

Angela D. Reed

Form 1.997
CIVIL COVER SHEET

The civil cover sheet and the Information contained herein neither replace nor supplement the filing and service of Pleadings or other papers as required by law. This form is required for the use of the Clerk of the Court for the purpose of reporting judicial workload data pursuant to Florida Statute 25.075.

I. CASE STYLE.

BROWARD COUNTY CIRCUIT COURT.

0964866

Plaintiffs: Hylton Nesbeth, Wayne Gallimore,
 Christopher Walker

Case No

Vs.

Judge

14

Defendants: USIMO, WACHOVIA BANK, JOSEPH ISSA
 MZ HOLDINGS LIMITED, JARED MARTINEZ, ISAAC MARTINEZ, DAVID SMITH
 NEVILLE CADOGAN, BRIAN TROWBRIDGE, MICHAEL MISICK,
 The Turks and Caicos Islands Financial Services Commission,
 OVERSEAS LOCKET INTERNATIONAL CORPORATION, MARKET TRADERS
 INSTITUTE INC, I-TRADE FX, LLC, HALLMARK BANK AND TRUST LTD
 COOL CORPORATION, MASTERCARD WORLDWIDE, TCI BANK LIMITED

II. TYPE OF CASE (Place an X in one box only. If the case fits more than one type of case select the most definitive).

Domestic Relations	Torts	Other Civil
Simplified Dissolution	Professional Malpractice	Contracts
Dissolution	Products Liability	Condominium
Support-IV-D	Auto Negligence	Real Property
Support-Non-IV-D	Other Negligence	Mortgage Foreclosure
URESAs-IV-D		Permanent Domain
URESAs- Non IV-D		X-Other
Domestic Violence		-SECURITIES FRAUD LITIGATION
Other Domestic Relations		

2009 DEC 29
 BROWARD COUNTY
 CIRCUIT COURT
 CLERK OF COURT
 ANGELA D. REED

EXHIBIT
 A

RECEIVED

DEC 16 2009

IN THE CIRCUIT COURT OF THE
17TH JUDICIAL CIRCUIT IN AND FOR
BROWARD COUNTY, FLORIDA

LEGAL DIVISION

CIVIL DIVISION

CASE NO.: 0964 866

HYLTON NESBETH,
WAYNE GALLIMORE,
CHRISTOPHER WALKER,
Plaintiffs,

vs.

USIMO, a Foreign corporation
WACHOVIA BANK, a North Carolina corporation
JOSEPH ISSA, a Foreign resident
MZ HOLDINGS LIMITED, a Foreign corporation
JARED MARTINEZ, a Florida resident
ISAAC MARTINEZ, a Florida resident,
DAVID SMITH, a Foreign resident,
NEVILLE CADOGAN, a Foreign resident,
BRIAN TROWBRIDGE, a Foreign resident
MICHAEL MISICK, a Foreign resident
The Turks and Caicos Islands Financial Services Commission, a Foreign
Government Regulatory Agency,
OVERSEAS LOCKET INTERNATIONAL CORPORATION,
a Foreign corporation
MARKET TRADERS INSTITUTE INC., a Florida corporation
I-TRADE FX, LLC, a Florida corporation
HALLMARK BANK AND TRUST LTD., a Foreign bank
TCI BANK LIMITED, a Foreign bank
MASTERCARD WORLDWIDE, a New York corporation
COOL CORPORATION, a Foreign corporation

Defendants.

DATE: 12-14-09
HOUR: 10:35
DEPUTY SHERIFF
Sal Bayer #10090

SUMMONS: PERSONAL SERVICE ON A CORPORATION.

**TO: WACHOVIA BANK
C/O Dione Gordon
1191 South University Drive
Plantation Fl. 33324**

IMPORTANT

A LAWSUIT HAS BEEN FILED AGAINST YOU. You have 20 Calendar days after this summons is served on you to file a written response to the attached Complaint/Petition with the Clerk of this Circuit Court, located at: Broward County Courthouse, Circuit Civil, 201 SE 6th Street, Fort Lauderdale, Florida 33301. A phone call will not protect you. Your written response, including the case number given above and the names of the Parties, must be filed if you want the Court to hear your side of the case.

If you do not file your written response on time, you may lose the case, and your wages, money and property may be taken thereafter without further warning from the Court. There are other legal requirements. You may want to call an attorney right away. If you do not know an Attorney, you may call an Attorney Referral Service or a Legal Aid Office (listed in the phone book).

If you choose to file a written response yourself, at the same time you file your written response to the Court, you must also mail or take a copy of your written Response to the Party serving this Summons at: David P. Rowe Esq., The Corporate Center, 110 East Broward Boulevard, Suite 1700, Fort Lauderdale, Fl. 33301.

Copies of all Court Documents in this case, including Orders are available at the Clerk of the Circuit Court's office. You may review these documents upon request.

THE STATE OF FLORIDA:

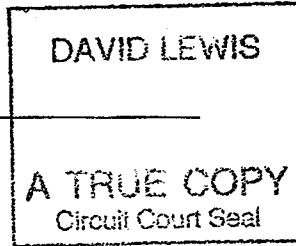
TO EACH SHERIFF OF THE STATE: You are commanded to serve this Summons and a Copy of the Complaint in this Lawsuit on the above named person.

DATED NOV 25 2009

CLERK OF THE CIRCUIT COURT.

(Seal)

By: _____



Deputy Clerk.

AMERICANS WITH DISABILITIES OF ACT OF 1990

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding shall within a reasonable period prior to any proceeding contact the Court, ADA Coordinator/Reuben Carrerou, no later than 7 days prior to the proceeding at (954) 831-6364.

IN THE CIRCUIT COURT OF THE
17TH JUDICIAL CIRCUIT IN AND FOR
BROWARD COUNTY, FLORIDA

CIVIL DIVISION

CASE NO.:

0964866

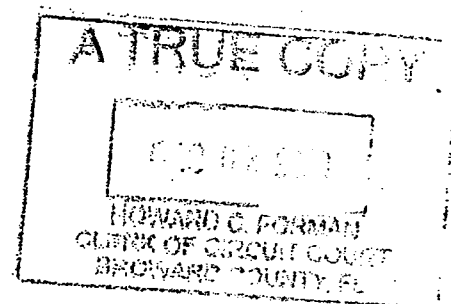
14

HYLTON NESBETH,
WAYNE GALLIMORE,
CHRISTOPHER WALKER,
Plaintiffs,

vs.

USIMO, a Foreign corporation
WACHOVIA BANK, a North Carolina corporation
JOSEPH ISSA, a Foreign resident
MZ HOLDINGS LIMITED, a Foreign corporation
JARED MARTINEZ, a Florida resident
ISAAC MARTINEZ, a Florida resident,
DAVID SMITH, a Foreign resident,
NEVILLE CADOGAN, a Foreign resident,
BRIAN TROWBRIDGE, a Foreign resident
MICHAEL MISICK, a Foreign resident
The Turks and Caicos Islands Financial Services Commission, a Foreign
Government Regulatory Agency,
OVERSEAS LOCKET INTERNATIONAL CORPORATION,
a Foreign corporation
MARKET TRADERS INSTITUTE INC., a Florida corporation
I-TRADE FX, LLC, a Florida corporation
HALLMARK BANK AND TRUST LTD., a Foreign bank
TCI BANK LIMITED, a Foreign bank
MASTERCARD WORLDWIDE, a New York corporation
COOL CORPORATION, a Foreign corporation

Defendants.



COMPLAINT

Plaintiffs HYLTON NESBETH, WAYNE GALLIMORE, CHRISTOPHER WALKER, file their Complaint against Defendants USIMO, WACHOVIA BANK, JOSEPH ISSA, MZ HOLDINGS LIMITED, JARED MARTINEZ, ISAAC MARTINEZ, DAVID SMITH, BRIAN TROWBRIDGE, MICHAEL MISICK, The Turks and Caicos Islands (TCI) Financial Services Commission, NEVILLE CADOGAN, OVERSEAS LOCKET INTERNATIONAL CORPORATION("OLINT"), MARKET TRADERS INSTITUTE INC., I-TRADE FX, LLC, HALLMARK BANK AND TRUST LTD., TCI BANK LIMITED, COOL CORPORATION, MASTERCARD WORLDWIDE, (collectively referred to as "Defendants") and allege as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff Wayne Gallimore is a resident of Jamaica, W.I.
2. Plaintiff Christopher Walker is a resident of Orange County, Florida
3. Defendant USIMO is a foreign corporation registered in the British Virgin Islands
4. Defendant WACHOVIA BANK is a national association pursuant to the National Bank Act and is a subsidiary of Wells Fargo Corporation which was engaged in facilitating David Smith's Ponzi scheme by receiving and forwarding monies using the Federal wire transfer system.

5. Defendant Joseph Issa ("Issa") is a resident of and conducts business in Jamaica.

6. Defendant MZ HOLDINGS is a foreign corporation owned by "Issa," with its principle place of business in Jamaica. MZ Holdings conducts business in the state of Florida.

7. Defendant, JARED MARTINEZ, is a United States citizen and upon information and belief, operates various business entities out of the state of Florida and owns property in Orange, Seminole and Flagler County, Florida.

8. Defendant ISAAC MARTINEZ is a United States Citizen and upon information and belief, operates various foreign exchange business entities out of the State of Florida and owns property in Seminole County, Florida.

9. Defendant DAVID SMITH, a Jamaican national is the principal of OLINT and based upon information and belief, has significant business contacts with the State of Florida including making and directing several wire transfers to and from the Turks and Caicos Islands (TCI) and the State of Florida.

10. Defendant NEVILLE CADOGAN is a Jamaican national and former Managing Director of the Turks and Caicos Islands Financial Services Commission (FSC), which conducted business in Florida.

11. Defendant, BRIAN TROWBRIDGE, a foreign citizen, is the CEO, Co-owner and Chairman of HALLMARK BANK AND TRUST LTD. Based upon information and belief, he has significant business contacts with the state of Florida as explained in greater detail below. Further, BRIAN TROWBRIDGE had a significant and supervisory role over HALLMARK BANK AND TRUST LTD. including supervising receipt of monies from individuals and disbursing monies to individuals and corporations.

12. Defendant, MICHAEL MISICK, a foreign citizen is the former Premier of the TCI. In his former position he had direct responsibility to oversee the operations of the TCI Financial Services Commission.

13. Defendant, The Turks and Caicos Islands Financial Services Commission, is a Foreign Government Regulatory Agency with the responsibility of licensing and supervising all finance-related operating entities in the TCI to internationally accepted standards.

14. Defendant, OLINT, is a foreign corporation organized under the laws of Jamaica, and operating out of the Turks & Caicos Islands (TCI).

15. Defendant MARKET TRADERS INSTITUTE INC., is a Florida corporation, which received wires from OLINT in U.S. dollars using the Federal wire transfer facility. This corporation promotes themselves as being a FOREX (Foreign Exchange) education institution.

16. Defendant I-TRADE FX LLC is a Florida corporation, which received wire transfers from DAVID SMITH and OLINT. This corporation acts as a FOREX broker and engages in foreign exchange trading.

17. Defendant, HALLMARK BANK. AND TRUST LTD. is a foreign banking association operating out of the Turks & Caicos Islands. This banking institution used the Federal wire transfer facility to transfer funds from OLINT to individuals and corporations without the consent of the Plaintiffs.

18. Defendant, TCI BANK is a foreign bank operating out of the Turks & Caicos Islands. This banking institution used the Federal wire transfer facility to transfer funds from OLINT to individuals and corporations without the consent of the Plaintiffs.

The TCI BANK maintained an account for Hallmark Bank: *A/C #5003449601 which was used exclusively for OLINT TCI transactions.*

19. Defendant, MASTERCARD WORLDWIDE, is a New York corporation, which maintains a wholly owned Florida Limited Liability Corporation and a Florida registered agent to conduct business in Florida using the corporate name MASTERCARD INTERNATIONAL, L.L.C. and with the registered agent being CT CORPORATION SYSTEM, 1200 SOUTH PINE ISLAND ROAD, PLANTATION, FLORIDA.

20. This is an action seeking damages in excess of \$15,000.

21. This court has jurisdiction over Defendants, I-TRADE FX LLC., MARKET TRADERS INSTITUTE INC., JARED MARTINEZ, ISAAC MARTINEZ, because they own business entities based in the State of Florida, as well as real property in Orange County and Seminole County, Florida. In addition, upon information and belief, they have committed a tort, in whole or in part, or have otherwise transacted business in the State of Florida.

22. This court has jurisdiction over Defendant JOSEPH ISSA, DAVID SMITH, BRIAN TROWBRIDGE, MICHAEL MISICK and NEVILLE CADOGAN because, upon information and belief, the said Defendants were operating a business of foreign currency trading from Orlando, Florida and said Defendants have committed a tort, in whole or in part or has otherwise transacted business in the State of Florida as described in greater detail below.

23. This Court has jurisdiction over Defendants OLINT, HALLMARK BANK AND TRUST LTD., TCI BANK LIMITED, WACHOVIA BANK and MASTER CARD WORLDWIDE as upon information and belief the said Defendants were transacting a significant volume of business with residents of Florida, sending mail to and receiving mailed applications from Florida. Debit card products were sent to residents of Florida.

Further MASTER CARD WORLDWIDE maintained a location for service of process within Florida.

The said Defendants have committed a tort in whole or in part or have otherwise transacted business in the State of Florida as described in greater detail below.

24. This Court has jurisdiction over MZ HOLDINGS, COOL CORPORATION, USIMO and JOSEPH ISSA as they all do business in the State of Florida.

25. This Court has jurisdiction of the Turks and Caicos FSC, which has the daily responsibility of supervising financial institutions which trade, wire transfer and transact business with the U.S. Federal Reserve. The TCI FSC's decisions therefore have a daily impact on interstate commerce.

26. This Court has jurisdiction over this action pursuant to Section 22 of the Securities and Exchange Act of 1933 (The Securities Act), Section 27 of the Securities Act of 1934 (Exchange Act) and Section 214 of the Investment Advisors Act of 1940 (Advisors Act).

27. The Defendants directly or indirectly made use of mail advertisements and instrumentalities of interstate commerce in connection with acts, practices and a course of business as described in the complaint.

28. Venue is proper in this district as one or more of the individual defendant entities own business entities and have conducted business in Broward County, Florida.

29. All conditions precedent to the filing of this action have occurred, been performed, been waived or otherwise excused.

THE FRAUDULENT SCHEME

30. This matter involves a Ponzi scheme promoted to the Jamaican-American community living in the United States and the Jamaican Diaspora living in the Eastern Caribbean thus constituting Affinity fraud. This scheme was conceived by David Smith and Joseph Issa on or around October 2004.

31. Defendant DAVID SMITH, a self proclaimed religious genius, operated a Ponzi scheme known as the OVERSEAS LOCKET CORPORATION (OLINT). He convinced over six thousand investors that he and agents of OLINT could produce a return of ten percent (10%) per month by participating in foreign currency exchange trading.

Prospective investors learned about OLINT's investment program mainly through word of mouth, editorial press releases coordinated by Creative Marketing Limited, fraudulent internet advertising and by educational presentations conducted at various venues where DAVID SMITH and JARED MARTINEZ pitched the unsecured notes. OLINT also had a website, www.overseasloket.com, through which it offered its unsecured notes to the general public.

During the educational presentations, DAVID SMITH and JARED MARTINEZ told prospective investors they would plausibly obtain a ten percent return on their money, based on their extraordinary talents at trading foreign currencies. DAVID SMITH and JARED MARTINEZ further assured prospective investors their investments would be safe, claiming only twenty (20) percent of the principal was at risk and guaranteed the remaining eighty (80) percent would be held in escrow.

32. In September 2006, Principals or agents of Defendant OLINT proposed that the plaintiffs invest in OLINT with deceitful and fraudulent assurances that they would have access to their money at anytime through OLINT's online and accounting website. In September 2006, at the time that these assurances were given, Defendants DAVID SMITH, JOSEPH ISSA, JARED MARTINEZ, ISAAC MARTINEZ and BRIAN TROWBRIDGE knew that they intended to defraud the plaintiffs of their money.

33. Between 2006 and 2008, Defendant OLINT and OLINT's Principal Defendant, DAVID SMITH, invested in foreign currency exchange trading through various trading platforms. Although OLINT was a Jamaican corporation, OLINT through and with the help of DAVID SMITH, JOSEPH ISSA, BRIAN TROWBRIDGE, MICHAEL MISICK, NEVILLE CADOGAN operated their FOREX trading mainly in the Turks & Caicos Islands.

34. As early as 2006, OLINT announced that it would transfer part of its FOREX trading business to Orlando, Florida (Please see Exhibit 1, Olint spreads it wings; attached hereto and incorporated by reference). OLINT's Principal Defendant DAVID SMITH conspired with ISSAC MARTINEZ and JARED MARTINEZ to transfer all OLINT assets to ORLANDO, FLORIDA to a phony corporation owned by OLINT and under the control of ISAAC MARTINEZ known as JIJ Investments (Please see Exhibit 2 attached hereto and incorporated by reference). This transfer was done without the consent of OLINT investors including the Plaintiffs.

35. Due to the aggressive advertising of the high rate of returns that Defendants engaged in, the Plaintiffs considered investing in OLINT on or around September of 2006. At this time, Principals or agents of OLINT, including DAVID SMITH, JOSEPH ISSA, JARED MARTINEZ and ISAAC MARTINEZ proposed that the Plaintiffs invest in OLINT with assurances that they could have access to their money at any time through OLINT's online accounting website.

36. The OLINT sales office was located at 1C Braemar Avenue Kingston 5, Jamaica. David Smith's financial operation was investigated by the Financial Services Commission of Jamaica and after being forced to cease and desist his operations in Jamaica by that governing body he moved his operation to the Turks and Caicos Islands (TCI). The OLINT Corporation was eventually confirmed to be a Ponzi scheme per the Supreme Court of the Turks and Caicos Islands. (Please see Exhibit 3 attached hereto and incorporated by reference).

37. Defendants DAVID SMITH, JOSEPH ISSA, JARED MARTINEZ, ISAAC MARTINEZ and OLINT targeted American investors directly or indirectly to invest in the OLINT hedge fund. Based on their aggressive advertising of the high rate of return, OLINT raked in over US \$220 million dollars from investors who were based in the USA, TCI, Jamaica, St. Kitts, Panama, Grenada, the Cayman Islands and Dominica Republic. The Ponzi scheme was supported by many feeder clubs such as "LewFam" and "Regency". Defendant Smith used St. Kitts, the British Virgin Islands, Belize, Grand Cayman and Panama, as intermediary countries to funnel funds from OLINT TCI to the Martinez' and to JOSEPH ISSA controlled corporations without the consent of OLINT TCI stakeholders.

Based on the aforementioned Smith, Issa and the Martinez' were capable of evading the United States Securities and Exchange Commission (SEC), the Florida Office of Financial Regulation and the Federal Reserve in this matter.

38. OLINT raised at least \$220 million from approximately six thousand investors by baselessly guaranteeing to offer a ten (10) percent monthly return. OLINT and its agents claimed it was able to generate such spectacular returns through DAVID SMITH and JARED MARTINEZ's purported successful trading of foreign currencies.

