant in any other proceeding.

14. Friant consents to pay restitution, plus post-judgment interest, in an amount to be determined upon subsequent consent order or motion by the Commission and/or hearing before this Court.

15. Friant consents to pay disgorgement, plus post-judgment interest, in an amount to be determined upon subsequent consent order or motion by the Commission and/or hearing before this Court.

16. Friant consents to pay a civil monetary penalty, plus post-judgment interest, in an amount to be determined upon subsequent consent order or motion by the Commission and/or hearing before this Court.

17. The Court, being fully advised in the premises, finds there is good cause for entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of Findings of Fact, Conclusions of Law and a permanent injunction and ancillary equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

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

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

1. The Parties To This Consent Order

18. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act, as amended, 7 U.S.C. §§ 1 *et seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et seq.* (2012).

19. Defendant Joel Friant is a resident of Bellingham, Washington. Throughout the relevant period, Friant was the Client Service Representative of Investment Intelligence Corporation ("IIC") who provided clients with day-to-day client assistance, opening accounts, customer assistance, and wire instructions for investing with IIC's managed forex program. Friant has never been registered with the Commission in any capacity, nor has he sought or does he qualify for exemption from registration.

2. Defendants' Solicitation for Discretionary Trading Accounts in Forex

20. Beginning from at least January 1, 2012 and continuing to September 18, 2012 (the "relevant period"), IIC, through Senen Pousa ("Pousa"), Friant, at the direction of Pousa, and its other agents, utilized "wealth creation" webcasts, webinars, podcasts, emails, and other online seminars via the Internet to directly and indirectly solicit actual and prospective clients worldwide to open forex trading accounts at IIC. Further, IIC, through Pousa, Friant and its other agents, used these means to convince clients to allow IIC to exercise discretionary trading authority over clients' accounts at IB Capital FX, LLP ("IB Capital") that engaged in leveraged forex transactions, or provided IIC with written discretionary trading authority to trade said accounts.

21. Clients were solicited either directly via IIC's webcasts, webinars, podcasts, and other online seminars, or were solicited by Defendant Elevation Group, Inc. ("Elevation"), through its agents, including Michael Dillard ("Dillard"). Elevation, by and through its agents, operates the website www.theelevationgroup.net, through which it introduces its subscribers to various investment options.

22. Clients of IIC paid a "membership fee" of approximately two thousand dollars (\$2,000) directly to IIC to gain twelve (12) months of access to IIC's managed forex services. Elevation and Dillard were paid a fee directly from IIC for clients who were solicited by

Elevation. All clients were advised that ten thousand (\$10,000) was the minimum deposit required to participate in IIC's managed forex services.

23. Clients completed the account opening documents provided to them by agents of IIC. Clients were directed by IIC to open leveraged forex accounts at IB Capital, a counterparty operating out of New Zealand and the Netherlands. Each client who opened an account at IB Capital executed a written limited power of attorney ("LPOA"), granting IIC *dba* Prophetmax discretionary trading authority over their account. These LPOA's provided IIC with complete trading authority over the client's account.

24. Friant was to be compensated with a 2.5% share of the 25% "performance fee" debited from clients' accounts by IIC. This compensation was paid to Friant via a deposit into Friant's IB Capital trading account.

25. Clients were promised by IIC, through Pousa, Friant at Pousa's direction, and other IIC agents: (i) a monthly return of 9%; (ii) that IIC's managed forex trading would risk less than 3% of a client's capital per transaction; (iii) that IIC was able to limit the risk inherent to forex trading by limiting its managed forex trading to 3 to 4 trades per month; and (iv) that IIC has six (6) "proprietary traders" working twenty-four (24) hours a day trading clients' funds. All of these representations to clients were false.

26. In one webcast video, Pousa explained to Dillard how IIC purportedly traded clients funds in leveraged forex:

Dillard: "How does your company work, how do people get involved, what are the requirements, if you don't mind? Let's get to it."

Pousa: "There are two services [offered by IIC]. One you could say is managed and this is a service where there are six (6) proprietary traders that trade a currency account on

your behalf twenty-four (24) hours a day each in eight (8) hour shifts while the currency markets are open. The minimum there is \$10,000.”

Pousa: “Very simple process, someone opens an account and from that point on, it gets traded. There is a platform that you can download so you can see what the proprietary trading group is doing with your money every single day. You could sit there twenty-four (24) hours per day and see the transactions they are making whenever they occur. Now the transactions with these are really only five (5) transactions per month on average. And these transactions occur within a few seconds most of the time- straight in and straight out. It’s not holding something for hours, days, weeks or months. It’s holding them in and out, straight away...”

