

Release Number 8997-24

CFTC Charges Several People and Companies in a \$280 Million Ponzi Scheme

Court Issues Restraining Order to Protect Assets and Documents

October 15, 2024

WASHINGTON, D.C. — The Commodity Futures Trading Commission today announced it filed a civil enforcement action in the U.S. District Court for the Southern District of Florida against:

- **Traders Domain FX LTD. d/b/a The Traders Domain**, a St. Vincent and the Grenadines company with principal operations in Canada, and its two co-founders, **Fredirick Teddy Joseph Safranko, a/k/a Ted Safranko**, of Ontario or British Columbia, Canada, and **David William Negus-Romvari** of Ontario, Canada and Mexico
- **Ares Global Ltd. d/b/a Trubluefx**, a Saint Lucia company
- **Algo Capital LLC**, a Florida company
- **Algo FX Capital Advisor LLC n/k/a Quant5 Advisor LLC.**, a Delaware company with principal operations in Medley, Florida, and four of their officers and agents including **Robert Collazo Jr.** of Miami Lakes, Florida, **Juan Jose Herman a/k/a JJ Herman** of Miami, John Fortini of North Miami, Florida, and **Stephen Likos** of Sunny Isles Beach, Florida
- **Michael Shannon Sims** of Sunny Isles Beach, Florida
- **Holton Buggs Jr.**, of Houston
- **Centurion Capital Group Inc.**, a Florida company, and three of its officers and agents including **Alejandro Santiestaban a/k/a Alex Santi**, **Gabriel Beltran**, both of Hialeah, Florida, and **Archie Rice** of Fulshear, Texas

The complaint alleges that, among other things, the defendants individually, and at times working in conjunction, made material fraudulent representations to their customers and misappropriated customer funds. In sum, more than 2,000 customers deposited no less than \$283 million in connection with the alleged fraud.

The CFTC seeks disgorgement of ill-gotten gains, civil monetary penalties, restitution, trading and registration bans, and a permanent injunction against further violations of the Commodity Exchange Act and CFTC regulations.

On Oct. 3, Federal District Court Judge Roy K. Altman entered a statutory restraining order against the defendants, freezing their assets, and giving the CFTC immediate access to their books and records. The court scheduled a preliminary injunction hearing for Oct. 29.

Case Background

The complaint alleges from at least November 2019 through the present, TD, Safranko, and Negus-Romvari orchestrated a multi-layered scheme to solicit funds for trading leveraged or margined retail commodity transactions, specifically gold-to-U.S. dollar pairs (XAU/USD), as well as assorted other commodities, through pooled and individual accounts.

The complaint states TD, Safranko, and Negus-Romvari made fraudulent and material oral and written misrepresentations and omissions, and misappropriated customer funds. The complaint alleges TD and Safranko falsified trading records and TD's successor, Trubluefx, further misappropriated customer funds by failing to refund the money despite repeated attempts by thousands of customers to access and/or liquidate their accounts.

According to the complaint, TD, Safranko, and Negus-Romvari also used other individuals and entities (sponsors) on TD's behalf, with each sponsor acting like a spoke extending from the TD hub.

The sponsors Algo Capital and Algo FX Capital Advisor n/k/a Quant5, and their agents Collazo, Herman, Fortini, and Likos; Sims; Buggs; and Centurion, and its agents Santi, Beltran, and Rice, also fraudulently solicited customers and misappropriated funds. The sponsors actively downplayed red flags and continued to solicit customers, helping to create the false impression customers were participating in legitimate trading even as the scheme was on the brink of collapse.

In the fall of 2022, customers began to experience extreme withdrawal delays and/or were unable to withdraw their funds. According to the complaint, TD, Safranko, and Negus-Romvari, and the sponsor defendants provided numerous, conflicting excuses for the delays — falsely assuring customers their funds were safe, and withdrawals would be processed. All while the sponsor defendants continued to solicit funds from new and existing customers to be traded in the TD Pool, allowing the defendants to continue their fraudulent scheme for more than six months and bilk customers out of millions of additional dollars.

The CFTC appreciates the assistance of the National Futures Association, Ontario Securities Commission, the Financial Services Authority Saint Vincent & The Grenadines, Finantsinspektsioon (Estonian Financial Supervision and Resolution Authority), and Vanuatu Financial Services Commission.

The Division of Enforcement staff responsible for this matter are Alison B. Wilson, Sean Hennessy, Sarah Wastler, Kelly Folks, Maura Viehmeyer, Michelle Bougas, Erica Bodin, Stephanie Cooper, and Rick Glaser. Jeremy Christianson and Christopher Beatty from the CFTC's Office of Data and Technology also assisted.

CFTC's Commodity Pool Fraud Advisory

The CFTC has issued several customer protection Fraud Advisories and Articles (<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/index.htm>), including the Commodity Pool Fraud Advisory (https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/fraudadv_commoditypool.html), which provides information about a type of fraud involving individuals and firms, often unregistered, offering investments in commodity pools. The CFTC also urges the public to verify a company's registration at NFA BASIC (<http://www.nfa.futures.org/basicnet>) before investing funds. If an entity is unregistered, a customer should be wary of providing funds to that entity.

Suspicious activities or information, such as possible violations of commodity trading laws, should be reported to the Division of Enforcement via a toll-free hotline 866-FON-CFTC (866-366-2382) or file a tip or complaint (<http://www.cftc.gov/ConsumerProtection/FileaTiporComplaint/index.htm>) online or contact the CFTC Whistleblower Office (<https://www.whistleblower.gov/>). Whistleblowers are eligible to receive between 10 and 30 percent of the monetary sanctions collected, paid from the CFTC Customer Protection Fund financed through monetary sanctions paid to the CFTC by violators of the CEA.

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