39. In reality, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ and JOSEPH ISSA used less than 10 percent of investors' funds for trading. In classic Ponzi scheme fashion, the Defendants used most of the investor funds they solicited to payoff earlier investors. Furthermore, in contrast to the Defendants' claims that DAVID SMITH was a successful trader; he suffered significant trading losses, of the small portion of funds he did trade. By the end of December 2008, OLINT stopped making payments to investors and as of July 31, 2009 only US \$ 13 million dollars has been found by a TCI Supreme Court appointed receiver Joseph Connolly.

40. As a result of this conduct, the Defendants violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) and (c) and 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5. As a further result of this conduct, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ and JOSEPH ISSA violated Sections 206(1), (2) and (4) of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-8 thereunder.

41. David Smith as a result of the large number of investor complaints was arrested and charged with twenty six counts of money laundering, fraud and theft by the Royal TCI Police Financial Crimes Unit.

42. Defendant JOSEPH ISSA, is a Hotelier from Jamaica who is known for his aggressive investment strategies in Jamaica. Joseph Issa associates himself with criminal thugs in Jamaica who he uses to intimidate and hurt numerous business competitors. Joseph Issa is a business co-conspirator and close friend of David Smith. Joseph Issa and David Smith actively conspired to steal OLINT's money from the general investment community in the United States and in Jamaica. MZ Holdings and USIMO both foreign corporations owned by "Issa" were used to collect deposits from OLINT depositors and then were used to launder money into Mr. Joseph Issa's personal accounts and/or into Mr. Joseph Issa's Cool Corporation which is headquartered at 19 Main Street, Ocho Rios Jamaica.

Defendant

USIMO took checks from Plaintiffs Nesbeth and Gallimore. MZ Holdings is registered in Jamaica.

43. Defendants Jared Martinez and Isaac Martinez are international con artists who have created an empire based on money laundering and foreign exchange (Forex) trading.

44. They claim to have the educational skills and background to educate individuals in foreign currency trading. Their corporation MARKET TRADERS INSTITUTE INC. (MTI) is used to provide educational materials and resources to clients. Jared Martinez has never received a tertiary education. To the contrary he learnt about FOREX training from Gary Lee Tilkin owner of Global Forex Trading.

45. The unsuspecting clients sign on with MTI and then are advised that they require the services of a brokerage company, I-TRADE FX LLC, another corporation owned by the Martinez family.

46. Defendants JARED MARTINEZ AND ISAAC MARTINEZ are really co-conspirators with David Smith. Their modus operandi is to go to specific third world countries such as Trinidad and Panama to spread their propaganda and to bilk the investors of their money.

47. The goal of these con artists is to evade US law enforcement and regulatory guidelines. Currently, the JARED MARTINEZ and ISAAC MARTINEZ are infiltrating into countries such as Panama, using the new corporation name of EFOREX INC. **(Please see Exhibit 4 attached hereto and incorporated by reference)**

48. Defendants JARED MARTINEZ, ISAAC MARTINEZ had contracts in place to receive wire transfers from OLINT through a Florida based corporation known as JIJ (Jared, Issac, Jacob) Investments. In addition, MTI received a financial kickback from David Smith and OLINT for "teaching" FOREX courses.

49. The National Futures Association (NFA) a self-regulatory organization for the U.S. futures industry whose function is to enact rules, programs and services that safeguard market integrity and to protect investors, learned that David Smith transferred the amount of US\$100 million dollars from OLINT using Hallmark Bank and Trust Ltd. to a Florida based corporation known as JIJ INVESTMENTS

INC., a corporation under the control of ISAAC MARTINEZ.

This transfer of OLINT investors funds, including those of the Plaintiffs was done without permission, as is clearly required per the legal contract between OLINT and its investors. **(Please see Exhibit 5 attached hereto and incorporated by reference).**

In response to the above, the Federal Bureau of Investigation and the Internal Revenue Service have commenced an investigation into the OLINT Ponzi scheme and its co-conspirators. Federal investigators are examining the records of the Martinez' and have interviewed Chester Stewart of Regency. Federal investigations have also focused on the role of USIMO and Joseph Issa. Further the United States Attorney's Office in the Southern District of New York, have frozen funds found in Wachovia Bank which were transferred by I-trade Fx. LLC without the consent of OLINT stakeholders, including the Plaintiff's. These acts of money laundering, by the Martinez' controlled corporation, occurred on multiple occasions using bank accounts such as Wachovia Bank New York, Swift Code: PNBPUS3NNYC, ABA: 026005092, Account Number: 200192005432.

50. Upon information and belief, OLINT and SMITH sent multiple wire transfers to the United States through Defendant Wachovia Bank to Defendant ISSAC MARTINEZ and JIJ INVESTMENTS in order to evade the Jamaican and Turks & Caicos authorities who were investigating OLINT and SMITH'S business practices. **(Please see Exhibit 5 attached hereto and incorporated by reference).** In addition, Smith had depositors give money to USIMO to hide his racketeering activity from U.S. and Jamaican regulators. Joseph Issa co-

conspired with his subterfuge.

51. Upon information and belief, JARED MARTINEZ operated his own FOREX trading business out of Orange County, Florida by such names as MARKET TRADERS INSTITUTE and PROFESSIONAL FOREX ASSOCIATION, INC. Also upon information and belief, multiple wire transfers totaling roughly \$100 million were performed from OLINT and/or SMITH to MARTINEZ. These monetary transfers done without the consent of OLINT stakeholders was confirmed by the NFA. (See *NFA Complaint, Exhibit #6, Paragraph 18 attached hereto and incorporated by reference*).

52. Upon information and belief, MARTINEZ used the funds transferred to him from OLINT and/or SMITH to invest through JIJ INVESTMENTS in several parcels of real property and business entities in and around Orange and Seminole County, Florida.

Defendants JARED MARTINEZ and ISAAC MARTINEZ used the funds to purchase exotic motor vehicles, name brand watches, expensive ornamental furniture and a lavish 5-star cruise to Italy for his entire family in 2007.

53. Plaintiffs never authorized the transfer of their funds from their OLINT accounts to any other person or business entity. The money wire transferred to JARED MARTINEZ and ISSAC MARTINEZ was done without knowledge or permission from the Plaintiffs.

54. Defendant, BRIAN TROWBRIDGE, a foreign citizen, is the CEO, Co-owner and Chairman of HALLMARK BANK AND TRUST LTD. Based upon information and belief, he has significant business contacts with the state of Florida. "TROWBRIDGE" co-signed contracts issued to OLINT stakeholders in his capacity of being the CEO of Hallmark Bank.

Per the issued contract, all OLINT TCI stakeholders were customers of Hallmark Bank, with OLINT TCI acting as an investment manager. "TROWBRIDGE" had a significant and supervisory role over HALLMARK BANK AND TRUST LTD. including supervising receipt of monies from individuals and disbursing monies to third parties which included individuals such as "Issa" and corporations.

55. Defendant, HALLMARK BANK AND TRUST LTD., had contracts issued and signed by The Plaintiffs in January 2008. In Section 3 of the contract, it reads: **AUTHORIZATION TO TRANSFER FUNDS** "Except with the specific written permission of the Customer, the Company and the Investment Manager will not transfer funds from or among Customer's accounts" (See **Exhibit 7 attached hereto and incorporated by reference**).

56. All the Defendants have refused several repeated requests to return the Plaintiffs money. Instead the Defendants live a lavish lifestyle. Defendant DAVID SMITH has refused to return any money to the Plaintiffs and has purchased an exclusive residence in Chalk Sound TCI

(See Exhibit 8, Agreement for Sale involving Defendant DAVID SMITH).

Defendant JOSEPH ISSA does not return telephone calls.

Defendant JARED MARTINEZ has refused to return the money to the Plaintiffs.

Defendant ISSAC MARTINEZ has refused to return the money to the Plaintiffs.

Defendant BRIAN TROWBRIDGE has refused to return money to the Plaintiffs.

Defendant I-TRADE FX, LLC has refused to return the money to the Plaintiffs.

Upon information and belief, OLINT's principals, DAVID SMITH and TRACEY ANN SMITH, have fled Jamaica, avoided the Jamaican authorities and have absconded with the Plaintiffs funds and deposited and/or invested them into several entities, including those owned or controlled by Defendants JARED AND ISAAC MARTINEZ and with USIMO, MZ HOLDINGS AND COOL CORPORATION Principal JOSEPH ISSA, with the intent to hinder, delay, or defraud the Plaintiffs in their efforts to recover their funds.

57. Defendant NEVILLE CADOGAN, based on information and belief, deliberately did not implement licensing and appropriate supervisory methodologies with respect to the financial operations of OLINT TCI because of his personal relationship with David Smith, Principal of OLINT TCI. In his capacity as Managing Director for the TCI FSC, he failed in the execution of his job responsibilities which included:

- Administering the Financial Services Commission Ordinance
- Supervising the conduct of financial services business
- Monitoring the financial services of businesses carried on, such as OLINT TCI and its development in the TCI.

His negligence to implement the FSC Ordinance 2007 resulted in the defrauding of OLINT TCI stakeholders and their respective financial loss. These facts were highlighted by the recent TCI Commission of Enquiry and resulted in his resignation and replacement by Mr. Kevin Higgins.

58. Defendant MICHEAL MISICK, based on information and belief, deliberately did not implement appropriate supervisory methodologies with respect to the financial operations of OLINT TCI because of his personal relationship with David Smith, Principal of OLINT TCI.

A recent Commission of Enquiry established in the TCI revealed on June 1, 2009 to Governor Gordon Wetherell that the TCI Government under the leadership of MICHAEL MISICK was involved in corruption and other serious acts of dishonesty in the Turks and Caicos Islands (TCI). Currently former Premier Michael Misick and four former government ministers (namely, Floyd Hall, McAllister Hanchell, Jeffrey Hall and Lillian Boyce) now face criminal prosecution as they have been found to have been engaged in bribery and a misappropriation of public funds. Per the Commissions report: *"The Commission now has constructive notice of what amounts to a criminal syndicate masquerading as a local government in the TCI."* The finding of the said report has resulted in the suspension of the TCI Constitution and direct rule being

implemented from Westminster.

59. The Turks and Caicos Islands Financial Services Commission, a Foreign Government Regulatory Agency with the responsibility of licensing and supervising all finance-related operating entities in the TCI to internationally accepted standards failed in its role to provide to OLINT stakeholders a well defined regulatory framework and to issue a cease and desist order to OLINT to desist in their operation of a Foreign exchange hedge fund within the Jurisdiction of the TCI. Further, this government agency failed its fiduciary responsibility to protect unsuspecting International clients from being victims of money laundering and failed to identify OLINT TCI as a Ponzi scheme, as has been confirmed by the TCI Supreme Court Ruling.

60. Wachovia Bank, a subsidiary of Wells Fargo & Company failed to apply the 'know your client' (KYC) principle. The KYC principle is aimed at reducing the risk of undermining the bank's reputation due to the clients' involvement in the transactions of money laundering or terrorism financing. In addition, the bank failed to obtain the necessary information about OLINT and its clients and the origination of their funds, and to ensure, that such funds did not have criminal origination and were not being used for illicit purposes. The action of the bank resulted in the facilitation of money laundering using the Federal wire transfer system.

The banks action facilitated the financial misdeeds of the OLINT Ponzi scheme and financially proved profitable to the bank in the form of receipt of wire transfer fees.

Further, the bank did not act in compliance with the *Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing*. Under provisions of Article 28 of the *Law on the Prevention of Laundering the Proceeds from Criminal Activity (Money Laundering) and of Terrorist Financing* the bank was entitled to ask its customer (OLINT TCI) and the customers duty is to submit information and documents necessary for customer due diligence, including data on the beneficiaries, transactions performed by the customer, economic, personal activities, financial status, sources of funds or other assets of the customers and beneficiaries.

Wachovia Bank violated the **Bank Secrecy Act of 1970** (or **BSA**, or otherwise known as the **Currency and Foreign Transactions Reporting Act**) requiring this financial institution to assist U.S. government agencies to detect and prevent money laundering. Specifically, the act requires financial institutions to keep records of cash purchases of negotiable instruments, and file reports of cash purchases of these negotiable instruments of \$3,000 or more (daily aggregate amount), and to report suspicious activity that might signify money laundering, tax evasion, or other criminal activities

61. TCI BANK LTD. failed to apply the 'know your client' (KYC) principle and thereby facilitated David Smith and his co-conspirators in establishing the OLINT Ponzi scheme. The banks action proved profitable to the bank in the form of receipt of wire transfer fees. Multiple wire transfers were done to third parties without their consent using TCI Bank Ltd. Accounts such as, Account Number: 820104084.

62. MASTERCARD WORLDWIDE, as an operator of a payment card system, did not adhere to Section 352 of the PATRIOT Act and FinCEN's interim rule, which required that MasterCard adopt and implement an anti-money laundering program reasonably designed to prevent its system from being used by financial institutions to facilitate money laundering and the financing of terrorist activities. Indeed, MasterCard Worldwide entered into a financial relationship with Hallmark Bank and Trust Ltd., a rogue financial entity per the Financial Services Authority (United Kingdom) and issued "Compass Debit Cards" bearing the MasterCard logo to the OLINT Ponzi scheme stakeholders. This financial relationship was mutually beneficial to both MasterCard Worldwide and Hallmark Bank and Trust Ltd. Further the action of MasterCard offered support to the existence of a Ponzi scheme that has defrauded the Plaintiffs NESBETH, GALLIMORE, WALKER and six thousand other investors.

63. By this action, Plaintiffs NESBETH, GALLIMORE, WALKER are seeking to recover the principal and profit of their accounts with USIMO and OLINT. According to the terms of the Agreement, OLINT was to use Plaintiff's funds for foreign currency exchange trading. However, due to Defendants JARED MARTINEZ, ISAAC MARINEZ, DAVID SMITH and JOSEPH ISSA's fraudulent misconduct, the Plaintiffs have lost access to their funds and/or have completely lost their funds, and as a result the apparent conspiratorial misconduct of JARED MARTINEZ, ISSAC MARTINEZ, BRIAN TROWBRIDGE, MICHAEL MISICK, NEVILLE CODOGAN, DAVID SMITH and JOSEPH ISSA and have suffered substantial damages.

64. The Plaintiffs are also seeking damages for OLINT's breach of the Agreement by failing to honor requests made by the Plaintiffs for the withdrawal of their funds, depriving Plaintiffs of their property for an indefinite period of time, which resulted in OLINT and its principals (including Defendants JOSEPH ISSA, DAVID SMITH, JARED MARTINEZ and ISAAC MARTINEZ) being unjustly enriched.

65. By this action, Plaintiffs NESBETH, GALLIMORE, WALKER are seeking to recover the damages they have incurred because of the misconduct of OLINT, WACHOVIA BANK, TCI BANK LTD., USIMO, MZ HOLDINGS, I-TRADE FX, MTI, HALLMARK BANK AND TRUST LTD., TURKS AND CAICOS FSC, COOL CORPORATION AND MASTERCARD WORLDWIDE. Due to the misconduct of the aforementioned Defendants, the Plaintiffs have lost access to their funds and/or have completely lost their funds, and as a result have suffered substantial

damages.

66. The Plaintiffs have had to hire the undersigned attorney, as well as counsel in Jamaica and England in an attempt to recover their funds and have had to pay attorney's fees for same.

67. The Plaintiffs have suffered losses of approximately \$8 million United States dollars due to the misconduct of the Defendants. This formal complaint requests that the Court enter orders: (1) permanently enjoining the Defendants from violating the federal securities laws; (2) directing the Defendants to disgorge all profits or proceeds they received as a result of the acts and/or courses of conduct complained of, with prejudgment interest; and (3) directing the Defendants to pay civil money penalties.

**FIRST CLAIM
VIOLATION OF SECTION 5(a) and 5(c) OF THE SECURITIES ACT**

68. Defendants:

USIMO
WACHOVIA BANK
JOSEPH ISSA
MZ HOLDINGS LTD.
JARED MARTINEZ
ISAAC MARTINEZ
DAVID SMITH
MICHAEL MISICK
BRIAN TROWBRIDGE
NEVILLE CADOGAN
THE TCI FINANCIAL SERVICES COMMISSION
OLINT
MARKET TRADERS INSTITUTE INC
I-TRADE FX LLC
HALLMARK BANK AND TRUST LTD.
TCI BANK LTD
COOL CORPORATION
MASTERCARD WORLDWIDE

This complaint repeats and realleges paragraphs 1 through 67.

a) No registration statement was filed or in effect with the Securities Exchange Commission pursuant to the Securities Act with respect to the securities and transactions described in this complaint, and no exemption from registration exists with respect to the securities and transactions described in this Complaint.

From at least September 2006 through December 2008, the Defendants directly and indirectly: (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise; (b) carried securities or caused

such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; or (c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise, without a registration statement having been filed or being in effect with the Commission as to such securities.

By reason of the foregoing, the Defendants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

SECOND CLAIM
Violations of Section 17(a) (1) of the Securities Act

This complaint repeats and realleges paragraphs 1 through 67.

69. Starting no later than September 2006, the Defendants, directly or indirectly, singly, in concert with HALLMARK BANK AND TRUST, in the offer and sale of securities, by use of the means and instruments of transportation and communication in interstate commerce and by use of the mails, have: (a) employed devices, schemes or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

THIRD CLAIM
Violation of Section 17(a)(2) and (3) of the Securities Act

This complaint repeats and realleges paragraphs 1 through 67.

a) The Defendants, directly or indirectly, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or of the mails: (a) obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

b) By reason of the foregoing, the Defendants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and (3)].

FOURTH CLAIM
Misrepresentation

This complaint repeats and realleges paragraphs 1 through 67.

68. Defendants, directly or indirectly, singly or in concert with others, in connection with the purchase and sale of securities, by use of the means and instrumentalities of interstate commerce and by use of the mails have:

(c) engaged in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

70. As part of and in furtherance of this scheme, Defendants, directly and indirectly, prepared, disseminated or used contract, written offering documents, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material fact and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, those statements and omissions set forth in previous paragraphs.

71. Defendants made the above-referenced misrepresentations and omissions knowingly or with sever recklessness with regard for the truth. Defendants were also negligent in their actions regarding the representations and omissions alleged herein.

72. By reason of the foregoing, the Defendants directly or indirectly violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act [15 U.S.C. §77g(a)].

(a) employed devices, schemes and artifices to defraud; (b) made deliberate untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons.

69. As a part of and in furtherance of their scheme, Defendants, directly and indirectly, prepared, disseminated or used contracts, written offering documents, promotional materials, investor and other correspondence, and oral presentations, which contained untrue statements of material facts and misrepresentations of material facts, and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading , including , but not limited to those set forth in Paragraphs above.

70. Defendants made the above-referenced misrepresentations and omissions knowingly or with severe recklessness regarding the truth.

71. By reason of the foregoing, the Defendants are responsible for deliberate misrepresentation and fact and are liable to damages as a result.

