

FILED

16 OCT 14 AM 11:11

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

BY \_\_\_\_\_  
DEPUTY CLERK

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

U.S. COMMODITY FUTURES	)
TRADING COMMISSION	)
	)
Plaintiff,	)
	)
v.	)
	)
IB CAPITAL FX, LLC (A/K/A IB CAPITAL	)
FX (NZ) LLP) DBA IB CAPITAL, MICHEL	)
GEURKINK, AND EMAD ECHADI	)
	)
Defendants.	)
	)

Case No. 1:15-cv-01022-LY

**CONSENT ORDER FOR PERMANENT INJUNCTION, CIVIL MONETARY PENALTY  
AND OTHER EQUITABLE RELIEF AGAINST MICHAEL GEURKINK, EMAD  
ECHADI AND IB CAPITAL FX, LLC**

**I. INTRODUCTION**

On November 9, 2015, Plaintiff Commodity Futures Trading Commission (“Commission” or “Plaintiff”) filed a Complaint against Defendants Michel Geurkink (“Geurkink”) and Emad Echadi (“Echadi”), individually and as the agents of IB Capital FX, LLC (a/k/a IB Capital FX (NZ) LLP) dba IB Capital (“IB Capital”) (collectively, the “Defendants”), seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1-26 (2012), and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* (2014). Complaint, Docket Entry (“D.E.”) no. 1. The Court entered an Order of Preliminary Injunction and Other Equitable Relief against the Defendants on January 15, 2016. Order of Preliminary Injunction, D.E. No. 16.

## II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants IB Capital, Geurkink and Echadi without a trial on the merits or any further judicial proceedings, Defendants IB Capital, Geurkink and Echadi:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants IB Capital, Geurkink and Echadi ("Consent Order");
2. Affirm that they have read and agreed 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. Acknowledge service of the summons and Complaint;
4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012);
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. §§ 1-26 (2012);
6. Admit that venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012);

**7. Waive:**

(a) Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012) and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. §§ 148.1 *et seq.* (2014), relating to, or arising from, this action;

(b) Any and all claims that they 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 action;

**8. Consent to the continued jurisdiction of this Court over them for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action, even if Defendants IB Capital, Geurkink and Echadi now or in the future reside outside the jurisdiction of this Court;**

**9. Agree that they will not oppose enforcement of this Consent Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and hereby waives any objection based thereon;**

**10. Agree that neither they nor any of their agents or employees under their 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 their: (a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants IB Capital, Geurkink and Echadi shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement;

11. By consenting to the entry of this Consent Order, Defendants IB Capital, Geurkink and Echadi neither admit nor deny 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 they admit. Further, Defendants IB Capital, Geurkink and Echadi agree and intend 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 Defendants IB Capital, Geurkink and Echadi (b) any proceeding pursuant to Section 8a of the Act, 7 U.S.C. § 12a (2012), and/or Part 3 of the Regulations, 17 C.F.R. §§ 3.1 – 3.75 (2014); and/or (c) any proceeding to enforce the terms of this Consent Order. Defendants IB Capital, Geurkink and Echadi do not consent to the use of this Consent Order, or the Findings of Fact and Conclusions of Law in this Consent Order, as the sole basis for any other proceeding brought by the Commission.

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

13. Agree 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 Defendants IB Capital, Geurkink and Echadi in any other proceeding.

### III. FINDINGS AND CONCLUSIONS

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, 7 U.S.C. § 13a-1 (2012), as set forth herein.

#### THE PARTIES AGREE AND THE COURT HEREBY FINDS:

##### A. Findings of Fact

###### The Parties To This Consent Order

14. 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. §§ 1-26 (2012), and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 – 190.10 (2014).

15. Defendant **IB Capital FX, LLC (a/k/a IB Capital FX (NZ) LLP) dba IB Capital** of Wellington, NZ is a corporation with its principal place of business located at IBCAP Office, Level 5, 22 the Terrace 6011 Wellington, New Zealand, which does business in the Netherlands. IB Capital has never been registered with the Commission in any capacity. IB Capital is not a United States financial institution, registered broker dealer, insurance company, financial holding company, or investment bank holding company, or an associated person of such entities.

