



U.S. COMMODITY FUTURES TRADING COMMISSION
ENSURING THE INTEGRITY OF THE FUTURES & OPTIONS MARKETS

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CFTC Files Complaint Against Peregrine Financial Group, Inc. and Russell R. Wasendorf, Sr. Alleging Fraud, Misappropriation of Customer Funds, Violation of Customer Fund Segregation Laws, and Making False Statements



Commission Seeks an Order Freezing Assets and Restitution of Customer Funds.

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) announced today that it filed a complaint in the United States District Court for the Northern District of Illinois against **Peregrine Financial Group Inc.** (PFG), a registered futures commission merchant, and its owner, **Russell R. Wasendorf, Sr.** (Wasendorf). The Complaint alleges that PFG and Wasendorf committed fraud by misappropriating customer funds, violated customer fund segregation laws, and made false statements in financial statements filed with the Commission.

The National Futures Association (NFA) is PFG's Designated Self-Regulatory Organization and is responsible for monitoring and auditing PFG for compliance with the minimum financial and related reporting requirements. According to the Complaint, in July 2012 during an NFA audit, PFG falsely represented that it held in excess of \$220 million of customer funds when in fact it held approximately \$5.1 million.

The Commission's action alleges that from at least February 2010 through the present, PFG and Wasendorf failed to maintain adequate customer funds in segregated accounts as required by the Commodity Exchange Act and CFTC Regulations. The Complaint further alleges that defendants made false statements in filings required by the Commission regarding funds held in segregation for customers trading on U.S. Exchanges.

According to the Complaint, Wasendorf attempted to commit suicide yesterday, July 9, 2012. In the aftermath of that incident, the staff of the NFA received information that Wasendorf may have falsified certain bank records.

In the litigation, the CFTC seeks a restraining order to freeze assets, appoint a receiver and preserve records. Further, the litigation seeks restitution, disgorgement, and civil monetary penalties among other appropriate relief.

The following CFTC Division of Enforcement staff members are responsible for this case: William Janulis, Jon Kramer, Thaddeus Glotfelty, Melissa Glasbrenner, Rosemary Hollinger, Scott Williamson, Richard Wagner.

Media Contacts

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