FIFTH CLAIM
Violation of Sections 206 (1) and 206(2) of the Investment Advisers Act

This complaint repeats and realleges paragraphs 1 through 67.

72. Defendants JOSEPH ISSA, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ and BRIAN TROWBRIDGE as investment advisers, used the mails and means or instrumentalities of interstate commerce, directly and indirectly: 1) to employ devices, schemes or artifices to defraud clients or prospective clients; or 2) to engage in transactions, practices and courses of business which operated as a fraud or deceit upon clients and prospective clients.

73. By reason of the foregoing, Defendants JOSEPH ISSA, DAVID SMITH, BRIAN TROWBRIDGE, JARED MARTINEZ and ISAAC MARTINEZ, violated and, unless enjoined, will continue to violate Sections 206(1), (2) and of the Advisers Act [15 U.S.C. §§ 80b-6(l), 80b-6(2), 80b-6(4)]

SIXTH CLAIM

Violation of Sections 206 (4) of the Investment Advisers Act and Rule 206(4)-8 thereunder

This complaint repeats and realleges paragraphs 1 through 67.

74. Defendants JOSEPH ISSA, DAVID SMITH, BRIAN TROWBRIDGE, JARED MARTINEZ and ISAAC MARTINEZ, as investment advisers, 1) engaged in acts, practices, or courses of business which were fraudulent, deceptive or manipulative; and 2) as advisers to a pooled investment vehicle:

a) made untrue statements of a material fact or omitted to state a material facts necessary to make statements made, in light of the circumstances under which

they were made, not misleading to investors or prospective investors in the pooled investment vehicle; and/or

b) otherwise engaged in acts, practices and courses of business that were fraudulent, deceptive, or manipulative with respect to investors or prospective investors of the pooled investment vehicle.

75. By reasons of the foregoing, Defendants JOSEPH ISSA, DAVID SMITH, BRIAN TROWBRIDGE, JARED MARTINEZ and ISAAC MARTINEZ violated and, unless enjoined, will continue to violate the provisions of Section 206(4) of the Investment Advisers Act [15 U.S.C. §§ 80b-6(l), 80b-6(2), 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8].

SEVENTH CLAIM

Claims Against Relief Defendants as Custodian of Investor Funds

76. Relief Defendants JOSEPH ISSA, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ, I-TRADE FX LLC, MARKET TRADERS INSTITUTE INC., HALLMARK BANK AND TRUST LTD., TCI BANK LTD., USIMO, MZ HOLDINGS, COOL CORPORATION, WACHOVIA BANK and MASTERCARD WORLDWIDE, received funds and property from one or more of the Defendants, which are the proceeds, or are traceable to the proceeds, of the unlawful activities of Defendants, as alleged in the paragraphs above.

77. Relief Defendants obtained the funds and property alleged above as part of

and in furtherance of the securities violations alleged in the above mentioned paragraphs and under circumstances in which it is not just, equitable or conscionable for them to retain the funds and property. Defendant Joseph Issa placed Plaintiff's money in Cool Corporation.

He did this with pre-meditation and with intent to steal. As a consequence, Relief Defendants were unjustly enriched.

EIGHTH CLAIM

VIOLATION OF BANK SECRECY ACT as amended by the USA PATRIOT ACT

78. Plaintiffs restate, re-allege and incorporate by reference all allegations contained in paragraphs 1 through 67 above as if fully set forth herein.

79. 31 U.S.C. § 5318(g) provides that the secretary of the treasury "may require any financial institution...to report any suspicious transaction relevant to a possible violation of law or regulation.

80. 31 C.F.R. § 103.18 requires "every bank" to "file with the Treasury Department, to the extent and in the manner required...a report of any suspicious transaction relevant to a possible violation of law or regulation."

81. The actions of OLINT, I-TRADE FX, MTI, DAVID SMITH, HALLMARK BANK

and TRUST, TCI BANK, JARED and ISAAC MARTINEZ set forth herein above constitute suspicious transactions and suspicious activity.

82. WACHOVIA BANK, in violation of federal laws and regulations, failed to report the suspicious transactions and suspicious activity.

83. WACHOVIA BANK failed to sufficiently verify the identity of customers OLINT, I-TRADE FX, MTI, DAVID SMITH, HALLMARK BANK and TRUST, TCI BANK, JARED and ISAAC MARTINEZ, all in violation of the Bank Secrecy Act and applicable regulations.

84. WACHOVIA BANK failed to implement and operate appropriate security policies and procedures in violation of the Bank Secrecy Act and applicable regulations.

85. As a result of WACHOVIA Bank's violations, the Plaintiffs have been damaged in an amount in excess of \$8 million dollars.

NINTH CLAIM

VIOLATION OF Financial Crimes Enforcement Network; Anti-Money Laundering Programs for Operators of a Credit Card System

- mechanisms for suspicious activity reporting and large currency– transaction reporting;
- BSA/AML training programs for employees; and
- internal audit reviews of the BSA/AML policies and programs.

90. As a result of MASTERCARD WORLDWIDE's violations, the Plaintiffs have been damaged in an amount in excess of \$8 million dollars

DAMAGES

91. Plaintiffs claim for damages on the basis of Defendants JOSEPH ISSA, BRIAN TROWBRIDGE, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ, OLINT, I TRADE FX LLC, MARKET TRADERS INSTITUTE INC., HALLMARK BANK AND TRUST LTD., TCI BANK LTD. and MASTERCARD WORLDWIDE violation of Section 5(a) and 5(c) of the Securities Act of 1933.

Further, the Court is requested to Issue an Order directing the Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]; and Section 21(d) of the Exchange Act [15U.S.C. § 78(d)(3)]

92. Defendants OLINT and DAVID SMITH with the help of JARED MARTINEZ, ISAAC MARTINEZ, BRIAN TROWBRIDGE, HALLMARK BANK AND TRUST

LTD., and MASTERCARD WORLDWIDE directly or indirectly have been offering to sell, selling and delivering after sale certain securities. These actions have resulted in financial damages being incurred by the PLAINTIFFS.

RELIEF REQUESTED

93. An order of the Court permanently enjoining the Defendants JOSEPH ISSA, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ, OLINT, I TRADE FX LLC, MARKET TRADERS INSTITUTE INC., HALLMARK BANK AND TRUST LTD., TCI BANK LTD. and MASTERCARD WORLDWIDE as appropriate, their agents, servants, employees, attorneys and all persona in active concert or participation with them who receive actual notice of the injunction by personal service or otherwise, and each of them, from future violations of Section 5(a),5(c) and 17(a) of the Securities Act, (15 U.S.C. 7e (a), 77e(c) and 77q(a), Section 10(b) the Exchange Act, (15 U.S.C. 78j(b)), and of Rule 10b-5 (17 C.F.R. 240.10b-5) thereunder and Sections 206(1),(2) and (4) of the Advisers Act and Rule 206(4)-8 thereunder.

94. An order of the Court appointing a receiver to take control of all assets of the Defendants JOSEPH ISSA, DAVID SMITH, JARED MARTINEZ, ISAAC MARTINEZ, BRIAN TROWBRIDGE, MICHAEL MISICK, NEVILLE CADOGAN, OLINT, I TRADE FX LLC, MARKET TRADERS INSTITUTE INC., USIMO, MZ HOLDINGS, COOL CORPORATION and the Relief Defendants, to marshal and preserve assets for the benefits of investors.

95. An order of the Court directing Defendants to disgorge an amount equal to the funds and benefits obtained illegally as a result of the violations alleged, plus prejudgment interest on that amount.

96. An order of the Court directing Defendants, as appropriate, to pay civil monetary penalties in an amount determined as appropriate by the Court pursuant to Section 20(d) of the Securities Act (15 U.S.C. t(d)), Section 21(d) of the Exchange Act (15 U.S.C. 8u(d)) and Section 209(e)(2) of the Investment Advisers Act (15 U.S.C. 80b-9) for their violations of the Federal securities laws as alleged herein.

97. An order of the Court directing Relief Defendants to disgorge an amount equal to the funds and benefits obtained, plus prejudgment interest, as a result of the Defendants' violations alleged herein.

BREACH OF CONTRACT

98. Defendant David Smith received the sum of US\$2,452,122.00 from the Plaintiff Christopher Walker, US \$ 5.6 million from Hylton Nesbeth and US\$ 300,000 from Wayne Gallimore in the capacity of a Trustee who would make investments on their behalf. The Plaintiffs discharged the Defendant David Smith as their Trustee or agent and demanded that he return to them either a written reconciliation of their balance and to send the amount to them via wire transfer,

This complaint repeats and realleges paragraphs 1 through 67.

86. MASTERCARD WORLDWIDE failed to implement and operate appropriate security policies and procedures in violation of the Patriot Act

87. MASTERCARD WORLDWIDE failed to issue a Suspicious Activity Report "SAR" in clear violation of federal laws and regulations.

88. MASTERCARD WORLDWIDE failed to sufficiently verify the identity of customers OLINT, DAVID SMITH, BRIAN TROWBRIDGE and HALLMARK BANK and TRUST. This lack of due diligence resulted in their Compass Debit cards bearing the MasterCard logo being used at the layering and integration stages of money laundering.

89. MASTERCARD WORLDWIDE failed to implement appropriate regulatory oversight on HALLMARK BANK and TRUST the issuing bank of the Compass Debit Cards, for adherence to the BSA and other AML requirements. MASTERCARD spent less on their examination resources on the credit card operations of this bank than on other operations. MASTERCARD failed to review the AML policies of HALLMARK BANK which should include that the bank had the following in place:

- written BSA/AML policies and programs;
- senior management involvement in the process;

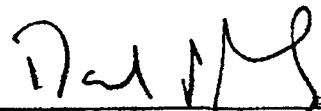
check or cash. The Trustee or Constructive Trustee David Smith has failed to do so after receiving the instructions. Wherefore the Plaintiffs demand judgment for damages against the Defendants David Smith and OLINT.

100. All further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury of all claims triable.

Respectfully submitted,



David P. Rowe, Esq.
Florida Bar No.: 373575
Law offices of David P. Rowe
110 E. Broward Blvd., Suite 1700
Fort Lauderdale, FL 33301
(305) 731-0019

Exhibit 1

LS

Bookmark Jama

Jamaica Gleaner
Established 1834

VERIZON TRIPLE PLAY
Verizon High Speed Internet + DIRECTV + Phone
SAVE \$60 A YEAR



Online Exclusive
Limited Time Offer
CLICK FOR MORE
INFORMATION

- Go Jamaica
- Classifieds
- Discover Jamaica
- Youthlink
- Go Shopping
- Inns of Jamaica
- Communities
- Ads by Google
- CMS Forex
- FX Training
- Finotec Forex
- Forex Signals

- Home
- Lead Stories
- News
- Business
- Sport
- Commentary
- Letters
- Entertainment
- Social
- The Star
- E-Financial
- Gleaner
- Overseas News
- The Voice
- Communities
- Hospitality Jamaica

Olint's Smith creates new online forex trading platform

published: Friday | December 7, 2007



David Smith, founder of investment club Olint Corporation, has launched i-Trade FX, an online foreign-exchange trading platform registered in Florida. - File

David Smith, principal in foreign exchange trading company Olint Corporation, is offering a platform to Jamaicans wishing to learn how to trade currency online.

Smith has offered to each person signing up to i-Trade FX, "\$100 of his own money" to help kick-start live foreign exchange accounts, a press advertisement blared Wednesday.

However, each trader signing on to test their mettle must also put up \$300 - essentially creating a margin account - and must sign up by December 31 to get the extra \$100.

The would-be traders would be required to do a minimum of 10 'round-turn' trades per \$100 deposited to their accounts, the ad said.

A round-turn trade essentially requires the trader to execute both a purchase and a sale transaction, or vice versa.

"Clients who request a withdrawal of all account funds without meeting the aforementioned requirement," the ad said, "may not withdraw the deposit giveaway

Google

- Web
- Jamaica-gleaner.com

Search

Archives

- 1998 - Now (HTML)
- 1834 - Now (PDF)

Services

- Find a Jamaican
- Careers
- Library
- Power 106FM
- Weather
- Subscriptions
- News by E-mail





- Newsletter
- Print Subscriptions
- Interactive
- Chat
- Dating & Love
- Free Email
- Guestbook
- Screen Savers
- Submit a Letter
- WebCam
- Weekly Poll
- About Us
- Advertising
- Gleaner Company
- Contact Us
- Other News
- Stabroek News

amount.”

Locked in court battle

Sources confirmed that the Smith mentioned in the advertisement was the creator of Olint, which remains locked in a battle with the Financial Services Commission and is legally barred from conducting investment business in Jamaica, at least until the court rules on arguments heard by the parties from June this year.

The i-Trade FX platform is accessible at GoTradeJamaica.com. The company, which is registered in Florida, describes itself as 'a market maker in the forex market.'

Smith created the platform, the Financial Gleaner was advised, to allow Jamaicans to test for themselves how trading is done and to demystify the element of how such lucrative returns are possible.

Still, the ad warns: "Currency trading involves substantial risk."

Olint, which describes itself as an investment club, as opposed to being a securities trader, pays its subscribers returns of about 10 per cent per month or 120 per cent per annum.

Other investment schemes, as the FSC refers to them, have cropped up across Jamaica operated even by members of the Church.

business@gleanerjm.com

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Top 3 FOREX Trades
 3 FOREX Trades Could Turn Every \$500
 Into \$522,053 -Free Report
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- MUSIC 2.0
- Social Media
- Mobile
- Caribbean Startups
- SILICON CARIBE TV

David Smith's Olint partners with iTradeFX in a US\$100 giveaway to Jamaicans

Posted by Ingrid Riley on Friday, November 30, 2007 at 6:18 pm.

The image is a screenshot of a website advertisement. At the top left is the 'GO-TRADE JAMAICA' logo. To its right is an 'i-Trade FX' logo with the text 'ADVERTISEMENT' below it. Below these logos is a horizontal navigation menu with buttons for 'HOME', 'ABOUT', 'REGISTER', 'DEMO', 'FUNDING', and 'CONTACT'. The main body of the ad features a large, stylized 'GIVEAWAY' graphic. Below this graphic, the text reads: 'David Smith is adding \$100 of his own money to Live Forex Trading Accounts for Jamaican Residents who open with i-Trade FX'. The 'i-Trade FX' logo is repeated at the end of the text.

Jamaica - David Smith, the Fx Chief of Jamaica, founder of OLINT the premier foreign exchange trading investment club has teamed up with iTrade online forex trading platform with this giveaway. The fullpage, full colour newspaper advertisement

and the website says: David Smith is adding US\$100 of his own money to Live Forex Trading Accounts for Jamaican Residents who open with iTradeFX between November 15th and December 31st this year at gotradejamaica.com. Of course MTI Traders is all over this, they have been the dominant forex trading educator brand in Jamaica. They have from day one marketed themselves as the company that taught David Smith what he knows. So this giveaway should not be surprising.

Purely, what a powerful affiliate marketing programme! Whoever thought this up, is very intuned with the psyche of the jamaican people has a great timing, it's very Digicel-esque this offering. The question that's been hounding me though is this, are Jamaicans really interested in learning to trade forex themselves or do they simply want to understand how it works, so as to legitimise, fortify their decision to become investors in forex trading investment clubs. I'm sure that for every 100 people Market Traders Institute (MTI) trains in their programme, less than 10% actually become forex traders and do so consistently.

ABout iTradeFx

i-Trade FX is one of America's leading Forex Brokers and provider of currency trading services for large and small institutional and individual investors. They are based in Lake Mary, Miami, US and was founded in 2003. i-Trade FX is registered as a Futures Commission Merchant with the Commodity Futures Trading Commission and member of the National Futures Association. They recently announced exceptional growth in 2007, with current revenues in excess of 700% year-to-date from 2006.

Previous StoriesThe Forex Fever Growing and Growing in Jamaica
Capitalor-Swedish Forex company targeting Jamaica.
The CEO Interview.

Cashing in or Crashing- Cashplusinvestment.com is forex trading n investment club centralls the online forex trading fever the 90s day trading disaster in waiting?

ShareThis

Filed under News & Trends.

8 Comments on "David Smith's Olint partners with iTradeFX in a US\$100 giveaway to Jamaicans"

1. *Top 10 most read Silicon Caribe Stories of 2007 : Silicon Caribe says:*

[...] 1. David Smith's Olint partners with iTradeFX in a US\$100 giveaway to Jamaicans [...]

January 15th, 2008 at 2:46 pm

2. *Ronny Rabe* says:

Hi - just wanted to say good design and blog - cu Ronny R.

January 28th, 2008 at 10:11 pm

3. *David Smith's Olint partners with iTradeFX in a US\$100 giveaway to Jamaicans : Cashing Coconuts* says:

[...] founder of OLINT the premier foreign exchange trading investment club has lent his name to iTrade online forex trading platform with a [...]

January 30th, 2008 at 2:35 am

4. *MAXINE* says:

Want to invest with David Smith, how do I get in touch with his company? I don't have time to do the trading myself.

April 20th, 2008 at 8:22 pm

5. *JohnDoe* says:

Stay away from un-registered Company. David Smith is a Con Artiste just like Carlos Hill.. Just playing a different Card trick...

May 6th, 2008 at 5:26 pm

6. *Proposed NFA Capital Requirement - Page 44 - Forex Trading* says:

[...] a very unique marketing ploy that I Trade FX was using to attract clients in Jamaica last November: David Smith's Olint partners with iTradeFX in a US\$100 giveaway to Jamaicans | Silicon Caribe [...]

July 15th, 2008 at 6:13 pm

7. *Rich Bitch* says:

Just read about how that all backfired and blew up....

July 19th, 2008 at 8:53 pm

8. *John M* says:

Hmm, interesting post. Wondering what site you did your researching through.

February 21st, 2009 at 9:07 pm

Exhibit 2



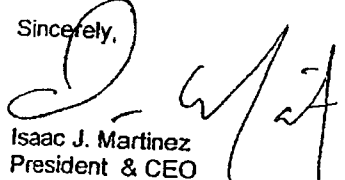
To Whom It May Concern:

In order to stay compliant with the National Futures Association (NFA), our registered government body, effective March 2007, I-Trade FX will no longer accept funds from OLINT TCI. All existing Olint TCI deposits have been transferred to JIJ Investments, LLC located at 255 Primera Blvd, ste 230, Lake Mary Florida, 32746 and are held with major money center banks. All new deposits and existing withdrawal request should be directed to:

JIJ Investments, LLC
255 Primera Blvd, ste 230 LLC
Lake Mary, FL, 32746.

Account information:
Wachovia Bank
Bank account: 2000031964391
Routing number: 063107513

Should you have any questions, please feel free to contact me at the below information.