Pousa: “Remembering the leverage ratio. They have a leverage ratio of 100:1. Someone with \$10,000 has really \$1,000,000 they can get in the market. So that’s the leverage component. But they [traders] also exercise risk management rules. They are never risking more than 1-3% of the capital on any one time....”

27. The representations to clients in the preceding paragraph were false because Defendants’ made more than “only five (5) transactions per month on average,” risked more than “1-3% of the capital on any one time,” and there were not “six (6) proprietary traders that trade a currency account on [clients’] behalf twenty-four (24) hours a day each in eight (8) hour shifts while the currency markets are open.”

28. Friant, who held himself out as a “client service representative” for JIC, provided U.S. clients with instructions on how to wire funds to a bank account in the name of IB Capital in New Zealand. Clients, at the direction of Pousa and Friant, wired funds to IB Capital for trading by JIC in its managed forex investment.

29. On or about May 16-17, 2012, clients suffered a loss of over sixty (60) percent of their funds when IIC, by and through its agents, entered over two hundred (200) forex trades in each client's account. IB Capital was the counterparty to all of IIC's trades on behalf of clients. These trades were in contravention of the representations made by IIC, by and through its agents.

30. In webcasts subsequent to May 17, 2012, Pousa admitted that he had very little prior experience trading forex, that hundreds of trades were effected in clients' accounts in a single day, that more than three percent (3%) of clients' funds were traded at one time, and that IIC had only one trader trading clients' accounts, not the "six (6) proprietary" traders claimed previously.

31. In response to numerous IIC client complaints to IB Capital about their losses, IB Capital notified clients that it was closing all accounts of clients, required clients to execute account closing documents, and notified clients that their accounts were automatically settled.

32. The forex trades conducted, or offered to be conducted, by IIC and its agents on behalf of the Defendants' clients were entered into on a leveraged or margined basis. IIC was required to provide as margin only a percentage of the value of the forex contracts that it purchased.

33. The forex transactions for which the Defendants solicited clients, and placed with IB Capital acting as the counterparty, neither resulted in delivery within two days nor created an enforceable obligation to deliver between a buyer and a seller who had the ability to deliver and accept delivery, respectively, in connection with their line of business. Rather, these forex contracts remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an obligation to do so).

34. Neither IIC, Pousa, Friant nor IB Capital are a financial institution, registered broker dealer, insurance company, financial holding company, or investment bank holding company or associated person of financial institutions, registered broker dealer, insurance company, financial holding company, or investment bank holding company.

35. Most if not all of the nine hundred sixty (960) clients who opened trading accounts during the relevant period were not eligible qualified participants ("EQPs") as that term is defined in Section 1(a)(12)(A)(xi) of the Act, 7 U.S.C. § 1a(12)(A)(xi) (2006).

36. The Defendants failed to disclose to clients or prospective clients that IIC was acting as a CTA, and Pousa and Friant were acting as APs of a CTA, without the benefit of registration with the Commission and without claiming a valid exemption from registration.

3. The Solicitations at Issue Involved Retail Forex Transactions

37. The forex trades conducted, or offered to be conducted, on behalf of the clients solicited by Defendants were entered into on a leveraged or margined basis.

38. The forex transactions for which the Defendants solicited clients, and placed with IB Capital acting as the counterparty, neither resulted in delivery within two days nor created an enforceable obligation to deliver between a buyer and a seller who had the ability to deliver and accept delivery, respectively, in connection with their line of business. Rather, these forex contracts remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an obligation to do so).

4. Failure to Register as Required

39. At no time during the relevant period was IIC registered with the Commission as a Commodity Trading Advisor ("CTA"), nor was Friant registered with the Commission as an Associated Person ("AP") of IIC, a CTA.

40. Friant, committed the acts described herein both individually and within the scope of his agency, employment or office with IIC.

B. Conclusions of Law

1. Jurisdiction and Venue

41. This Court has jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, which provides that whenever it shall appear to the Commission that any 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 promulgated thereunder, the Commission may bring an action in the proper district court of the United States against such person to enjoin such act or practice, or to enforce compliance with the Act, or any rule, regulation or order thereunder.

42. The Commission has jurisdiction over the forex solicitations and transactions at issue in this action pursuant to Section 2(c)(2)(C) of the Act, 7 U.S.C. § 2(c)(2)(C) (2006 & Supp. IV 2011).

43. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, as amended, 7 U.S.C. § 13a-1(e), because Friant resides in this jurisdiction and/or the acts and practices in violation of the Act occurred within this District.

2. Defendant Friant violated Section 4o(1)(B) of the Act.

44. As demonstrated by the foregoing facts, Friant, individually and as the agent of IIC, misrepresented material facts, and failed to disclose other material facts, in his solicitations to actual and prospective clients, which operated as a fraud or deceit upon them, in violation of Section 4o(1)(B) of the Act, 7 U.S.C. § 6o(1)(B) (2006), as amended by the CRA.

45. Friant's misrepresentations and omissions were material in that reasonable clients would consider them important in making investment decisions.

46. Friant has engaged, is engaging, or is about to engage in acts and practices that violate Section 4c(1)(B) of the Act. Unless restrained and enjoined by this Court, there is a reasonable likelihood that Friant will continue to engage in the acts and practices described herein or in similar acts and practices that violate the Act and Regulations. Furthermore, the nature of Friant's violations and the need to deter others from committing similar violations of the Act and Regulations warrants the imposition of ancillary equitable relief to carry out the objectives of the Act and Regulations.

3. Friant violated Section 2(c)(2)(C)(iii)(I)(bb) of the Act and Regulation 5.3(a)(3)(ii)

47. During the relevant period, IIC acted as a CTA, as defined in Regulation 5.1(e)(1), 17 C.F.R. § 5.1(e)(1) (2012), related to off-exchange forex transactions, because it exercised discretionary authority over accounts of individuals who were not ECPs, as defined in Section 1a of the Act, 7 U.S.C. § 1a, in connection with retail forex transactions.

48. During the relevant period Friant acted as an AP of a CTA, as defined in Regulation 5.1(e)(2)(i), 17 C.F.R. § 5.1(e)(2)(i) (2012), because Friant is a natural person associated with a CTA as defined in Regulation 5.1(e)(1), 17 C.F.R. § 5.1(e)(1) (2012) as a partner, officer, employee, consultant, or agent, in a capacity that involved: (i) the solicitation of a client's or prospective clients' discretionary account; or (ii) the supervision of any person or person so engaged.

49. During the relevant period, Friant, individually and as the agent of IIC, while associated with IIC as a partner, officer, employee, consultant or similar agent, solicited clients or prospective clients to open discretionary accounts in retail, leveraged forex transactions, or supervised other persons so engaged, without being registered with the Commission as an AP of IIC, in violation of Section 2(c)(2)(C)(iii)(I)(bb) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(bb) (2006 & Supp. IV 2011) and Regulation 5.3(a)(3)(ii), 17 C.F.R. § 5.3(a)(3)(ii) (2012).

50. Friant has engaged, is engaging, or is about to engage in acts and practices that violate Section 2(c)(2)(C)(iii)(I)(bb) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(bb) (2006 & Supp. IV 2011) and Regulation 5.3(a)(3)(ii), 17 C.F.R. § 5.3(a)(3)(ii) (2012). Unless restrained and enjoined by this Court, there is a reasonable likelihood that Friant will continue to engage in the acts and practices alleged in the Complaint or in similar acts and practices that violate the Act and Regulations. Furthermore, the nature of Friant's violations and the need to deter others from committing similar violations of the Act and Regulations warrants the imposition of ancillary equitable relief to carry out the objectives of the Act and Regulations.

III.

ORDER FOR PERMANENT INJUNCTION

IT IS HEREBY ORDERED THAT:

51. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, Friant is permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant in violation of Section 4a(1)(B) of the Act, 7 U.S.C. § 6a(1)(B) (2006).
- b. Engaging in any conduct in violation of Section 2(c)(2)(C)(iii)(I)(bb) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(bb) (2006 & Supp. IV 2011) including, but not limited to, exercising discretionary authority over accounts of individuals who were not ECPs, as defined in Section 1a of the Act, 7 U.S.C. § 1a, in connection with retail forex transactions.

- c. Engaging in any conduct in violation Regulation 5.3(a)(3)(ii), 17 C.F.R. § 5.3(a)(3)(ii) (2012), including, but not limited to, acting as an AP of an CTA without registering with the Commission.

52. Friant is also permanently restrained, enjoined and prohibited from directly or indirectly;

- a. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a);
- b. Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3 (hh), 17 C.F.R. § 1.3(hh) (2011)) ("commodity options"), security futures products, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, 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, security futures products, 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, security futures products, 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, security futures products, 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) (2012); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2012)), agent or any other officer or employee of any person (as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a) 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) (2012).