16. Defendant **Emad Echadi** is a resident of the Netherlands and is IB Capital's sole director. Echadi has never been registered with the Commission in any capacity, nor has he sought or does he qualify for exemption from registration. Echadi is not a United States

financial institution, registered broker dealer, insurance company, financial holding company, or investment banking holding company, or an associated person ("AP") of any such entity.

17. Defendant Michel Geurkink is a resident of the Netherlands. Geurkink has never been registered with the Commission in any capacity, nor has he sought or does he qualify for exemption from registration. He was an employee of IB Capital who served in a customer service function. Geurkink is not a United States financial institution, registered broker dealer, insurance company, financial holding company, or investment banking holding company, or an AP of any such entity.

## I. FACTS

### A. Defendants' Solicitation and Acceptance of Customers

18. During the relevant period, Geurkink and Echadi, individually and as the agents of IB Capital, solicited or accepted retail foreign currency ("forex") customers' orders and accepted at least fifty million dollars (\$50,000,000) from approximately one thousand eight hundred fifty (1,850) customers in the United States and worldwide.

19. Retail forex customers were required to agree in writing to an IB Capital FX Trading Agreement ("IB Capital Trading Agreement") and other account opening documents which controlled the relationship between customers and IB Capital as their counterparty.

20. The IB Capital Trading Agreement states, in pertinent part, in the section entitled: "4. Risk acknowledgement" that "[c]ustomer understands that because of the low margin/high leverage normally available in foreign currency trading, price changes in foreign contracts may result in significant losses. Such losses may substantially exceed Customer's investment and margin deposit."

21. Further, the IB Capital Trading Agreement states, in pertinent part, in the section entitled "9. Trading" that "All customer accounts will have margin requirements established by IB CAPITAL FX (NZ), LLP dealing desk." The margin requirement is explained in more detail, in pertinent part, in the section entitled "10. Margin Requirements" of the IB Capital Trading Agreement: "Customer shall provide to and maintain with IB CAPITAL FX (NZ), LLP, margin in such amounts and in such forms, and within such limits as IB CAPITAL FX (NZ), LLP, in its sole discretion, may from time to time require."

22. The IB Capital Trading Agreement in the section entitled "IB Capital FX (NZ) LLP risk disclosure statement," states, in pertinent part: "THE FOREIGN CURRENCY TRADING YOU ARE ENTERING INTO IS NOT CONDUCTED ON AN EXCHANGE. IB CAPITAL FX (NZ), LLP IS ACTING AS A COUNTERPARTY TO THESE TRANSACTIONS AND THEREFORE ACTS AS THE BUYER WHEN YOU SELL AND THE SELLER WHEN YOU BUY. AS A RESULT, IB CAPITAL FX (NZ), LLP'S INTERESTS MAY BE IN CONFLICT WITH YOURS." (Emphasis in the original).

23. After completing the IB Capital Trading Agreement and other account opening documents, throughout the relevant period, customers directly wired funds into bank accounts in the name of IB Capital at ING Bank, N.V. in the Netherlands. All told, customers wired at least fifty million dollars (\$50,000,000) to IB Capital.

24. The IB Capital bank accounts at ING Bank, N.V. in the Netherlands were opened by Echadi in his capacity as director of IB Capital. Echadi submitted to ING, as part of the process to open accounts at ING, a "Company Extract" and "Partnership Agreement of IB Capital FX LLP" which represented that Echadi is the director of IB Capital. Echadi opened three accounts in the name of IB Capital – a Euro account, a British Pound account, and a US

Dollar account. Echadi was the sole signatory to these accounts and had sole check writing and check card privileges on the accounts.

25. IB Capital's three ING Bank, N.V. bank accounts in the Netherlands were: ING IB CAPITAL FX LLP (EUR) xxxxx4309; IB CAPITAL FX LLP (GBP) xxxxx1730; and IB CAPITAL FX LLP (USD) xxxxx1064.

26. During the relevant period, various third parties, including but not limited to Investment Intelligence Corporation *dba* ProfitMax Managed FX ("IIC") and its principal, Senen Pousa, directly and indirectly solicited actual and prospective clients worldwide, including in the United States, to open margined retail forex leveraged trading accounts at IB Capital. IIC acted as an introducing broker to IB Capital.