Sincerely,

Isaac J. Martinez
President & CEO

I Trade FX, LLC
255 Primera – Suite 230 ■ Lake Mary FL 32749
(407) 585-0600 ■ (407) 585-0605 ■ www.itradefx.com
The Global Choice of Forex Traders

Form A001

Nothing that you had in mind. If so we will give you the Header X letter head and get it to you ASAP

Any Concern

Has the balance of Court TV's Trade FX account to all but: items, in a contract with Court TV's Request to transfer trading on the First Order (TV's) business.

and if you are unable to do so, please advise us as follows:

1. If you have any questions

2. If you have any other information that is pending added or removed.

3. If you have any other information.

4. If you have any other information.

5. If you have any other information.

6. If you have any other information.

7. If you have any other information.

8. If you have any other information.

9. If you have any other information.

10. If you have any other information.

11. If you have any other information.

12. If you have any other information.

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Exhibit 3

6

IN THE SUPREME COURT OF THE
TURKS AND CAICOS ISLANDS

Case No CL 71/09

IN THE MATTER OF OLINT TCI CORPORATION LTD

AND IN THE MATTER OF THE COMPANIES ORDINANCE 1982
CHAPTER 122 OF THE LAWS OF THE TURKS AND CAICOS ISLANDS

AND IN THE MATTER OF AN APPLICATION BY THE ATTORNEY
GENERAL FOR THE WINDING UP OF OLINT TCI CORPORATION
LIMITED IN THE PUBLIC INTEREST

BETWEEN

THE ATTORNEY GENERAL

Petitioner

-AND-

OLINT TCI CORPORATION LTD.

Respondent

Heard: 2nd June 2009
Handed down: 9th June 2009

For the Petitioner:
For the Respondent:

Ms R Braithwaite
Mr O Smith



RULING

APPLICATIONS

I. The matter came before me on a Petition dated and presented by the Attorney General dated 24th March 2009 under Sections 92 (f) and 94 Companies Ordinance on the ground that it is expedient in the public interest that the company should be wound up. The question I had to decide was whether it was just and equitable for Olint TCI Corporation Ltd to be wound up, in the circumstances put before me by Ms Braithwaite, who appeared for the Attorney General.

2. This Petition was not opposed by the Respondent Company which took "no position in relation to the underlying application of the Petitioner for the Winding-Up" of the Company. The Respondent chose to file no evidence to rebut the evidence of the Petitioner, although Mr Oliver Smith did refer the Court to sections of the Written Decision of the Designated Panel of the Hearing Committee National Futures Association following a hearing to consider charges against I Trade FX LLC (I-Trade).¹

3. There was also before me an Application made by the Petitioner, again dated 24th March 2009, seeking the appointment of Mr Joseph Connolly, Managing Director of PricewaterhouseCoopers Ltd (PWC), as the Provisional Liquidator for the Company. Unfortunately, apparently due to the full court lists, the Application was not listed to be heard before the Court prior to the date set for the hearing of the Winding-Up Petition.

4. The Respondent opposed this application on the ground that Mr Connolly was biased or could be perceived as being biased. This submission was based on the fact that Mr Connolly had prepared a report on the Company at the request of the Financial Services Commission. In the Report, PWC set out concerns about the Company's activities which, it was submitted by the Respondent, formed the factual basis of the grounds relied on by the Attorney General for winding-up the Company. The Respondent did not contend that Mr Connolly did not possess the requisite experience and qualifications to be appointed as Provisional Liquidator. Therefore, the crux of the allegation against Mr Connolly was that he and his firm had previously acted as investigating accountants.

5. Regretfully, Counsel made their submissions devoid of any supporting case authorities and, as a consequence, had to be referred to possibly relevant case law by the Court.

¹ See paragraph 15 below

6. On 2nd June the Court considered firstly the application for the appointment of Joseph Connolly as the Provisional Liquidator. This was at a stage after the Presentation of the Petition but before the making of the Winding-Up Order. The Court made an order appointing Mr Joseph Connolly as the Provisional Liquidator.

7. After the Court made the appointment it went on to consider whether the Company should be wound up. After considering the evidence, the Court made an order that Olint TCI Corporation Limited be wound up.

8. At the winding-up of the Company, Mr Connolly, who had been earlier appointed as Provisional Liquidator, was confirmed as the Liquidator.

9. At the hearing I promised written reasons which I now give.

THE WINDING-UP PETITION

10. Although at the hearing I firstly disposed of the application dealing with the appointment of the Provisional Liquidator, in this ruling I initially address the issues surrounding the Winding-Up Petition. I do so, in order to put the reasons for the appointment of the Provisional Liquidator into a factual context.

11. I carefully considered the evidence filed in support of the Petition. Olint TCI Corporation Ltd is a business primarily concerned with financial investments. Since around 2007, David Smith, a director of Olint TCI Corporation Ltd, has been the subject of ongoing investigations by the Financial Crimes Unit in the Turks and Caicos Islands into alleged money laundering in relation to Olint TCI Corporation Ltd and I-Trade FFX LLC. The latter is a trading platform located in Florida, U.S.A and David Smith is its designated principal. The Court, having regard to these investigations, from July 2008 has granted production and ongoing restraint orders pursuant to an application brought by the Attorney General under the Proceeds of Crime Ordinance 2007.

12. Investigations into the activities of David Smith in relation to companies he operated in Jamaica focused attention on Olint TCI Corporation Ltd. Olint Corporation (Olint Jam) and Overseas Locket International Limited were Jamaican investment companies purportedly carrying on foreign exchange dealing. It appears that these companies were said to be showing returns in investments in excess of 10% per month.

13. The investigations in the Turks and Caicos Islands commenced following the filing of "Suspicious Transaction Reports" with the Financial Crimes Unit in or around June 2008 by TCI Bank Ltd. The report concerned an agreement David Smith had with the Bank for the maintenance of a minimum balance of \$6.5 million in an account held by Hallmark Bank and Trust Co (Hallmark) for the benefit of Olint TCI Corporation Ltd and David Smith. The concern arose following a request by David Smith for the withdrawal of \$1.5 million to facilitate redemptions to a number of club members who it appears were pressing Olint TCI Corporation Ltd for payment.

14. A further "Suspicious Transaction Report" was made to the Financial Crimes Unit in relation to David Smith from Hallmark on 27th June 2008 concerning the beneficial ownership by David Smith and his wife Tracy-Anne Smith and Olint TCI Corporation Ltd, TCI FX Traders Ltd and Overseas Locket International Corp.²

15. In or about 30th June 2008, a Complaint was filed by the National Futures Association (NFA) in the U.S.A against I-Trade FX LLC with reference to the findings of an audit conducted by the NFA in relation to I-Trade FX LLC which disclosed that I-Trade FX LLC had low levels of trading activity but was still paying consistent returns of 10% per month to investors.

16. However, Mr Oliver Smith did refer the Court to parts of the Written Decision of the Designated Panel of the Hearing Committee National Futures Association following a hearing to consider charges against I Trade FX LLC (I-Trade). Mr Smith referred to the footnote on page 23 of the Decision which read:

² See paragraph 18 below

“From the evidence in the record, although indications of money laundering are present, the Panel cannot determine with certainty whether Smith was engaged in money-laundering nor whether I-Trade was complicit in that activity if it did occur. The Panel recognises that NFA has jurisdiction over its Members’ activities only and cannot obtain documents from entities outside its jurisdiction. Therefore NFA and the Panel must leave the review of those entities’ records, and the ultimate conclusion about their activities, to authorities with jurisdiction over those records.”

Mr Smith also referred to the footnote on page 29 of the Decision which read:

“From the evidence in the record, the Panel could not determine whether Smith was running a Ponzi scheme.”

17. In or about August 2008, PWC were requested by the Financial Services Commission to:

- (i) analyse the deposits and payments going through the account held by Hallmark for Olint TCI, to identify to the degree possible who the remaining funds belong to. At a minimum, produce a detailed list of all the individuals, and the amounts they deposited; and
- (ii) perform validation procedures on a sample of due diligence and source of funds documentation, to ensure these have been properly obtained and documented.

18. Mr Joseph Connolly undertook the work in September 2008. The PWC Report was completed on and dated September 23, 2008.³ PWC stated at paragraph 1.5 of the report that:

“the pattern of receipts and payments indicate that the main function of the (Hallmark/Olint) account was to collect in money from members (\$220 million) and then meet redemption requests from members (\$156 million). We can find no

³ Report to the Financial Services Commission On Hallmark Bank and Frost Limited (Hallmark) and Olint TCI Corporation Ltd. (Olint TCI)

evidence in our analysis of the source and application of funds of any trading profits being received in the bank account to meet these redemption requests.”

In simple terms Olint TCI was in the business of meeting old club members' request for redemption with new club members' money. These redemption requests were not just for the principal, but the principal plus the trading gains that had been inflated to “eye catching” proportions to encourage more depositors. The characteristics of a classic Ponzi scheme.”

PWC also indicated that it appeared that the Company was insolvent, possibly in excess of \$100 million.

19. On 3rd April 2009 TCI FX Traders LTD was wound up by this Court following the presentation of a petition filed by the Attorney General on the same grounds as were before me. Mr Smith and Mr John Wildish were co-directors of that company. It became apparent, that without the consent of Mr Wildish, funds were moved and co-mingled between Olint TCI Corporations Ltd's account and TCI FX Traders Ltd's account at I-Trade FX LLC. At paragraphs 1.4 and 1.7 of the PWC Report instances of co-mingling are set out.

20. I had regard to the fact that participation in the investment scheme was open to the public, that promises of returns were made which were not sustainable, that the company was not trading and the inter-relationship of the Directorship of Olint TCI Corporation Ltd, TCI FX Traders and I-Trade FX LLC.

21. As stated by me in **Attorney General v TCI FX Traders Limited CL 12/09**, paragraph 10, I had to have regard to the balancing exercise set out by Nicholls LJ in **Re Walter L Jacob and Co Ltd [1989] BCLC 345 at pp351-2**, namely:

“... the court has regard to all the circumstances of the case as established by the material before the court at the hearing.... The court will consider those matters which constitute reasons why the company should be wound up compulsorily, and those which constitute reasons why it should not. The court will carry out a balancing

exercise, giving such weight to the various factors as is appropriate in the particular case.”

22. I also had regard to the guidance of Millett LJ in *Re Senator Hanseatische Verwaltungsgesellschaft mbH* [1997] 1 WLR 515 at p 526 when he stated:

“... the decision to wind up the company is not left to the Secretary of State but to the court, which must consider whether it is just and equitable to do so. In reaching its decision the court will take into account the interests of all parties, present members and creditors of the company..., as well as the interest of the public who may hereafter have dealings with the company.”

23. In these circumstances, I was satisfied from the evidence filed on behalf of the Attorney General, that this investment scheme was detrimental to the public interest. For these reasons, given briefly, in the light of the absence of opposition to the Petition, I held that it was just and equitable for Olint TCI Corporation Ltd to be wound up and I so ordered.

APPOINTMENT OF PROVISIONAL LIQUIDATOR

24. I was, in the absence of an official receiver, invited by the Petitioner to appoint Mr Joseph Phillip Connolly of PWC, as the Provisional Liquidator. I was also asked by the Petitioner that, if an order to wind-up the company followed Mr Connolly's appointment as Provisional Liquidator, to then confirm Mr Connolly's appointment as the Liquidator. Mr Connolly attended the hearing and consented to such an appointment. Mr Connolly's powers will be as set out in the order of this Court.

25. The Attorney General had standing to apply for the appointment of the Provisional Liquidator on his public interest Winding-Up Petition. The Attorney General swore an affidavit on 24th March 2009 and Glenda Clarke swore an affidavit on 2nd June 2009 in support of the Application.

26. The Respondent did not file any affidavits in reply. In his skeleton argument Mr Oliver Smith, Counsel for the Company, stated that "the Respondent objects to the appointment of a member of PWC as the Liquidator, provisional or otherwise." The opposition to the appointment was based on his contention that Mr Connolly, who he referred to as the Liquidator, "is already tangled in the investigation of the Respondent, but in fact is essentially an agent of the government generally and the Petitioner specifically. The likelihood is that this individual will be a witness for the Crown in the pending criminal matter and as such, should be withdrawn as a candidate and a neutral person appointed." One flaw in this submission was that PWC had not been commissioned to prepare the report by the Attorney General's Chambers, but by the Financial Services Commission.

27. It appeared that a great deal of the Respondent's concern surrounded the September 2008 PWC Report which had been undertaken under Mr Connolly's direction. It was submitted by the Respondent that the report contained findings unfavourable to the Respondent⁴ and its Directors which would have to be challenged at any criminal trial.

28. **Henderson J in The Matter of Parmalat Capital Finance Limited (2004-2005 CILR 22)** succinctly set out the role of a provisional liquidator and his relationship with the Court to be as follows:

"49 A provisional liquidator is, of course, an officer of the court. He is expected to report to the court in a timely fashion and to apply for directions on controversial or troubling issues arising in the course of the liquidation. He has a fiduciary obligation to the creditors, in whose ultimate interest he is acting, and a personal obligation to the court, which is charged with his supervision and control. Before making an appointment, the court must be satisfied that an appointee will be able and willing to accept direction from it without fear or conflict. The Court must also be satisfied that it can exercise an appropriate degree of control over its own officer...."

⁴ See paragraph 16 above

50 The court is clothed with jurisdiction to supervise and control liquidators so that creditors can enjoy a high level of assurance that the liquidation is even-handed, fair and carried out according to law. A liquidator must be, and be seen to by the creditors to be, independent. Although the most usual cause for concern has to do with conflicts between the appointee's duties and his own commercial interests, independence is really a larger concern. A liquidator cannot owe any duty to anyone which is incompatible with the creditors and the court."

I was again satisfied that Mr Connolly, who I appointed as liquidator when making the winding-order in relation to TCI -FX Traders, would be able to receive direction from the Court and will not be fettered by the fact that he has already prepared a report for the Financial Services Commission. I was satisfied that Mr Connolly was independent and he would work in the interests of the company and the creditors. I was satisfied that there was no reasonable perception of bias on his behalf.

29. Counsel appeared unaware of the House of Lords case of **In Re Pantmaenog Timber Co. Ltd. [2004] 1 A.C. 158**. Therefore the Court brought this case to their attention and invited submissions on the same. The case was considered regionally by the Court of Appeal of the Cayman Islands in **The Matter of Parmalat Capital Finance Limited [2006 CILR 480]** (Zacca, P., Forte and Mottley, JJA). At paragraph 82 in **Parmalat, Forte J** referred to the headnote in **Pantmaenog** at 158-159 where the court held that:

"a liquidator's functions in relation to a company which was being wound up were not limited to the recovery and distribution of the company's assets but extended to the investigation of the causes of the company's failure, and the conduct of those concerned in its management, in the wider public interest of the appropriate action being taken against those engaged in commercially culpable conduct..."

Forte J went on to refer to **Lord Millett's** following statement in his speech in **Pantmaenog** at page 158, at para. 64:

"But I reject the unspoken assumption that the functions of a liquidator are limited to the administration of the insolvent estate. This is only one aspect of an insolvency

proceedings; the investigation of the causes of the company's failure and the conduct of those concerned in its management are another. Furthermore such an investigation is not undertaken as an end to itself, but in the wider public interest with a view to enabling the authorities to take appropriate action against those who are found to be guilty of misconduct in relation to the company."

30. The fact that Mr Connolly had previously acted as an investigating accountant at the request of the Financial Services Commission did not in itself mean that he should have been disqualified from being appointed as the Provisional Liquidator. In the Australian case of **Advance Housing Pty Limited (in Liquidation) v Newcastle Classic Developments Pty Limited (1994) 15 ACSR 341** the fact that a liquidator's firm had been involved in an investigation of the company's affairs was not itself a problem. The problem, which led to the resignation of the liquidator, was that the company may have had a claim against the firm for recovery of payments made to it in connection with the investigation. There were no such claims in the matter before me.

31. Similarly in **Domino Hire Pty Limited v Anor v Pioneer Park Pty Limited (in liquidation) (2000) 18 ACLC 13** the liquidator's prior role as an investigating accountant was not fatal to his independence. He was removed, however, because his management of the winding up, including a number of irregularities, gave rise to a reasonable apprehension that he was biased in favour of the bank which had appointed him as investigating accountant. There were no such irregularities in the matter before me.

32. Olint TCI Corporation Ltd is insolvent. There are serious concerns highlighted by the PWC Report and the NFA which inarguably require a prompt and thorough investigation. Having regard to the serious nature of the allegations being made, the Company's failure and the conduct of those in charge of the company, there is a requirement for the Liquidator to carry out the investigation. Clearly it is imperative that competent and committed liquidators should be appointed as soon as possible to undertake this task. It is clear that Mr Connolly has already embarked on an investigation limited to documentation that was made available at that time. It is clear

that those investigations raised, to use the language of the NFA, "red flags." As liquidator he would be able to carry out a more informed investigation. The fact that he has already started the investigation when preparing the PWC report is a positive reason for his appointment. He will not need to undertake the expensive groundwork again and this will reduce his expenses which, in turn, will benefit the creditors. Mr Oliver Smith has been instructed by Mr David Smith, in other related proceedings. It may well be that Mr David Smith for personal reasons, does not want the experienced Mr Connolly to carry out the investigation but these do not affect the eminent suitability of Mr Connolly for this appointment.

33. The contents of the PWC Report would have been known to the Respondent at the time of the appointment of Mr Connolly as Liquidator in the TCI- FX Traders case. In the Report there was mention of co-mingling of funds. Despite this, no objection was then taken by Mr Smith, a co-director of TCI-FX Traders, concerning Mr Connolly's appointment.

34. The fact that Mr Connolly is the liquidator in this, to a degree, related company was a further positive factor when considering the suitability of his appointment. **Henderson J in The Matter of Parmalat Capital Finance Limited at para 15** stated:

"In many, perhaps most, large insolvencies it is desirable for the same liquidator to wind up all of the related companies. This court has recognised that reality on more than one occasion. In **Allied Inv. Fund Ltd. V. Johnson (1) Murphy, J. held (199 CILR at 261):**

'As early as in *re British Nation Life Assur. Assn.* it was recognised that it is desirable for the same liquidator to wind up related companies. Mr Martin's submission that the liquidators of TW should operate only within the 'cocoon' of TW does not accord with practical necessities or authorities.....

Courts both in England and in this jurisdiction (the Cayman Islands) have approved arrangements made by liquidators to maximise efficiency and so recoveries for creditors in circumstances where related entities are being wound up. The obvious reason for taking such an approach is to avoid the inevitable waste of huge sums of creditors' money which would result from hostile balkanised liquidations."

35. Henderson J referred to the helpful passage taken from *Re Arrows Ltd.* (2) [1992] BCC at 123⁵ per Lord Hoffman:

"Given the circumstances of this company, it seems to me that the course taken....in appointing the same firm to be both provisional liquidators and receivers of the property holding companies was, if I may say so with respect, eminently sensible. In fact, it is very difficult to see how the necessary process of investigation could have been efficiently conducted if there were separate firms representing all, or worse still some of the receivership companies, and another firm representing the provisional liquidators."

36. A further factor in support of Mr Connolly's appointment emerged from the pages of the PWC Report. At paragraph 1.4 the Report states:

"We have now completed our analysis of the bank account and we are able to provide a list of the depositors to the account. The list is over 100 pages long so we have not appended it to this report. Our analysis reveals that there are over 6,000 individual depositors. The smallest deposit is less than \$100, the largest depositor, SGL Limited, deposited over \$6 million..... SGL Limited, a corporate entity, is not typical of the majority of depositors, who would appear to be individuals. Over 3,000 of those who invested, invested less than \$20,000, many in their personal name."