IV.

STATUTORY AND EQUITABLE RELIEF

- 53. Friant shall pay restitution, plus post-judgment interest to IIC clients.
- 54. Friant shall pay disgorgement, plus post-judgment interest, to the CFTC.
- 55. Friant shall pay a civil monetary penalty, plus post-judgment interest, to the CFTC.
- 56. The Court shall determine the amounts of restitution, disgorgement and civil monetary penalty and the procedures for payment and distribution of these monetary sanctions by further order upon: motion of the parties submitting to the Court a proposed consent order setting out their agreement on the amounts of restitution, disgorgement and civil monetary penalty to be paid by Friant in this matter; subsequent motion by the CFTC; and/or hearing before this Court.

57. In connection with any Commission motion for restitution, disgorgement and/or civil monetary penalties, and at any hearing held on such a motion: (a) Friant will be precluded from arguing that he did not violate the federal laws as alleged in the Complaint; (b) Friant may not challenge the validity of his consents and agreements herein or this Consent Order; (c) solely for the purposes of such motion, the allegations of the Complaint and the Findings of Fact and Conclusions of Law in this Consent Order shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for restitution, disgorgement and/or civil monetary penalties, the parties may take discovery, including discovery from appropriate non-parties.

58. Friant shall cooperate fully and expeditiously with the CFTC, including the CFTC's Division of Enforcement, in any current or future investigation, civil litigation or administrative matter related to the subject matter of this action. As part of such cooperation, Friant shall comply, to the full extent of his abilities, promptly and truthfully with any inquiries or requests for information including but not limited to, requests for production of documents and authentication of documents, shall provide assistance at any trial, proceeding, or investigation related to the subject matter of this action, including but not limited to, requests for testimony, depositions, and/or interviews. Should the CFTC file any additional action(s) related to the subject matter of this action, Friant is directed to appear in the judicial district in which such action is pending, or in a suitable judicial district agreed to by the parties, to provide deposition testimony and trial testimony should such testimony be necessary.

VII.
MISCELLANEOUS PROVISIONS

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

Notice to Commission:

David Melster, Director of Enforcement
Commodity Futures Trading Commission
Division of Enforcement
1155 21st Street N.W.
Washington, DC 20581

Notice to Defendant:

Law Offices of James W. George
901 South Mopac Expressway
Barton Oaks Plaza One, Suite 300
Austin, Texas 78746

All such notices to the Commission shall reference the name and docket number of this action.

60. Change of Address/Phone: Until such time as Frlant satisfies in full his Restitution Obligation, Disgorgement Obligation, and CMP Obligation as set forth in this Consent Order, Frlant shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten (10) calendar days of the change.

61. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

62. **Invalidation:** If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

63. **Waiver:** The failure of any party to this Consent Order or of any Customer, Participant, or Client at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or Customer, Participant, or Client at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

64. **Continuing Jurisdiction of this Court:** This Court shall retain jurisdiction of this action in order to implement and carry out the terms of all orders and decrees, including orders settling the appropriate amounts of restitution, disgorgement and civil monetary penalty, that may be entered herein, to entertain any suitable application or motion for additional relief within the jurisdiction of the Court, to assure compliance with this Consent Order and for any other purpose relevant to this action.

65. **Injunctive and Equitable Relief Provisions:** The injunctive and equitable relief provisions of this Consent Order shall be binding upon Friant, upon any person under his authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Friant.

66. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

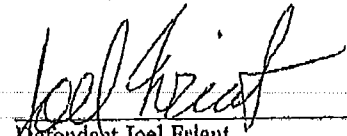
67. Friant understands that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings he may not challenge the validity of this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this *Consent Order Of Permanent Injunction And Other Statutory And Equitable Relief Against Defendant Joel Friant*.


IT IS SO ORDERED on this 15th, day of November, 2012


UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

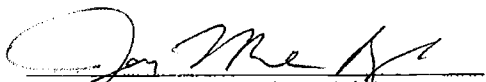

Defendant Joel Friant
Date: November 6th, 2012

Approved as to form:


James W. George, Esq.
901 South Mopac Expressway
Barton Oaks Plaza One, Suite 300
Austin, Texas 78746

Attorney for Defendant Joel Friant

CONSENTED TO AND APPROVED BY:



Jon Marc P. Buffa, Senior Trial Attorney
Timothy J. Mulreany, Chief Trial Attorney
U.S. Commodity Futures Trading Commission
Division of Enforcement
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