27. On or about January 17, 2012, IB Capital opened four trading accounts with CFH Markets Ltd ("CFH") of the United Kingdom. Echadi, on behalf of IB Capital as its Director, completed and signed CFH's corporate account application form. On the CFH corporate account application form, Echadi represented in the section entitled "Type of Business Conduct" that IB Capital was "investing its own assets." Echadi was the sole authorized signatory for these accounts.

28. The four accounts opened at CFH by IB Capital were: IB CAPITAL FX NZ LLP EUR xxxxxxx3686; IB CAPITAL FX NZ PLUG EUR xxxxxxx3693; IB CAPITAL FX NZ PLUG GBP xxxxxxx3771; and IB CAPITAL FX NZ PLUG USD xxxxxxx3691.

29. During the period January 30, 2012 to May 2, 2012, approximately €2,781,000, £3,700,000, and \$39,300,000 of customer funds were deposited into the IB Capital accounts at CFH. Using exchange rates of €1.235 = £1 and \$1.62 = £1, approximately, a total of



approximately forty eight million nine hundred thousand dollars (\$48.9 million) of customer funds was deposited into the IB Capital accounts at CFH.

30. During the period May 30, 2012 to August 2, 2012, approximately one million two hundred and two thousand, five hundred euros (€1,202,500), two million eight hundred fifty-five thousand, five hundred twenty seven pounds (£2,855,527) and forty five million, three hundred ninety-three thousand, two hundred ninety-nine dollars and ninety-five cents (\$45,393,299.95) were withdrawn from the IB Capital accounts at CFH in three separate transactions. Using the same exchange rates of €1.235 = £1 and \$1.62 = £1 to convert the withdrawn euros and pounds noted above into dollars, IB Capital's withdrawals totaled approximately fifty one million six hundred thousand dollars (\$51.6 million) from CFH.

31. During the relevant period, the Defendants returned to customers – in the form of redemptions, refunds and other payments - a portion of the approximately fifty million six hundred thousand dollars (\$51.6 million) they received from approximately one thousand eight hundred fifty (1,850) customers, leaving the Defendants with a gain of thirty five million dollars (\$35,000,000). The Defendants' gain of thirty five million dollars (\$35,000,000) was received in connection with their failure to register as required under the Commodity Exchange Act and the Regulations promulgated thereunder.

**B. Defendants Failed to Register with the Commission**

32. During the relevant period, IB Capital was acting as an RFED because IB Capital solicited or accepted retail forex customers' orders and offered to be the counterparty to all of the customers' purported margined retail forex transactions.

33. IB Capital has never been registered in any capacity with the Commission, nor is it one of the enumerated exempt entities including a United States financial institution, registered

broker or dealer, financial holding company, or investment bank holding company or associated person of such entities as defined by the Act.

34. Accordingly, IB Capital was either required to be registered as an RFED or required to obtain an exemption from such registration; IB Capital failed to do either.

35. Defendants failed to disclose to customers that IB Capital, the counterparty to customers' margined retail forex transactions, was not registered and therefore IB Capital is not a proper counterparty to forex transactions.

36. As such, throughout the relevant period, Geurkink and Echadi have been associated with IB Capital as a partner, officer or employee, in a capacity that involves the solicitation or acceptance of retail forex customers' orders, or the supervision of any person or persons so engaged, respectively.

37. Defendants failed to disclose to actual and prospective customers that Geurkink and Echadi were acting as APs of a retail foreign exchange dealer ("RFED"), without the benefit of registration with the Commission and without claiming a valid exemption from registration.

## **B. Conclusions of Law**

### **Jurisdiction and Venue**

38. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), 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.

39. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2012), because the Defendants regularly conducted business in this jurisdiction and the acts and practices in violation of the Act occurred within this District.

**Failure to Register as an RFED and Failure to Register as an Associated Person of an RFED**

40. By the conduct described in paragraphs 1 through 37 above, during the relevant period, IB Capital solicited or accepted agreements, contracts or transactions in forex from persons who were not eligible contract participants ("ECPs") in connection with leveraged, margined or financed agreements, contracts or transactions in forex as the counterparty to each agreement, contract or transaction, without being registered as an RFED, in violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, as amended, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012) and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012).