This is significant, because Mr Connolly has commendably already undertaken a great deal of work to enable him to identify potential creditors. His appointment will enable him to be in a position to effectively communicate with the recognised creditors without delay.

37. The Court has a wide discretion when appointing provisional liquidators/liquidators. In deciding whom to appoint, the Court has to consider what is in the best interests of all persons interested in the winding-up. Naturally and appointment that would result in a saving of the time and costs of investigating the Company's affairs should be preferred. This consideration hardly needs articulation,

⁵ Passage also quoted with approval in *Re International Credit & Inv. Co. (Overseas) Ltd.* [1992-93] CLR at 86. Harre J

but it has to be emphasised in the present case, where it appears much money may have already been lost to creditors and where a great deal of time has been taken only to get to this stage of the liquidation process. It is now nearly 10 months since the making of restraint orders by the Supreme Court. There was no objection from any creditor to the proposed appointment of Mr Connolly.

38. Against my analysis of the benefits that would be gained from the appointment of Mr Connolly, I considered the objections that were raised by the Respondent. It is well-established that provisional liquidators/liquidators should not only be independent and impartial, but should also be seen to do so. Any conflict of interest and over-familiarisation should be discouraged. On the other hand, it is not every connection or action that can give rise to an allegation of an appearance of lack of independence and impartiality on which the Court should act. The preparation of the Report at the request of the Financial Services Commission did not create a relationship as should lead to a proper perception that Mr Connolly, if appointed, would be partial to the Attorney Generals' Chambers at the expense of his primary duty to the Company and creditors.

39. With the above in mind, including the objections of the Respondent, it was clear that Mr Connolly of PWC was the natural choice as provisional liquidator and thereafter if a winding-up order was made as liquidator. This liquidation needs to be tightly run and efficiently managed. I was of the view that the best interests of the Company and all of the creditors would be best served by the appointment of Joseph Connolly as the Provisional Liquidator. I was also of the view that, at the winding-up of the Company, Mr Connolly should be confirmed as the Liquidator and I so ordered.

Richard Williams (J)



Exhibit 4

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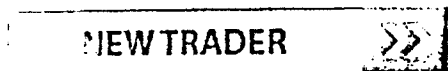


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AVISO DE OPERACIÓN



REPÚBLICA DE PANAMÁ
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DIRECCIÓN GENERAL DE COMERCIO INTERIOR

AVISO DE OPERACIÓN No.

1559626-1-658760-2009-163450
Capital Invertido: B/.10,000.00

EXPEDIDO A FAVOR DE

ITRADEX INTERNATIONAL INC.
1559626-1-658760 DV 55

I-TRADEX INTERNATIONAL

Yo, **ISAAC JOSHUA MARTINEZ**, con número de pasaporte 104200063, con domicilio en **CALLE 23 A, CLUB X, BETHANIA, CASA K-19B**, en calidad de representante legal de **ITRADEX INTERNATIONAL INC.**, con fecha de constitución 14-Abr-2009, está ubicado en la Provincia de **PANAMA**, Distrito de **PANAMA**, Corregimiento de **BETANIA, Urbanización CLUB X, Calle 23 A, Casa K-19B**, Teléfonos 2601247, declaro lo siguiente:

El establecimiento comercial denominado **I-TRADEX INTERNATIONAL**, está ubicado en la Provincia de **PANAMA**, Distrito de **PANAMA**, Corregimiento de **BETANIA, Urbanización CLUB X, Calle CALLE 23 A, Casa K-19B**.

Se dedicará a la actividades de: **PRESTACION DE SERVICIOS A TRAVÉS DE LA INTERNET** y otras actividades asociadas. Inicia operaciones en **May-2009**.

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2009 MAY - 8 PM 4: 46

FILED

CLAUSULA DE RESPONSABILIDAD

En caso de que este aviso de operación haya sido procesado por una persona distinta al representante legal o administrador del establecimiento comercial, dicha persona será solidariamente responsable de la información suministrada, por lo que deberá firmar el aviso de operación en conjunto con el representante legal o administrador del establecimiento comercial, según sea el caso.
Declaro bajo la gravedad del juramento que toda la información por mí suministrada al sistema Poner a Empezar en el presente proceso de Aviso de Operación, son ciertos.

Este Aviso de Operación, deberá ser impreso, inmediatamente y firmado por los declarantes que aparecen en la parte inferior del mismo. Además debe mantenerse en el establecimiento, donde se ejerce (sus) actividad(es) comercial(es) o Industrial(es) y mostrario en caso de ser solicitado por las Autoridades Públicas y Competentes, en el ejercicio de su función fiscalizadora.
PanamaEmprende HA AVISADO DE LA FUTURA APERTURA DEL NEGOCIO A LA CAJA DEL SEGURO SOCIAL Y AL MUNICIPIO RESPECTIVO.

Nombre: Anel Lawson Blanco
Código: 010 * 58
Firma del Declarante (Tramitador)

ISAAC JOSHUA MARTINEZ
PAS 104200063
Firma del Representante Legal de la Sociedad



ade FX

Corporate Headquarters
400 Colonial Center Pkwy, Suite 300
Lake Mary, Florida 32746
Toll Free: 800.842.6061
Fax: 407.585.0605

This Certification is made and effective April 24, 2009.

Carlos Garcia, do hereby attest and affirm the attached document entitled:

SCRITURA PUBLICA NUMERO CINCO MIL CIENTO TRIENTO Y SIETE ----(5137)----
POR LA CUAL SE PROTOCOLIZA EL PACTO SOCIAL DE LA SOCIEDAD ANONIMA
DENOMINADA ITRADEFX INTERNATIONAL INC.

was translated into English by my hand and oversight as demonstrated by the attached
document entitled:

PUBLIC DEED NUMBER FIVE THOUSAND ONE HUNDRED AND THIRTY SEVEN ----
(5137)---- PROTOCOL BY WHICH THE COVENANT OF THE ANONYMOUS COMPANY
CALLED INTRADEFX INTERNATIONAL INC.

Signature Carlos Garcia
Carlos Garcia
Compliance Analyst

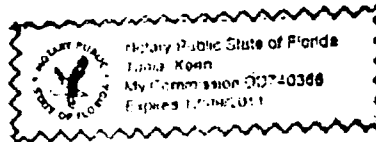
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ACKNOWLEDGMENT

Manatee County, Florida

On April 24, 2009 before me, Tania Keen, notary, Carlos Garcia personally known to
me acknowledged to me that he executed the Certification in his authorized capacity.
I witness my hand and official seal.

Signature Tania Keen
Notary



REPUBLICA DE PANAMA

PAPEL NOTARIAL

NOTARIO NOVENO DEL CIRCUITO DE PANAMA

ESCRITURA PUBLICA NUMERO CINCO MIL CIENTO TREINTA Y SIETE (5,137)
POR LA CUAL SE PROTOCOLIZA EL PACTO SOCIAL DE LA SOCIEDAD ANONIMA
DENOMINADA ITRADEX INTERNATIONAL INC.

Panamá, 6 de abril de 2009.

En la Ciudad de Panamá, Capital de la República y Cabecera del Circuito Notarial del mismo nombre, a los seis (6) días del mes de abril del año dos mil nueve (2009), ante mí, LICENCIADO JAVIER DANILLO SMITH CHEN, Notario Público Noveno, Primer Suplente, del Circuito de Panamá, con cédula de identidad personal número ocho-diecientos veintiséis-novecientos doce (8-226-912), compareció personalmente el señor GABRIEL LAWSON, varón, panameño, mayor de edad, casado, comerciante y abogado en ejercicio, portador de la cédula de identidad personal número ocho-trescientos diez-quinientos sesenta y ocho (8-310-568), vecino de esta ciudad, y LINNETTI NUÑEZ, mujer, panameña, mayor de edad, casada, comerciante, portadora de la cédula de identidad personal número ocho-cuatrocientos treinta y ocho-quinientos ocho (8-438-508), vecina de esta ciudad, ambos actuando en su propio nombre y representación, personas a quienes conozco, y me entregaron para su protocolización y al efecto protocolizo el certificado de constitución de la sociedad anónima denominada ITRADEX INTERNATIONAL INC.

QUEDA HECHA la protocolización solicitada, y se entregarán las copias que soliciten los interesados.

SE DEJA CONSTANCIA que esta Escritura Pública se hace sobre la base de minuta presentada por el abogado en ejercicio GABRIEL LAWSON.

ADVERTÍ a los comparecientes que una copia de esta Escritura debe registrarse; y leída como le fue la misma, en presencia de los testigos instrumentales, MAYLENE GUZMÁN, con cédula de identidad personal número ocho-diecientos treinta y nueve- mil trescientos sesenta y ocho (8-239-1368) y CARLOS ETIENNE, con cédula de identidad personal número ocho-quinientos uno-ciento cuarenta y dos (8-501-142), ambos mayores de edad, vecinos de esta ciudad, a quienes conozco y son hábiles para el cargo, la encontraron conforme, le impartieron su aprobación y la firman para constancia por ante mí el Notario que doy fe.

ESCRITURA PUBLICA NUMERO CINCO MIL CIENTO TREINTA Y SIETE (5,137)

(Fdo.) GABRIEL LAWSON (Fdo.) LINNETTI NUÑEZ

(Fdo.) MAYLENE GUZMÁN (Fdo.) CARLOS ETIENNE

(Fdo.) LICENCIADO JAVIER DANILLO SMITH CHEN, Notario Público Noveno, Primer Suplente.

PACTO SOCIAL DE LA SOCIEDAD ANONIMA BLARSMY MARKETING, S. A. Primero: El nombre de la sociedad es: ITRADEX INTERNATIONAL INC. Segundo: La sociedad tendrá su domicilio en la Ciudad

2009 MAY - 8 PM 4:46

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de Panamá pero podrá establecer y operar sucursales y agencias en cualquier lugar, dentro o fuera de la República. Tercero: La duración de la sociedad será perpetua. No obstante podrá disolverse en cualquier momento de conformidad con la ley. Cuarto: Los objetos de la sociedad serán de intermediación comercial y prestación de servicios a través de la internet y el comercio electrónico, inversiones en general y cualquier actividad lícita prevista en la Ley. Quinto: La sociedad podrá hacer cuanto sea necesario en desarrollo de los fines enumerados en este pacto social, o lo que sea necesario o conveniente para la protección y beneficio de la sociedad. Sexto: El capital social autorizado será de DIEZ MIL DOLARES (\$ 10,000.00), moneda de curso legal de los Estados Unidos de América, dividido en CIEN (100) acciones comunes y nominativas de un valor nominal de CIEN DOLARES (\$ 100.00), moneda de curso legal de los Estados Unidos de América, cada acción. Séptimo: Los suscriptores de este pacto social convienen en suscribir una (1) acción del capital cada uno. Octavo: La responsabilidad de cada accionista estará limitada a la suma, si la hubiere, que adeude sobre sus acciones. Noeno: La Junta Directiva se compondrá de no menos de tres (3) ni más de siete (7) Directores elegidos por mayoría de votos en Junta de Accionistas. Décimo: Mientras la Junta General de Accionistas no disponga otra cosa, los directores de la sociedad serán: ISAAC MARTINEZ, JACOB MARTINEZ y JARED MARTINEZ, todos con domicilio en Cuatrocientos (400) Colonial Center Parkway, Suite Trescientos (300), Lake Mary, Estado de LA FLORIDA, ESTADOS UNIDOS DE AMERICA. Decimoprimer: El Presidente es el Representante Legal de la sociedad y en sus ausencias temporales la Representación Legal de la sociedad será ejercida por el secretario o quien designe la Junta Directiva de la sociedad. Decimosegundo: Los Dignatarios de la sociedad serán: **PRESIDENTE: ISAAC MARTINEZ, SECRETARIO: JACOB MARTINEZ, TESORERO: JARED MARTINEZ.** Decimotercero: El Agente Residente de la sociedad es el abogado en ejercicio GABRIEL LAWSON, con oficinas ubicadas en el Dorado Mall, local número veinticuatro (24), Corregimiento de Bethania, Distrito de Panamá, Provincia de Panamá, República de Panamá, quien manifiesta que acepta el cargo.

En fe y Testimonio de lo cual expedimos y firmamos el presente PACTO SOCIAL; en la ciudad de Panamá, a los seis (6) días días del mes de abril del año dos mil nueve (2009).

ESTA ESCRITURA CONSTA DE DOS (2) PAGINAS.

CONCURREDA con su original esta copia que expido, sello y firmo en la Ciudad de Panamá, a los seis (6) días del mes de abril del año dos mil nueve (2009).

JAVIER F. ALONSO GONZALEZ
 NOTARIO PUBLICO NOTENO



Handwritten notes on the left margin: "SPT", "L", "R", "M", "A".

2009 MAY - 8 PM 4:46
 FILED
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

REPUBLICA DE PANAMA
NOTARIA NOVENA DEL CIRCUITO DE PANAMA

INGRESADO EN EL REGISTRO PÚBLICO DE PANAMA

Provincia: Panamá
Tomo: 2009
Presentante: GABRIEL LAMSON
Liquidación No.: 8709017545
Ingresado Por: CRISCU

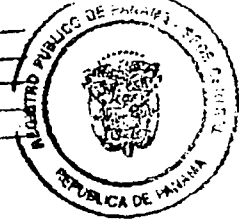
Fecha y Hora: 2009/04/13 12:01:47:7
Asiento: 069883
Cédula: 8-310-569
Total Derechos: 53.00

Emmanuel Penabazcan
Jefe de Diario



Inscrito en el Sistema Tecnológico de Información del Registro Público de Panamá

Sección de Mercantil
Documento Fidei No. 1559026 Fecha No. 65940 Sigla No. S.A.
Operación Realizada Fotos
Derechos de Registro Sr. 70
Derecho de Colificación Br. 14 de Abril de 2009
Panamá, 14 de Abril de 2009
Gabriel Lamson
Registrador Jefe



SECRETARÍA DE ESTADO
TALAMON
2009 MAY -8 PM 4:46

FILED

1559026 *65940* *1559026*

REPUBLIC OF PANAMA
NOTARIAL PAPER
NOTARIAL OF THE NINTH CIRCUIT OF PANAMA

PUBLIC DEED NUMBER FIVE THOUSAND ONE HUNDRED AND THIRTY-SEVEN (5,137),
PROTOCOL BY WHICH THE COVENANT OF THE ANONYMOUS COMPANY CALLED
ITRADEX INTERNATIONAL INC.

FILED
2009 MAY - 8 PM 4:31
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

----- Panama, April 6 2009 -----

In Panama City, Capital of the Republic and Head of the Notarial Circuit of the
same name, on the Sixth (6th) Day of April, Two Thousand Nine (2009) before
me, **LAWYER JAVIER SMITH CHEN**, Ninth Notary Public, First Deputy of the
Circuit of Panama, with personal identity card number eight-two hundred twenty
six-nine hundred twelve (8-226-912), appeared personally Mr. **GABRIEL LAWSON**,
male, Panamanian, of legal age, married, businessperson and practicing lawyer,
bearer of identity card number eight-three hundred ten-five hundred sixty eight
(8-310-568), a resident of this city, and **LINNETTI NUNEZ**, female, Panamanian,
of legal age, married, businessperson, bearer of personal identity card number
eight-four hundred thirty eight-five hundred and eight (8-438-508), a resident
of this city, both acting on their own behalf, people who are known to me and
protocols for protocol and the effect of the certificate of incorporation
anonymous called -----ITRADEX INTERNATIONAL INC. -----

IS MADE protocols required, and deliver the copies requested by the
stakeholders. Reflects that this public deed is made on the basis of bill
submitted by the legal practitioner **GABRIEL LAWSON**.

Witnessed those appearing that a copy of this document should be recorded and read
as it was the same in the presence of witnesses instrumentals, **MAYLENE GUZMAN**,
with personal identity card number eight-two hundred thirty nine-one thousand
three hundred and sixty-eight (8-239-1368) and **CARLOS ETIENNE**, with personal
identity card number eight-five hundred and one-one hundred forty-two (8-501-
142), both of legal age, residents of this city, who are known and are able to
swear, found in agreement, has approved and signed for the record before me by
me Notary faith.

PUBLIC DEED NUMBER FIVE THOUSAND SEVEN HUNDRED AND THIRTY (5,137).-----

(Signed.) **GABRIEL LAWSON**
(Signed.) **LINNETTI NUNEZ**
(Signed.) **MAYLENE GUZMAN**
(Signed.) **CARLOS ETIENNE**

(Signed) **LAWYER DANILO JAVIER SMITH CHEN**, Ninth Notary Public, First

COVENANT OF THE ANONYMOUS COMPANY CALLED ITRADEX INTERNATIONAL INC. -----
----- The name of
COMPANY IS: **ITRADEX INTERNATIONAL INC.** -----



FLORIDA DEPARTMENT OF STATE
Division of Corporations

April 30, 2009

MESTRADA
10 COLONIAL CENTER PKWY STE 300
SEBASTIAN, FL 32746

SUBJECT: I-TRADE FX INTERNATIONAL INC.
File Number: W09000020410

You have received your document for I-TRADE FX INTERNATIONAL INC. and your check(s) totaling \$87.50. However, the enclosed document has not been filed and is being returned for the following correction(s):

The name of your corporation is not available in Florida. An out-of-state corporation whose name is not available must adopt an alternate corporate name in Florida. The alternate corporate name must contain "Incorporated," "Company," "Corporation," "Inc.," "Co.," "Corp.," "Inc.," "Co.," or "Corp." Please provide the alternate corporate name in the space provided in number one of the application.

Simply adding "of Florida" or "Florida" to the end of a name is not acceptable.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call 850-455-6928.

Eruch
Registry Specialist II

Letter Number: 209A00014644

AFFIDAVIT

This Affidavit is made and effective as of May 6, 2009.

ON BEHALF OF: **I Trade FX International, INC.** (the Company), a corporation organized and existing under the laws of Seminole County, Florida with its head office located at:

114 Boulder Court
Sandford, Florida 32711

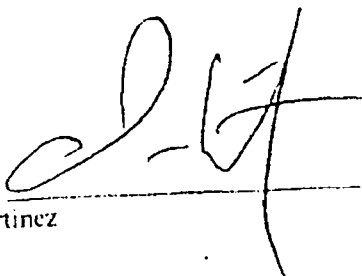
FOR THE BENEFIT OF: **i-Trade FX International, INC.** (the Foreign Company) a corporation organized and existing under the laws of the Province of Panama with its head office located at:
Calle 23, A Club X
Bethania, Casa K-19B
Panama

RECITALS

I, Isaac J. Martinez, in my capacity as the Director for the Company hereby affirm the following:

The Company submitted an affidavit of dissolution for the Florida registered entity #09000035677 on May 4, 2009. The Company does not intend to revoke the voluntary dissolution.