41. By the conduct described in paragraphs 1 through 37 above, during the relevant period, Geurkink and Echadi each acted as APs of IB Capital, an RFED, because they solicited or accepted customers' orders, but failed to register with the Commission as an AP of an RFED in violation of Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012), and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

42. The foregoing acts, omissions, and failures of Defendants Geurkink and Echadi occurred within the scope of their employment, office, or agency with Defendant IB Capital; therefore, pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2012), and Regulation 1.2, 17 C.F.R. § 1.2 (2014), Defendant IB Capital is liable for Defendants Geurkink's and Echadi's acts, omissions, and failures in violation of Section 2(c)(2)(C)(iii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I) (2012), and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

43. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act and Regulations

#### IV. PERMANENT INJUNCTION

##### IT IS HEREBY ORDERED THAT:

44. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2012), Defendants IB Capital, Geurkink and Echadi are permanently restrained, enjoined and prohibited from directly or indirectly:

a. For Defendant IB Capital, from acting as an RFED, as that term is defined in Regulation 5.1(h), 17 C.F.R. § 5.1(h) (2014), and from soliciting or accepting agreements, contracts or transactions in forex from persons who are not ECPs in connection with leveraged, margined or financed agreements, contracts or transactions in forex as the counterparty to each agreement, contract or transaction in forex, without being registered as an RFED, in violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012); and Regulation 5.3(a)(6)(i), 17 C.F.R. § 5.3(a)(6)(i) (2012).

b. For Defendants Geurkink and Echadi, from being associated with an RFED as a partner, officer or employee thereof, as defined in Regulation 5.1(h)(2), 17 C.F.R. § 5.1(h)(2) (2014), and from soliciting or accepting retail forex customers' orders; or supervising any person or persons so engaged, in violation of Section 2(c)(2)(C)(iii)(I)(aa) of the Act, 7 U.S.C. § 2(c)(2)(C)(iii)(I)(aa) (2012); and Regulation 5.3(a)(6)(ii), 17 C.F.R. § 5.3(a)(6)(ii) (2012).

45. Defendants are 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(40) of the Act, 7 U.S.C. § 1a(40) (2012));
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3(yy), 17 C.F.R. § 1.3(yy) (2015) for their own personal account or for any account in which they have a direct or indirect interest;
- c. Having any commodity interests traded on their 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 interests;
- e. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- 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) (2015); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2015)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38) (2012)), 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) (2015).

## V. RESTITUTION AND CIVIL MONETARY PENALTY

### A. Restitution

46. Defendants shall pay, jointly and severally, restitution in the amount of Thirty Five Million dollars (\$35,000,000) ("Restitution Obligation"), plus post-judgment interest. Post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2012).

47. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Defendants' customers, the Court has previously appointed Guy M. Hohmann of Austin, Texas ("Receiver") as temporary Receiver for the Defendants' assets and the assets of any affiliates or subsidiaries of any Defendant, with the full powers of an equity receiver. The Receiver shall collect restitution payments from Defendants and make distributions as set forth below. Because the Receiver is acting as an officer of this Court in performing these services, Mr. Holmann shall not be liable for any action or inaction arising from his appointment as Receiver, other than actions involving fraud.

48. Defendants shall make Restitution Obligation payments under this Consent Order to the Receiver in the name "Defendants Michel Geurkink, Emad Echadi , and IB Capital FX, LLC Restitution Fund" and shall send such Restitution Obligation payments by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, to "Guy Michael Hohmann, Receiver c/o Hohmann, Brophy & Shelton, PLLC" at 210 Barton Springs Rd., Suite 250, Austin, TX 78704 under cover letter that identifies the paying Defendant and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer,

Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW,  
Washington, D.C. 20581.

49. The Receiver shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of such funds in an equitable fashion to Defendants customers identified by the Commission and/or Receiver or may defer distribution until such time as the Receiver deems appropriate. In the event that the amount of Restitution Obligation payments to the Receiver are of a *de minimis* nature such that the Receiver determines that the administrative cost of making a distribution to eligible customer is impractical, the Receiver may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Receiver shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part VI below.

50. Defendants shall cooperate with the Receiver as appropriate to provide such information as the Receiver deems necessary and appropriate to identify Defendant's customers to whom the Receiver, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments. Defendants shall execute any documents necessary to release funds that they have in any repository, bank, investment or other financial institution, wherever located, in order to make partial or total payment toward the Restitution Obligation. Defendants shall also execute any documents to release funds frozen by other criminal and/or civil authorities, including without limitation the Ministry of Security and Justice in the Kingdom of the Netherlands, that they have in any repository, bank, investment or other financial institution in the name(s) of the Defendants and/or the Defendants family and/or associates, wherever located, in order to make partial or total payment toward the Restitution Obligation.