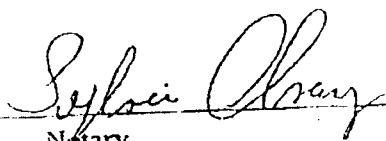
The company hereby releases the name, **I Trade FX International, INC.** for the benefit and use of the Foreign Company.

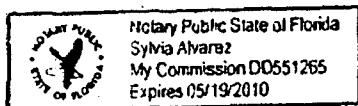
Signature 
Isaac J. Martinez
Director

ACKNOWLEDGEMENT

Seminole County, Florida

On May 6, 2009 before me, Sylvia Alvarez, notary, Isaac J. Martinez personally known to me acknowledged, to me, that he executed the attached Affidavit in his authorized capacity. Witness my hand and official seal.

Signature 
Notary



APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA.

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2009 MAY -8 PM 4:46

FILED

1. i-Trade FX International Inc.

(Enter name of corporation; must include "INCORPORATED," "COMPANY," "CORPORATION," "Inc.," "Co.," "Corp.," "Inc.," "Co.," or "Corp.")

If name unavailable in Florida, enter alternate corporate name adopted for the purpose of transacting business in Florida

2. Panama

(State or country under the law of which it is incorporated)

3.

(FE) number, if applicable

4. April 6, 2009

(Date of incorporation)

5. Perpetual

(Duration: Year corp. will cease to exist or "perpetual")

6. May 1, 2009

(Date first transacted business in Florida, if prior to registration)
(SEE SECTIONS 607.1501 & 607.1502, F.S., to determine penalty liability)

7. Calle 23, A Club X, Bethania, Casa K-19B Panama

(Principal office address)

8. 400 Colonial Center Parkway, Suite 300, Lake Mary, FL 32746

(Current mailing address)

9. Administrative services for principal corporation

(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

10. Name and Street address of Florida registered agent: (P.O. Box NOT acceptable)

Name: Isaac J. Martinez

Office Address: 400 Colonial Center Parkway Suite 300

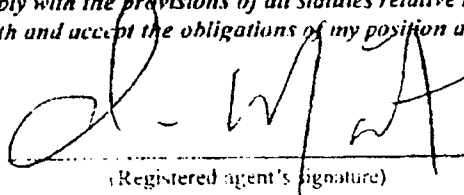
Lake Mary, Florida 32746

(City)

(Zip code)

11. Registered agent's acceptance:

I having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.



(Registered agent's signature)

This certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and business addresses of officers and/or directors:

A. DIRECTORS

Chairman: Isaac J. Martinez
Address: 400 Colonial Center Parkway, suite 300
Lake Mary, Florida 32746

Vice Chairman: _____
Address: _____

Director: Jacob N. Martinez
Address: 400 Colonial Center Parkway, suite 300
Lake Mary, Florida 32746

Director: Jared F. Martinez
Address: 400 Colonial Center Parkway, suite 300
Lake Mary, Florida 32746

FILED
2009 MAY -8 PM 4:46
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

B. OFFICERS

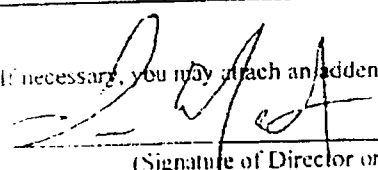
President: Isaac J. Martinez
Address: 400 Colonial Center Parkway, suite 300
Lake Mary, Florida 32746

Vice President: _____
Address: _____

Secretary: Jacob N. Martinez
Address: 400 Colonial Center Parkway, suite 300, Lake Mary, Florida 32746

Treasurer: Jared F. Martinez
Address: 400 Colonial Center Parkway, suite 300, Lake Mary, Florida 32746

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.



(Signature of Director or Officer listed in number 12 of the application)

1.4. Director-President
(Typed or printed name and capacity of person signing application)

Exhibit 5

A/C# 1101519 / 11013376

PRIVATE CLUB MEMBER AGREEMENT

This Agreement is made the 3rd day of JANUARY, 2008 between Hallmark Bank & Trust Ltd., a bank incorporated in the Turks and Caicos Islands, situated at Tropicana Plaza, P.O. Box 656, Leeward Highway, Providenciales Turks and Caicos Islands hereinafter referred to as "the Company" and

CHRISTOPHER WALKER of
11524 CANTON CIRCLE, WINDERMERE FL 32786 (residential address)
hereinafter referred to as "the Customer".

Whereas:

The Company, as part of its business, places client funds in the currency exchange market through Olint TCI Corporation Ltd. for investment in leveraged foreign exchange transactions and manages a private club for those persons (the Customers) wishing to invest in leveraged foreign exchange transactions.

And whereas both the Company and the Customer are desirous of entering into a relationship which will be provided on the terms and conditions set forth:

And whereas both the company and the customer have HEREBY AGREED AND DECLARED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

In this Agreement unless the context otherwise requires:

- 1.1 "Margin" shall mean any investment given to the Company at any time;
- 1.2 "Services" shall mean taking margin leveraged speculative currency positions;
- 1.3 "Club Member" shall mean any individual or company that has applied to and been accepted to become a member of that group that has provided funds to the Company for investment in foreign exchange transactions;
- 1.4 "Investment Manager" shall mean Olint TCI Corporation Ltd. who has its registered office at Tropicana Plaza, Leeward Highway, Providenciales, Turks & Caicos Islands which said company invests Customer funds in leveraged foreign exchange transactions and reports out Customer holdings in the foreign exchange markets to Club Members;
- 1.4 Words expressed in any gender shall where the context so requires or permits include any other gender;
- 1.5 In this Agreement words importing persons shall include bodies corporate and partnerships and other incorporated bodies and vice versa;
- 1.6 In this Agreement words expressed in the singular shall where the context so requires or permits include the plural;

1.7 The headings and clauses in this Agreement are inserted for ease of reference only and shall not affect the construction of this agreement.

2. **CONTRACTUAL RELATIONSHIP**

2.1 In connection with becoming a Club Member, the Customer acknowledges that Customer has been advised and understands the following factors concerning the Services offered pursuant to this agreement;

2.2 The Services provided pursuant to this Agreement carry a high degree of risk. The customer will be entirely responsible for the risk associated with the provision of services.

2.3 All sums invested pursuant to this Agreement will be used as a margin for taking margined leveraged speculative currency positions via the Investment Manager. All gains on trades will be added to this Margin and all losses shall be subtracted by the Investment Manager. Further, losses may arise as a result of fluctuations in the exchange rates which will in turn affect currency prices.

2.4 Margins will be invested within 10 working days after acceptance of the Customer as a Club Member unless in the sole discretion of the Investment Manager market conditions are not favourable for investment in which case the Margin will be held by the company in an interest bearing account. Eighty percent of the margin is guaranteed by the Investment Manager. Margin leverage on trades will vary in a range of 10-1 to 50-1. Under normal market condition, trades will be executed at margin leverage levels of 20-1.

2.5 The Investment Manager reserves the right to change the margin leverage at any time.

2.6 Customers will not be accepted by the Company as Club Members until funds have been received by the Company AND required "Know your Client" and source of funds information has also been received and approved by the Company and the Investment Manager

2.7 The Investment Manager shall have full unfettered discretion as to how the Margin is invested subject only to a duty to act with reasonable commercial prudence having regard to the speculative nature of leveraged foreign exchange transactions. The Company shall have no duty to inquire into the exercise of the Investment Manager's discretion.

3. **AUTHORISATION TO TRANSFER FUNDS**

Except with the specific written permission of the Customer, the Company and the Investment Manager will not transfer funds from or among Customer's accounts.

4. **WARRANTIES AND GUARANTEES**

The Company and the Investment Manager make no express or implied warranties save and except for those contained in this agreement regarding the service provided by them. The Company, the Investment Manager and their representatives shall not be liable for any interruption, inaccuracy, error or omission, regardless of cause in the service provided. **NO WARRANTY, GUARANTEE OR REPRESENTATIONS HAVE BEEN MADE OR ARE MADE WITH RESPECT TO RATES OF RETURN AND THE CUSTOMER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IT UNDERSTANDS THE HIGH RISK NATURE OF FOREIGN EXCHANGE TRADING AND THAT HE COULD LOSE A SUBSTANTIAL PORTION OF HIS INVESTMENT.**

5. **COMMUNICATION**

Statements will be provided by the Investment Manager on a monthly basis regarding the customers account to an address to be provided by the Customer. The Customer is responsible for providing the Investment Manager with updated contact information at all times. All communications will be sent by the Investment Manager using electronic mail, facsimile or otherwise against receipted delivery and will be deemed to be received on the business day next following the date of transmission. The Customer agrees that neither the Company nor the Investment Manager will be responsible for any delays in transmission. All notices to the Company shall be sent to the address of the Investment Manager or to such other address as advised to the Customer from time to time.

6. **LIABILITY**

The Customer agrees to remise release and forever waive all liabilities of the Company or the Investment Manager which may arise as a result of this agreement, save and except for any actions or inactions of the Company or Investment Manager which amount to fraud with intent to deceive or gross negligence.

7. **TERMINATION**

This Agreement can be terminated at any time by either of the parties. Ten working days notice however is required to encash margins.

8. **FORCE MAJURE**

Neither party shall be liable for any failure in the performance of any of its obligations under this agreement caused by factors outside its control.

9. **VARIATION**

No variation or amendment of this agreement or oral promise or commitment related to it shall be valid unless committed to writing and signed by or on behalf of both parties.


10. **LAW**

This Agreement shall be governed by the Laws of the Turks and Caicos Islands and the Customer consents to the exclusive jurisdiction of the Supreme Court of the Turks and Caicos Islands on all matters regarding it except to the extent that the Company invokes the jurisdiction of the courts of any other country.

The Customer represents that he has read and understands his obligations under this Agreement and agrees and acknowledges that the Agreement will control the customer's relationship with the Company and the Investment Manager.


Signed for and on behalf of

THE CUSTOMER



CHRISTOPHER WALKER
Print Name

Witnessed by:



SCOTT BOONE
Print Name

OLINT TCI CORPORATION LTD.

By



DIRECTOR

HALLMARK BANK & TRUST LTD.

By



CEO

Exhibit 3

137

From: Lee Oakley [leeanjan@hotmail.com]
Sent: Friday, September 21, 2007 4:13 PM
To: 'Debbieann Jackson' <debbieann@yahoo.com>; Yusef Saeed
Subject: FW: Clint Account

From: leeanjan@hotmail.com
Subject: FW: Clint Account
From: 'Debbieann Jackson' <debbieannblackberry.com>
Date: Fri, 21 Sep 2007 21:14:46 +0000

Sent via BlackBerry

-----Original Message-----

From: "Clint, Garfield S" <SargGS@JNCB.com>
Date: Fri, 21 Sep 2007 15:55:43
To: "Debbieann Jackson" <debbieannblackberry.com>
Subject: FW: Clint Account

Jenifer Jones <debbieannjackson@yahoo.com> wrote
Date: Thu, 20 Sep 2007 10:21:58 -0700 (PDT)
From: Jenifer Jones <debbieannjackson@yahoo.com>
Subject: Clint Account
To: jason_beckford_10@yahoo.com

Kerry,

I came in late last night so sorry for taking so long to get back to you <<http://us11.yimg.com/us.yimg.com/mesgts/mileys2.03.gif>> As I told you if I got any information I would pass it onto you. Getting information can be tricky but this is the low down. I made my final request for an encashment 2 days ago, I had to do my withdrawals over 3 months in order not to raise any suspicions. An enquiry was done as to the state of all the accounts and the picture is this. The club now has a total of 31 million in there combined bank accounts and 5 million in there brokerage account. They are seriously running low on cash, a check of the brokerage account alone states of the last 6 months 6 had losses. For example the brokerage account started out the year with 85 million and now its down to 5 million!

We also looked at the total deposits he has taken in and it stood at 350 million. Now with profits the book value of the club is over 910 million on paper. That means the total assets on hand is around 4% of what he is sending out in his statements. This whole thing is such a joke!

Last year there was not a problem because the deposits were exceeding the withdrawals. Now it has changed, for eg. the last 2 months the DEPOSITS were 3 million and 1.5 million respectively. Total WITHDRAWALS were 15 and 20 mil. So that means the net payouts, to be generous, are around 15 million per month, the net assets are 36 mil. Now based on that they may be able to pay out for September and maybe October but after that I really dont know what will happen, and I am not staying around to find out.

Another thing I found interesting is that 2 months ago 8 million was transferred to a middle eastern bank account that is not a client. Also as I told you over the last week the majority of the employees don't know what is happening in the club. They are under the impression that things are A-Ok.

I have to be quite blunt dont tell anyone this information and guard it with your life. I dont know people with money in the club and would like to warn them before the revelation. If the cat gets out of the bag there will be panic and the most that could do is to try and quell people's concerns by telling them some tale, because they certainly will not have the money to pay out even 10% of their accounts. I would advise you to bank the money direct deposit in to your bank account because they are having serious problems with the other overseas accounts.

Just a warning about not telling anyone the specifics that you cannot even tell Aon per bank for an encashment quietly. Say hello to Anna and the kids for me. Also I have made plans for the trip to B. I guess the total cost for the week will be US \$7000 including airfare and petrol. I would love to have you and the kids over to our office to see how because you have to sign off on it before I can send it back to the bank to pay. Bye for now.

Exhibit 6

NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE

FILED

JUN 30 2008

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In Matter of:)	
)	
I-TRADE FX LLC)	
(NFA ID #367140),)	
)	
and)	NFA Case No. 08-BCC-014
)	
ISAAC MARTINEZ)	
(NFA ID #369360),)	
)	
Respondents.)	

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association ("NFA"), and having found reason to believe that NFA Requirements are being, have been, or are about to be violated, and that the matter should be adjudicated, NFA's Business Conduct Committee ("Committee") issues this Complaint against I-Trade FX LLC ("I-Trade") and Isaac Martinez ("Martinez").

ALLEGATIONS

JURISDICTION

At all times relevant to this Complaint, I-Trade was a futures commission merchant ("FCM") and Forex Dealer Member ("FDM") of NFA. As such, I-Trade was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

2. At all times relevant to this Complaint, Martinez was a listed principal and registered associated person ("AP") of I-Trade, and an NFA Associate in accordance with NFA Bylaw 301(b). As such, Martinez was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. I-Trade is also liable for violations of NFA Requirements committed by Martinez during the course of his activities on behalf of I-Trade.

BACKGROUND

3. I Trade has been registered as an FCM since August 3, 2006 and solely conducts retail, off-exchange forex business. Martinez is the firm's president, a registered AP, an NFA Associate, and listed principal of the firm. As of NFA's April 2008 audit, I-Trade had approximately \$10 million in customer liabilities and approximately 3,000 active customer accounts, though only nine of these accounts had more than \$50,000 in equity.
4. At all times relevant to this Complaint, Jacob N. Martinez ("Jacob Martinez") and Jared F. Martinez ("Jared Martinez") were also principals with an ownership interest in the firm, as well as the brother and father, respectively, of Martinez.
5. For approximately nine months in 2007, I-Trade listed David Smith ("Smith") as a principal since he contributed almost 100% of the firm's capital. At all times relevant to this Complaint, Smith lived in Turks & Caicos and operated two entities, Olint Corporation ("Olint") and TCI FX Traders ("TCI"), which appear to be investment clubs in the Caribbean for high net worth individuals.¹

¹ The Financial Services Commission of Jamaica ("FSC") investigated Olint and Smith for allegedly offering illegal securities, and issued a cease and desist order in March 2006 that, among other things, prevented Olint from accepting new members.

6. Because of concerns about Smith's background and the source of funds he used to capitalize I-Trade, NFA asked the firm to provide Smith's personal bank records. I-Trade firm withdrew Smith as a principal on December 31, 2007 and repaid his membership interest in the firm when it was unable to obtain Smith's bank records.
7. Over the course of several months, NFA investigated I-Trade's operations and found accounts held in the name of Smith-related entities (i.e., Olint and TCI), as well as certain other accounts, were at the center of suspicious money transfer activity that I-Trade failed to report.

APPLICABLE RULES

NFA Compliance Rule 2-9(c) and a related *Interpretive Notice* ("Notice") require an FCM Member to develop and implement a written anti-money laundering ("AML") program. NFA Compliance Rule 2-9(c) also states, in pertinent part, that a firm's AML program must establish and implement policies, procedures and internal controls reasonably designed to assure compliance with the applicable provisions of the Bank Secrecy Act, and designate an individual (or individuals) to implement and monitor the day-to-day operations and the program's internal controls.

Olint appealed the FSC order to the Jamaican Supreme Court in March 2007, and the Jamaican Supreme Court upheld the FSC order in December 2007. Olint appealed the Supreme Court decision, and NFA believes the appeal is still pending.

Among other things, the Notice related to Compliance Rule 2-9(c) highlights the minimum standards that are part of an adequate AML program, provides additional guidance on satisfying the requirements of Compliance Rule 2-9(c), and discusses *key components of the firm's policies, procedures and internal controls, including detecting and reporting suspicious activity*. The Notice provides examples of suspicious transactions, includes detailed information about monitoring accounts for suspicious activity, and identifies wire transfer activity as one area that firms should give heightened scrutiny and requires monitoring in this area to include review of unusual wire transfers.

In addition, the Notice provides specific examples of "red flags" that could cause firms to investigate further, including:

- engaging in extensive, sudden or unexplained wire activity;
- transactions involving more than \$5,000 in currency or cash equivalents in one transaction (or a series) in one or more days and in several accounts; and
- making a deposit, followed by a request for the money to be wired or transferred to a third party, or another firm, without any apparent business purpose.

The Notice also states a firm's compliance program must require employees to notify the personnel identified in the AML program promptly about any potential suspicious activity, and that person must evaluate the activity and decide whether it warrants reporting to FinCEN. For transactions occurring after May 18, 2004, an FCM must also file a Suspicious Activity Report for Securities and Futures ("SAR-SF" or "SAR") with FinCEN to report suspicious transactions.

NFA Compliance Rule 2-36(e) provides that each FCM shall diligently supervise its employees and agents in the conduct of their foreign currency futures and

options activities for or on behalf of the FDM. Each Associate of an FDM who has supervisory duties shall diligently exercise such duties in the conduct of that Associate's foreign currency futures and options activities for or on behalf of the FDM.

COUNT I

VIOLATION OF NFA COMPLIANCE RULE 2-9(c): FAILURE TO IMPLEMENT AN ADEQUATE AML PROGRAM.

13. The allegations set forth in paragraph 1 and paragraphs 8 through 11 are re-alleged as paragraph 13.
14. In conformity with the guidance provided in NFA Compliance Rule 2-9(c) and the related Interpretive Notice, I-Trade developed an AML program. The pertinent part of the firm's AML program contained the following "red flags" to help identify suspicious activity:
 - The customer has a questionable background or is subject of news reports indicating possible criminal, civil, or regulatory violations;
 - The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity;
 - The customer's account shows an unexplained high level of account activity with very low levels of trading activities;²
 - The customer's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven;
 - The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose; and
 - The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

² Prior to the September 5, 2007 revisions to its AML Policy, this point in I-Trade's AML policy referred to "securities transactions" instead of "trading activities."

15. I-Trade's AML program stated that when a firm member detected any of these "red flags," he or she would investigate under the direction of the firm's AML compliance officer. I-Trade's procedures also identified actions firm personnel could take and specifically provided for giving a suspect account to the AML compliance officer to review certain information, such as orders prior to entry, daily trading activity, money transfer requests and deposits, as well as contacting the government, freezing the account, or filing a SAR-SF.
16. I-Trade's November 2006 and September 2007 AML programs identified Martinez as the firm's AML compliance officer responsible for overseeing the firm's AML policy. In August 2007, I-Trade hired Kim Estrada ("Estrada") as its compliance and AML officer.
17. Between November 2006 and April 2008, NFA found suspicious money transfer activity that I-Trade failed to report. Most of the suspicious activity occurred in accounts related to Smith (i.e., Olint and TCI) and involved activity identified in both NFA's Interpretive Notice and I-Trade's own AML program as "red flags." This activity included extensive and unexplained wire activity, transactions involving more than \$5,000 in currency or cash equivalents, deposits followed by a transfer request to a third party without any apparent business reason, and unexplained, extensive wire activity with very low trading levels in the accounts.
18. In November 2006, NFA reviewed the activity in an account Olint opened with I-Trade in September 2006. The Olint account opening documents indicated Smith and his wife owned Olint and that the funds in the account came from them only.

A statement for the Olint account showed a balance of approximately \$20 million, with frequent deposit and withdrawal wire activity. For example, during the first two months the account was open, Olint made four deposits totaling approximately \$59 million and eight withdrawals totaling about \$35.5 million, though no trading activity occurred during this time.

NFA later identified three other Olint accounts, with deposits ranging from \$500,000 to \$2 million. While trading was occurring in the accounts, Olint only committed a fraction of the account equity to trading. At the end of March 2007, Olint withdrew the bulk of the funds from three of the accounts in amounts ranging from about \$938,000 to over \$1.7 million.

Two TCI accounts both showed suspicious activity similar to an Olint account. For example, TCI made two deposits totaling over \$40 million in one account and withdrew about the same amount over the course of three transactions, even though no trading activity ever occurred in the account. In the second account, TCI made about a \$20 million deposit and withdrew about the same amount less than two weeks later, while making only minimal trades during this time.

TCI also opened a third account in June 2007, even though it had withdrawn all the funds from the other two accounts in March. TCI deposited over \$12 million into this new account, but very little trading activity occurred, and TCI subsequently closed this account in February 2008.

Moreover, from I-Trade's inception in August 2006 to May 2007, Olint and TCI deposited almost \$100 million into trading accounts at the firm. However, Olint and TCI traded only a small percentage of these funds and withdrew the vast

majority of the money by May 2007. In addition, Olint and TCI only received about half of the withdrawn funds, while I-Trade sent the other \$50 million to JIJ Investments ("JIJ"), a company owned by Martinez and his brother and father (i.e., Jacob and Jared Martinez).

24. Not only did I-Trade continue to ignore suspicious activity in the Smith-related accounts, but it also facilitated unusual transactions between accounts. Records show an approximately \$3 million wire from a JIJ bank account into I-Trade for JIJ's account at the firm, yet I-Trade deposited the funds into a TCI account controlled by Smith. A few days later, I-Trade adjusted the TCI and JIJ accounts, moving the money from TCI to JIJ, which withdrew the funds shortly thereafter and sent them back to its bank account without committing any of the money to trading.
25. I-Trade did not file a SAR-SF on any of the Olint and TCI accounts, contrary to NFA Compliance Rule 2-9(c), the Interpretive Notice and the guidelines in the firm's own AML program.
26. Another account with suspicious money transfer activity opened in August 2006 in the name of Ingrid Loiten ("Loiten"). Loiten's account opening documents showed an annual income and net worth of between \$25,000 and \$50,000. However, Loiten's account statements reflect 17 deposits totaling over \$1.7 million between December 2006 and March 2007.
27. I-Trade's records also include an April 17, 2007 e-mail to Martinez from Jared Martinez concerning an April 13 meeting with Loiten, during which she told Jared Martinez she owned and operated a multi-million dollar website,

www.homeworkjamaica.com, and wished to deposit between \$2 and \$5 million of her personal funds into her trading account. Despite the discrepancy between Loiten's account application and her verbal representation to Jared Martinez in April concerning her financial information, I-Trade waited almost two months to obtain updated information from Loiten, even though it accepted an additional \$2.7 million in deposits during that same time.

28. Not only did Loiten deposit funds into her account that were inconsistent with her annual income and net worth, but also changes to her wire activity were unexplained and unusual. To illustrate, Loiten opened her account with a \$500 deposit and, over the next three months, made four subsequent deposits averaging less than \$2,000. However, the wired deposits changed dramatically in size and frequency at the end of December 2006, and for the next three months, when Loiten made multiple deposits (e.g., five to six per month) for amounts averaging over \$100,000.
29. [REDACTED.]
30. Suspicious money transfer activity also occurred in the account of Gareth Harris ("Harris"). Harris opened an I-Trade account in December 2006, and his account opening documents indicated an annual income and net worth of less than \$25,000. However, Harris deposited approximately \$100,000 into his trading account in May 2007 and made two deposits totaling almost \$10 million in October 2007.
31. Harris initially opened his account with an approximately \$2,000 deposit, and made subsequent deposits over the next three and a half months averaging about \$1,700. However, this pattern dramatically changed in mid-April 2007, when deposits

significantly increased in size – initially averaging about \$30,500 and then later jumping to almost \$5 million. At no time did I-Trade file a SAR for the suspicious activity in Harris's account, despite the sudden unexplained and unusual wire activity and the discrepancies between his reported annual income and net worth and the flow of deposits into his account.

COUNT II

VIOLATION OF NFA COMPLIANCE RULE 2-36(e): FAILURE TO SUPERVISE.

32. The allegations set forth in paragraphs 1, 2 and 12 are realleged as paragraph 32.

33. The diligent supervision of employees and agents in the conduct of their forex activities for or on behalf of an FDM requires, in part, that FDMs and their Associates who have supervisory duties diligently exercise those duties to ensure the FDM complies with all NFA Requirements.

34. The allegations set forth in paragraphs 14 through 31 are realleged as paragraph 34.

Martinez, as I-Trade's president, was responsible for the firm's overall operations. Not only was Martinez the firm's AML compliance officer responsible for overseeing the firm's AML policy, which included filing SARs, he also was the point person at I-Trade who responded to NFA's AML inquiries, and he continued these duties for a period even though the firm had hired Estrada as its AML compliance officer. Moreover, there numerous suspicious activities that I-Trade and Martinez failed to report, and he completely disregarded the firm's AML procedures by allowing certain I-Trade customers to engage in numerous

questionable financial transactions and open additional accounts, despite the existence of the AML warning signs outlined in NFA's Interpretive Notice and the firm's own procedures.

36. Furthermore, when I-Trade eventually began filing SARs, the reported activity paled in comparison to the activity that occurred in other accounts for which the firm did not file SARs. As of April 2008, I-Trade filed approximately 24 SARs, but none of them involved activity in the Olint or TCI accounts, even though I-Trade reported activity for similar questionable acts in other customer accounts.
37. I-Trade and Martinez failed to adopt and implement effective steps to ensure the firm complied with all NFA Requirements.
38. Because of the foregoing acts and omissions, I-Trade and Martinez are charged with violations of NFA Compliance Rule 2-36(e).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty (30) days of the date of the Complaint. The Answer shall respond to each allegation in the Complaint by admitting, denying or averring that you lack sufficient knowledge or information to admit or deny the allegation. An averment of insufficient knowledge or information may only be made after a diligent effort has been made to ascertain the relevant facts and shall be deemed a denial of the pertinent allegation.

NFA staff is authorized to grant such reasonable extensions of time in which an Answer may be filed, as it deems appropriate. The place for filing an Answer shall be:

National Futures Association
200 West Madison Street
Suite 1600
Chicago, Illinois 60606-3447
Attn: Legal Department-Docketing

Failure to file an Answer as provided above shall be deemed an admission of the facts and legal conclusions contained in the Complaint. Failure to respond to any allegation shall be deemed an admission of that allegation. Failure to file an Answer as provided above shall be deemed a waiver of hearing.

POTENTIAL PENALTIES, DISQUALIFICATION AND INELIGIBILITY

At the conclusion of the proceedings conducted as a result of or in connection with the issuance of this Complaint, NFA may impose one or more of the following penalties:

- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$250,000 for each violation found; and
- (e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act. Respondents

in this matter who apply for registration in any new capacity, including as an AP with a sponsor, may be denied registration based on the pendency of this proceeding.

Pursuant to the provisions of Commodity Futures Trading Commission (CFTC) Regulation 1.63, penalties imposed in connection with this Complaint may temporarily or permanently render Respondents who are individuals ineligible to serve on disciplinary committees, arbitration panels and governing boards of a self-regulatory organization, as that term is defined in CFTC Regulation 1.63.

**NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTEE**

Dated:

12/29/09

By:

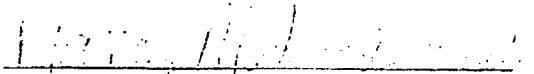
[Signature]
Chairperson

AFFIDAVIT OF SERVICE

I, Nancy Miskovich-Paschen, on oath state that on June 30, 2008, I served copies of the attached Complaint, by sending such copies in the United States mail, first-class delivery, and by overnight mail, in envelopes addressed as follows:


Time FX LLC
100 Colonial Center Parkway
Suite 300
Lake Mary, FL 32746
Attn: L. Kim Estrada
Chief Compliance Officer

Isaac Martinez
114 Boulder Ct.
Sanford, FL 32789

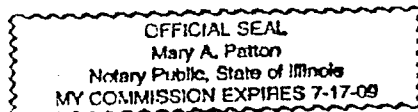


Nancy Miskovich-Paschen

Subscribed and sworn to before me
on the 30th day of June 2008.



Notary Public



Miscellaneous Exhibits

NATIONAL FUTURES ASSOCIATION
before The
BUSINESS CONDUCT COMMITTEE

Complainant: [Name]
Respondent: [Name]

RESPONDENTS' ANSWER

Respondents I Trade LLC and Isaac Martinez, as their Answer to the Business Conduct Committee's Complaint, state as follows:

Jurisdiction

Paragraph No. 1. At all times relevant to this Complaint, I-Trade was a Futures Commission Merchant ("FCM") and Futures Dealer Member ("FDM") of NFA. As such, I-Trade was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

ANSWER: Respondents admit the allegations contained in Paragraph No. 1.

Paragraph No. 2. At all times relevant to this Complaint, Martinez was a listed principal and registered associated person of I-Trade, and an NFA Associate in accordance with NFA Rule 3-10(a). As such, Martinez was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof. I-Trade is liable for violations of NFA Requirements committed by Martinez in the course of his association with I-Trade.

ANSWER: I-Trade admits the allegations contained in Paragraph No. 2.

Paragraph No. 3. [Faded text, likely containing further allegations and responses regarding specific trading activities or communications.]

allegations contained in the last sentence of Paragraph No. 5 concerning the transfer of Olin-TCI and TCI-TX to the NFA and deny the remaining allegations contained in Paragraph No. 5.

b. No. 6. The Financial Services Commission of Jamaica ("FSC") imposed an Olin-TCI cease and desist order in March 2006 and other things, prevented Olin from carrying out new matters. The Jamaican court lifted the FSC order in December 2007.

ANSWER: Respondents admit that according to the Jamaican Ministry of Finance & Planning issued a press release dated April 25, 2006 that a cease and desist order had been entered against Olin-TCI Corporation Limited on March 24, 2006 for engaging in securities trades without being registered, and state in the affirmative that no reference to Olin-TCI Corporation Ltd. was made in that release. Respondents lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph No. 6 as they pertain to Olin-TCI Corporation Ltd. Respondents state in the affirmative that the above referenced order was public knowledge during the six-month period that the NFA conducted its due diligence investigation of Smith, and that as a result of that investigation the NFA found no reason not to approve Smith as a principal of I-Trade on March 27, 2007.

c. No. 7. Because of concerns about Smith's background and the receipt of funds by Olin-TCI, NFA commenced an investigation of I-Trade's operations. As part of that investigation, NFA asked I-Trade to provide the I-Trade's personal bank records. However, I-Trade refused to provide Smith's bank records and, therefore, withheld Smith's bank records from NFA. I-Trade refused to provide Smith's bank records to NFA.

ANSWER: Respondents deny that I-Trade withheld Smith's bank records from NFA. Respondents state in the affirmative that the fact that I-Trade withheld Smith's bank records from NFA is not a violation of NFA's rules. Respondents state in the affirmative that the fact that I-Trade withheld Smith's bank records from NFA is not a violation of NFA's rules. Respondents state in the affirmative that the fact that I-Trade withheld Smith's bank records from NFA is not a violation of NFA's rules.

... Smith and that after she no longer conducted her due diligence
... of Smith, the NFA approved Smith as a principal of I-Trade on 11/27/07.
... respondents claim that I-Trade was unable to provide Smith's personal bank
... and respondents state in the affirmative that I-Trade had no legal authority to
... Smith with to turn over such records. Respondents admit that on December 31, 2007,
... Smith voluntarily withdrew as a principal of I-Trade upon I-Trade's recognition of
... the firm. Respondents deny the remaining allegations contained in Paragraph No. 7.

Paragraph No. 8. Although unable to review Smith's bank records, NFA was able to review
... in the I-Trade accounts of Smith's investment clubs (i.e., Gilt and TCI). NFA's
... activity in these accounts, as well as other accounts at I-Trade, revealed suspicious
... which I-Trade failed to report by filing a Suspicious Activity Report with federal
... authorities.

ANSWER: Respondents lack knowledge or information sufficient to form a belief as
... to the truth of the allegations contained in Paragraph No. 8. Respondents deny that I-
... failed to file any Suspicious Activity Reports that should have been filed.

Applicable Rules

Paragraph No. 9. NFA Compliance Rule 2-9 (c) and a related Interpretive Notice ("Notice")
... require a BSM Member to develop and implement a written anti-money laundering ("AML")
... NFA Compliance Rule 2-9 (c) states, in pertinent part, that a firm's AML program
... and implement policies, procedures and internal controls reasonable designed to
... compliance with the applicable provisions of the Bank Secrecy Act, and designate an
... to monitor individuals to implement and monitor the day-to-day operations and program's
... integrity.

ANSWER: Respondents deny the allegations contained in Paragraph No. 9. The
... which, or attempt to, implement the system described in
... the program.

Paragraph No. 10. Among other things, the anti-money laundering ("AML") program
... and implement policies, procedures and internal controls designed to
... compliance with the applicable provisions of the Bank Secrecy Act, and designate an
... to monitor individuals to implement and monitor the day-to-day operations and program's
... integrity.

...and compliance and requires notification in this case to include review of internal wire

ANSWER: Respondents deny the allegations contained in Paragraph No. 10 to the extent they conflict with or attempt to mischaracterize the express terms of NFA's 2002 Interpretative Notice. In fact, Para. 11, 2002, is revised from first-to-line "referral to FinCEN" in Respondents' case as to the "2002 Interpretative Notice".

Paragraph No. 11. In addition, the Notice provides specific examples of "red flags" that should cause firms to investigate further, including:

- intensive, sudden or unexpected wire activity; and
- a deposit followed by a request for the money to be wired or transferred to a third party or another firm, without any apparent business purpose.

ANSWER: Respondents admit that NFA's 2002 Interpretative Notice identifies the items listed in Paragraph No. 11 above as "red flags" and state in the affirmative that NFA's 2002 Interpretative Notice provides that those "red flags" may alert employees to suspicious activity... that could cause further investigation. . . ." (Emphasis added)

Paragraph No. 12. The Notice also states that a firm's compliance program must require employees to notify identified firm personnel of any potential suspicious activity and such personnel must evaluate the activity and decide whether it warrants reporting to FinCEN. For transactions occurring after May 13, 2004 an FCM must also file a Suspicious Activity Report for Securities and Futures (SAR-SF or "SAR") with FinCEN.

ANSWER: Respondents deny the allegations contained in Paragraph No. 12 to the extent they conflict with or attempt to mischaracterize the express terms of NFA's 2002 Interpretative Notice.

Paragraph No. 13. The Notice also states that each FCM shall identify and report to the relevant agents in the market of their firm's own firm's activities of the type described in the Notice. The Notice also states that each FCM shall identify and report to the relevant agents in the market of their firm's own firm's activities of the type described in the Notice.

ANSWER: Respondents deny the allegations contained in Paragraph No. 13 to the extent they conflict with or attempt to mischaracterize the express terms of NFA's 2002 Interpretative Notice.

Claim 1

Count No. 14. The allegations set forth in paragraph 1 and 2 of Count 14 are qualified as follows:

ANSWER: Respondents deny the allegations contained in Paragraphs 1 and 2

of Count 14. Respondents deny the allegations contained in Paragraph 1 and 2 of

Count No. 15. In conformity with the guidance provided in NFA Compliance Rule 2-39(c) and the Interpretive Notice, i-Trade developed an AML program. The firm's AML program identified the following "red flags" as suggestive of suspicious activity:

1. The customer has a questionable background or is subject of news reports indicating possible criminal, civil, or regulatory violations;

2. The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity;

3. The customer's account shows an unexplained high level of account activity with very low levels of trading activities;

4. The customer's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven;

5. The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose; and

6. The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

ANSWER: Respondents deny the allegations contained in first sentence of Paragraph

15. Respondents state in the affirmative that Section 2(a)(19) of the Securities Exchange Act of 1934

and the Securities Exchange Act of 1934 do not apply to the respondents in this case.

Respondents deny the allegations contained in Paragraph 15.

Count 16. Paragraph 16 of the program stated that when a firm receives a complaint of a "red flag" it should be made in accordance with the direction of the firm's AML compliance program. The program was designed to identify and report suspicious activity to the appropriate regulatory authorities. The program was designed to identify and report suspicious activity to the appropriate regulatory authorities. The program was designed to identify and report suspicious activity to the appropriate regulatory authorities.

ANSWER: Respondents admit the allegations contained in Paragraph No. 16 and state in the affirmative that the procedures identified in the text of Paragraph No. 16 are listed merely depending upon the situation.

Paragraph No. 17. I-Trade's November 2006 and September 2007 AML programs identified Martinez as the firm's AML compliance officer responsible for overseeing the firm's AML program. In August 2007, I-Trade hired Kim Estrada ("Estrada") as its compliance and AML officer.

ANSWER: Respondents admit that Martinez was I-Trade's AML compliance officer from November 2006 through November 2007 and was responsible for overseeing I-Trade's AML policy during that period, and that I-Trade hired Estrada in August 2007 to oversee I-Trade's compliance program, and Respondents deny the remaining allegations contained in Paragraph No. 17. Respondents state in the affirmative that Estrada was appointed as I-Trade's AML compliance officer on November 1, 2007.