51. The Receiver shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Defendants' customers during the previous year. The Receiver shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

52. Upon the termination of the receivership estate, the Receiver shall provide the Commission with a report detailing the disbursement of funds to Defendants' customers. The Receiver shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, U. S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

53. The amounts payable to each customer shall not limit the ability of any customer from proving that a greater amount is owed from Defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any customer that exist under state or common law.

54. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each customer of Defendants who suffered a loss is explicitly made an intended third-party beneficiary of this Consent Order and may seek to enforce obedience of this Consent Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order and to hold Defendants in contempt for any violations of any provision of this Consent Order.

55. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendants Restitution Obligation, such funds shall be transferred to the Receiver for disbursement in accordance with the procedures set forth above.



**B. Civil Monetary Penalty**

56. Defendants shall pay, jointly and severally, a civil monetary penalty in the amount of Four Hundred Twenty Thousand dollars (\$420,000) ("CMP Obligation"), plus post-judgment interest. Post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961 (2012).

57. Defendants shall pay their CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

U. S. Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables  
DOT/FAA/MMAC/AMZ-341  
CFTC/CPSC/SEC  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
(405) 954-7262 office  
(405) 954-1620 fax  
nikki.gibson@faa.gov

If payment by electronic funds transfer is chosen, Defendants shall contact Nikki Gibson or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, U. S. Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

**C. Provisions Related to Monetary Sanctions**

58. **Partial Satisfaction:** Acceptance by the Commission/CFTC or the Receiver of any partial payment of Defendants Restitution Obligation, Disgorgement Obligation, or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

**VI. 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:**

Paul Hayeck  
Deputy Director  
U.S. Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
(202) 418-5312

**Notice to Defendants:**

James W. George, Esq.  
Law Offices of James W. George  
1902 Avenue N  
Galveston, Texas 77550  
(512) 476-6767  
Counsel for Defendants

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 Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants shall provide written notice to the Commission by certified mail of any change to their 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 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 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 to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Defendants to modify or for relief from the terms of this Consent Order.

65. **Injunctive and Equitable Relief Provisions:** The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their 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 Defendants.

66. **Authority:** Defendant Emad Echadi hereby warrants that he is the director of IB Capital, and that this Consent Order has been duly authorized by IB Capital and he has been duly empowered to sign and submit this Consent Order on behalf of IB Capital.

67. **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.

68. **Contempt:** Defendants understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

69. **Agreements and Undertakings:** Defendants shall comply with all of the undertakings and agreements set forth in this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Consent Order for Permanent Injunction and Other Equitable Relief* forthwith and without further notice.

IT IS SO ORDERED on this 14<sup>th</sup> day of October, 2016.

  
UNITED STATES DISTRICT JUDGE

cc: All counsel of record and Court appointed Receiver

CONSENTED TO AND APPROVED BY:



Emad Echadi, on behalf of IB Capital FX,  
LLC

Date: 4-7, 2016



Emad Echadi, individually

Date: 4-7; 2016

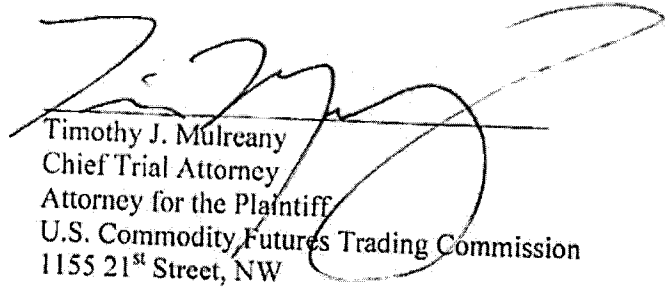
Michel Geurkink, individually

Date: 4 July, 2016

Approved as to form:



James W. George, Esq.  
Law Offices of James W. George  
1902 Avenue N  
Galveston, Texas 77550  
(512) 476-6767  
Counsel for Defendants



Timothy J. Mulreany  
Chief Trial Attorney  
Attorney for the Plaintiff  
U.S. Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
(202) 418-5306 (Mulreany)  
(202) 418-5124 (facsimile)  
tmulreany@cftc.gov

Dated October 7, 2016