Olint-TCI Account

Paragraph No. 18. As hereinafter alleged, highly suspicious activity occurred in a number of customer accounts between November 2006 and April 2008. Most of the suspicious activity occurred in the accounts related to Smith (i.e., Olint and TCI) and involved activity identified in both NFA's Interpretive Notice and I-Trade's own AML program as "red flags." This activity included extensive and unexplained wire activity; deposits followed by a request to move the funds to a third party without any apparent business reason; and unexplained, excessive wire activity with very low trading levels in the accounts.

ANSWER: Respondents deny the allegations contained in Paragraph No. 18.

Paragraph No. 19. Respondents by November 2006 AML policy required activity in any account that exceeded the following thresholds to be reviewed as a suspicious transaction. I-Trade's AML policy required I-Trade to review the activity in the accounts listed below from them only. Change in account activity was not a suspicious activity under I-Trade's AML policy. I-Trade's AML policy required I-Trade to review the activity in the accounts listed below from them only.

ANSWER: Respondents deny the allegations contained in Paragraph No. 19. Respondents state in the affirmative that the activity in the accounts listed in Paragraph No. 19 was not reviewed as suspicious activity under I-Trade's AML policy.

Respondents in the affirmative and all of the funds in Olin-TCI's accounts were in 2007. Respondents admit that Olin-TCI withdrew \$938,062 from Account No. 10053 on 03/29/07 and that Olin-TCI incurred nearly \$2,000 in trading losses in that account. Respondents also admit that Olin-TCI withdrew \$1,065,000 from Account No. 10044 on March 29, 2007 and that Olin-TCI incurred trading losses in excess of \$340,000 and that Olin-TCI withdrew over \$1,000,000 and \$1,000,000 on March 30, 2007 and April 10, 2007 respectively. Olin-TCI had incurred significant losses in its Account No. 10011, and closed on that account on May 18, 2007, after it had incurred over \$730,000 in trading losses in the account.

TCI-FX Accounts

Paragraph No. 21. Two TCI accounts also showed suspicious activity similar to the Olin account. For example, TCI made two deposits totaling over \$40 million in one account and withdrew about the same amount over the course of three transactions, even though no trading activity occurred in this account. In the second account, TCI made an approximate \$20 million deposit and withdrew about the same amount less than two weeks later, while making a small number of trades during this time.

ANSWER: Respondents deny the allegations contained in the first sentence of Paragraph No. 21, and admit the remaining allegations contained in Paragraph No. 21 relating to TCI-FX Account Nos. 100262 and 100749. Respondents state by the affirmative that approximately \$1.4 million in funds were transferred from TCI-FX's Account No. 10011 to its Account No. 100749 between January 2007 and March 2007. Respondents also state that they received and withdrew an average of \$5 million per month from Account No. 100749 in March 2007. Respondents also state that they received and withdrew an average of \$5 million per month from Account No. 100262 in April 2007. Respondents also state that they received and withdrew an average of \$5 million per month from Account No. 100262 in April 2007. Respondents also state that they received and withdrew an average of \$5 million per month from Account No. 100262 in April 2007.

... and on March 28, 2007, Olint-TCI transferred \$2,735,810.12 to TCI-FX. Similar transfers occurred on April 10, 2007 for \$4,000,000 from funds that Olint-TCI originally deposited into that account (Olint-TCI Account No. 110111).

Paragraph No. 22. TCI also used a third account at I-Trade, which it opened in June 2007, after having withdrawn all the funds from its other two accounts just a few months before. TCI deposited over \$1.2 million into this new account, but very little trading activity occurred, and the account was closed in February 2008.

ANSWER: Respondents admit that I-Trade held a third account for TCI-FX, Account No. 11536, which was opened in June 2007. Respondents deny the allegations contained in the second sentence of Paragraph No. 22, and state in the affirmative that the trading activity that occurred in Account No. 11536 was significant enough to cause nearly \$1.2 million in trading losses, and that Account No. 11536 was closed on February 20, 2008.

Paragraph No. 23. Between August 2006 to May 2007, Olint and TCI deposited almost \$100 million into its trading accounts at I-Trade, but only a small percentage of these funds were used for trading purposes. By May 2007, Olint and TCI had withdrawn the vast majority of the funds from their I-Trade accounts. However, approximately \$50 million of the funds which Olint and TCI withdrew were sent to JJ Investments ("JJ"), a company owned by Martinez and his brother and father, Jacob and Jared Martinez.

ANSWER: Respondents deny the allegations contained in the first and second sentences of Paragraph No. 23. Respondents admit that Olint-TCI and TCI-FX withdrew approximately \$20 million and \$40 million from their respective accounts held by I-Trade and that on March 28, 2007 those entities wired those funds. In addition to the funds amounts in May 2007, to JJ to allow JJ to manage the investment of those funds. Respondents deny the remaining allegations contained in the second sentence of Paragraph No. 23. Respondents deny that Olint-TCI and TCI-FX withdrew funds from their I-Trade accounts and that funds withdrew from I-Trade were sent to JJ to manage the investment of those funds.

Respondents deny the allegations contained in the first and second sentences of Paragraph No. 23. Respondents admit that Olint-TCI and TCI-FX withdrew approximately \$20 million and \$40 million from their respective accounts held by I-Trade and that on March 28, 2007 those entities wired those funds. In addition to the funds amounts in May 2007, to JJ to allow JJ to manage the investment of those funds. Respondents deny the remaining allegations contained in the second sentence of Paragraph No. 23. Respondents deny that Olint-TCI and TCI-FX withdrew funds from their I-Trade accounts and that funds withdrew from I-Trade were sent to JJ to manage the investment of those funds.

Paragraph No. 24. I-Trade continually ignored the suspicious activity in the Citicorp and TCI accounts and implemented none of the internal controls in these accounts. For example, approximately \$7 million was wired from JJ's bank account to a JJ trading account, which was deposited into one of the TCI accounts controlled by Smith. A few days later, Smith moved these funds from the TCI account to the JJ account. Shortly thereafter, Smith withdrew these funds and sent them back to JJ's bank account, without ever having notified JJ of the funds to be wired.

ANSWER: Respondents deny the allegations contained in the first sentence of Paragraph No. 24. Respondents admit that on February 13, 2008, JJ wired money to I-Trade for its deposit in one of its accounts, and I-Trade mistakenly placed those funds in JH-BK's Account No.11536, and that upon recognizing the error I-Trade adjusted JH-BK's account accordingly, and correctly placed the funds into JJ's account, which were subsequently withdrawn by JJ, and Respondents deny the remaining allegations contained in Paragraph 24.

Loiten Accounts

Paragraph No. 25. Another account at I-Trade which had suspicious activity was the account of Leiten Loiten ("Loiten"), which was opened in August 2006. Loiten's account opening application listed her annual income and net worth as between \$25,000 and \$50,000. Yet, between December 2006 and March 2007, seventeen deposits were made to Loiten's account totaling \$1.7 million.

ANSWER: Respondents admit that Loiten opened an account, account No. 181, in August 2006 and listed on her account application that she had an annual income and net worth between \$25,000 and \$50,000 and deny the remaining allegations contained in Paragraphs 25 and 26, and sentences of Paragraph No. 25, and Respondents state in the affirmative that the information provided by Loiten on her account opening application was true and correct and that Respondents were not aware of the deposits made to Loiten's account between December 2006 and March 2007, and that Respondents were not aware of the remaining allegations contained in Paragraph 25.

that the latter not would have included the value of her substantial holdings but that Respondents state in the affirmative that over 90% of the funds deposited by Lolten were for trading.

Exhibit No. 26(a). I-Trade's records included an April 17, 2007 e-mail from Jared Lopez Martinez concerning a rumored April 15 meeting with Lolten, during which she allegedly told Jared Martinez that she owned and operated a multi-million dollar website, www.workjamaica.com, and wished to deposit between \$2 and \$5 million of her personal funds in her trading account. Despite the discrepancy between Lolten's account application and her purported verbal representation of Jared Martinez in April concerning her financial situation, I-Trade waited almost two months to obtain updated information from Lolten, even though she accepted an additional \$2.7 million in deposits during that same time.

ANSWER: Respondents admit the allegations contained in the first sentence of Exhibit No. 26(a). Respondents deny that I-Trade accepted \$2.7 million in deposits from Lolten between the opening of her account and April 17, 2007, and that there was any discrepancy between her account application and her verbal representation that rose to the level to cause I-Trade to have any suspicion that her deposits were indicative of money laundering, and Respondents state in the affirmative that Lolten's deposits were used, for the most part, to cover trading losses in her account.

Exhibit No. 26(b). Not only was the size and frequency of the deposits in Lolten's account inconsistent with her stated annual income and net worth in her account application, but her trading activity in her account was also highly unusual. For example, Lolten opened her account in August 2006 with a \$500 deposit and, over the succeeding three months, made four wire deposits averaging less than \$2,000. However, beginning at the end of September 2006, the wire deposits changed dramatically in size and frequency. During the first half of 2007, Lolten made multiple wire deposits (e.g. five to six per month) in amounts ranging from \$100,000 each.

ANSWER: Respondents admit that the size and frequency of the deposits in Lolten's account were inconsistent with her stated annual income and net worth in her account application, which was the impetus for I-Trade's internal compliance department to conduct an internal investigation of Lolten's account. Respondents dispute the allegations contained in the second sentence of Exhibit No. 26(b). Respondents dispute the allegations that Lolten made multiple wire deposits in amounts ranging from \$100,000 each.

deposits in her account increased from her deposits made prior to December 20, 2006. Respondents deny the remaining allegations contained in the first sentence of Paragraph No. 27. Respondents deny the allegations contained in the second sentence of Paragraph No. 27, and state on the affirmative that, for the most part, Harris's deposits merely increased her trading profits.

Harris Account

Paragraph No. 27. Suspicious activity also occurred in the I-Trade account of Gareth Harris (Harris). Harris opened an I-Trade account in December 2006 and, in his account opening documents, he indicated that he had an annual income and net worth of less than \$25,000. Harris initially deposited approximately \$2,000 in his account. Over the succeeding three and a half months, he made several more deposits averaging about \$1,700 each. However, this pattern of deposits changed in mid-April 2007, when deposits significantly increased in size. For example, in May 2007, Harris deposited approximately \$100,000 in his trading account and, in June 2007, he made two more deposits in his account totaling almost \$10 million.

ANSWER: Respondents deny the allegations contained in the first sentence of Paragraph No. 27. Respondents admit that Harris opened his account in December 2006 and that in his initial account documents he indicated that his annual income and net worth was less than \$25,000, and that document was amended in 2007 to reflect an annual income and net worth in excess of \$1,000,000 each, and Respondents deny the remaining allegations contained in the second sentence of Paragraph No. 27.

Respondents admit that Harris made an initial deposit in his trading account of \$2,050 followed by several additional deposits between January 4, 2007 and April 15, 2007 totaling over \$10,000 and then several large deposits thereafter. All of these are listed in the account opening documents. Respondents admit that Harris deposited \$90,000 in his account on 2/27/07, and a deposit in May 2007 totaling approximately \$100,000 and deposits in June 2007 totaling approximately \$10 million. Respondents deny the remaining allegations contained in Paragraph No. 27.

...in the affirmative that there sustained funding for the ... million dollars, which was ...

Paragraph No. 23. ... highly suspicious activity in the Olint and ICI accounts and ... did I-Trade file a SAR for any of these accounts ...

ANSWER: Respondents are barred by federal regulations from disclosing to the ... a SAR had been filed against the customer, and because this ... will be publicly disclosed by the NFA on its website, the Respondents ... decline to admit or deny the allegation in Paragraph 23, and are precluded ... asserting affirmative statements in their defense, and respectfully suggest that ... publication of its Complaint in this matter may have been in violation of the ... provisions of the applicable federal law.

Paragraph No. 29. I-Trade did file a SAR for the Loiten account but only after it received ... in March 2008 that Zambian authorities had arrested Loiten for alleged money ... However, I-Trade never filed a SAR for the suspicious activity that took place in ... account between December 2006 and June 2007.

ANSWER: Respondents are barred by federal regulations from disclosing to the ... a SAR had been filed against the customer, and because this ... will be publicly disclosed by the NFA on its website, the Respondents ... decline to admit or deny the allegation in Paragraph 29, and are precluded ... asserting affirmative statements in their defense, and respectfully suggest that ... publication of its Complaint in this matter may have been in violation of the ... provisions of the applicable federal law.

... I-Trade did file a SAR for the Loiten account but only after it received ... in March 2008 that Zambian authorities had arrested Loiten for alleged money ... However, I-Trade never filed a SAR for the suspicious activity that took place in ... account between December 2006 and June 2007.

... less than 4% of the deposits ... were ... and the remaining deposits were ...

Paragraph No. 30. ... charged with ...

ANSWER: ... deny that the alleged acts and omissions ...

Count II

Paragraph No. 31. The allegations set forth in paragraphs 1, 2 and 13 are alleged as ...

ANSWER: Respondents incorporate and reallege their answers to Paragraphs Nos. 1, 2 and 13 above as their answer to this Paragraph No. 31.

Paragraph No. 32. The diligent supervision of employees and agents in the conduct of their duties for or on behalf of an FDM requires, in part, that FDMs and their Associates who supervisory duties diligently exercise those duties to ensure the FDM complies with all requirements.

ANSWER: Respondents admit the allegations contained in Paragraph No. 32 to the extent that an FDM Associate's duties are limited to the scope of the duties assigned to him by the FDM, and, as an example, where those duties include the duties of an AMU, compliance officer those duties would include the duties of an AMU, compliance officer ...

Paragraph No. 33. ...

ANSWER: ...

Paragraph No. 34. Martinez, as I-Trade's president, was responsible for the firm's overall operations and was the firm's AML compliance officer responsible for overseeing the firm's AML program, which included filing SARs. Martinez was also the point person at I-Trade who responded to State AML inquiries, and he continued those duties for a period of time even after I-Trade hired Miranda as its AML compliance officer.

ANSWER: Respondents admit that until October 31, 2007, Martinez was the designated AML compliance officer for I-Trade, deny that Miranda assumed the duties of I-Trade's AML compliance officer immediately upon her employment by I-Trade and admit the allegations contained in Paragraph No. 34 as they pertain to Martinez's duties prior to October 31, 2007, and deny the remaining allegations contained in Paragraph 34.

Paragraph No. 35. I-Trade and Martinez failed to file SARs for, or otherwise report, the suspicious activities, as alleged above, which occurred in the Olin and TCI accounts and the Harris account – and also failed to file a timely SAR for, or otherwise report, the suspicious activity which occurred in the Loiten account, and, thereby, completely disregarded their obligations under NFA Compliance Rule 2.9 (e), the Notice, and the firm's own AML policies.

ANSWER: Respondents are barred by federal regulations from disclosing to the subject of a SAR that a SAR had been filed against the customer, and because this answer will be publicly disclosed by the NFA on its website, the Respondents respectfully decline to admit or deny the allegation in Paragraph 35, and are prevented from asserting affirmative statements in their defense, and respectfully suggest that any publication of its Complaint in this matter may have been in violation of the confidentiality provisions of the applicable federal law.

Paragraph No. 36. At some point after January 1, 2008, I-Trade began filing SARs for suspicious activity in a manner that was inconsistent with the reporting required under 2002-2003 amendments to the anti-money laundering and international trade sanctions program and failed to file SARs for suspicious activity in the accounts of certain customers. I-Trade's SARs for a customer were not filed in an account and, therefore, the firm's system did not identify them as ever filed. Specifically, I-Trade filed SARs for this customer in the name of such persons as [redacted] and [redacted] but failed to file SARs for the same persons in the name of [redacted] and [redacted]. I-Trade's SARs for [redacted] and [redacted] were not filed in the name of [redacted] and [redacted] as required by the applicable federal law.

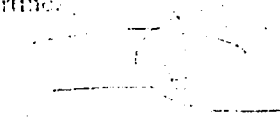
ANSWER: The complaint is based on Florida statutes that are not applicable to the facts of this case. The Florida Department of Banking Finance is the proper authority to regulate the activities of the respondents. The respondents are not subject to the jurisdiction of the Florida Department of Banking Finance. The respondents are not subject to the jurisdiction of the Florida Department of Banking Finance. The respondents are not subject to the jurisdiction of the Florida Department of Banking Finance. The respondents are not subject to the jurisdiction of the Florida Department of Banking Finance.

Paragraph No. 37. The respondents' alleged acts and omissions, both in and out of state, are in violation of the Florida Department of Banking Finance Rule 2-300.

ANSWER: The respondents deny that they have been charged with violations of Florida Department of Banking Finance Rule 2-300 and deny that the alleged acts and omissions contained in the complaint form a valid basis for such a charge.

Respectfully submitted,

E Trade FX LLC and
Irene Martinez



Irene Martinez

CERTIFICATE OF SERVICE

Case No. 09-13000
Plaintiff: [Name]
Defendant: [Name]

I, the undersigned, do hereby certify that I have caused to be served by the United States Marshal for the Southern District of Florida, at 1115 West Jackson Street, Tallahassee, Florida 32304, on [Name], at 1115 West Jackson Street, Tallahassee, Florida 32304, on August 14, 2009.

[Signature]

Attorney
[Name]
Tallahassee, Florida 32304
[Address]
32304
Tallahassee, Florida 32304



876-9784352, Fax: 876-927-9175

PRIVATE CLUB MEMBER STATEMENT

Holder(s):	CHRISTOPHER WALKER KENNETH WALKER	
Account Number:	11011519	
Reporting Period:	May 2008	
Plan:	A	
Margins Brought Forward		US\$2,099,733
Additional Margin On		
Total Contributions		US\$2,099,733
Less Current Encashments		
Total Encashments		US\$0
Current Adjustments		US\$0
Total Adjustments		US\$0
Plus Current Gains		US\$114,225
Total Gains		US\$114,225
Percentage for period of May 2008		5.4
Current Position as of May 2008		US\$2,713,959

*Original
made
Notarized
copy*

All monetary figures on this statement are presented in US dollars.
If you have any questions, do not hesitate to contact us.

Judy E. Tuttle

 JUDY E. TUTTLE
 Commission # DD0531174
 Expires 4/18/2010
 Bonded by (800)432-4254
 Florida Notary Assn. Inc.

Notary Public



tel: 876-9784352, Fax: 876-927-9175

PRIVATE CLUB MEMBER STATEMENT

Holder(s):	CHRISTOPHER WALKER	
Account Number:	11013376	
Reporting Period:	May 2008	
Plan:	A	
Margins Brought Forward		US\$218,288.75
Additional Margin On		
Total Contributions		US\$218,288.75
Less Current Encashments		
Total Encashments		US\$0.00
Current Adjustments		US\$0.00
Total Adjustments		US\$0.00
Plus Current Gains		US\$11,874.91
Total Gains		US\$11,874.91
Percentage for period of May 2008		5.44%
Current Position as of May 2008		US\$230,163.66

All monetary figures on this statement are presented in US dollars
 Any questions, please do not hesitate to contact us.

Original Made "Notarized Copy"

[Signature]

JOVE TUTTLE
 Commission Expires 12/31/09
 State of Florida
 Notary Public
 Florida Notary Public No. 11013376

Attest: [Signature]



Welcome CHRISTOPHER WALKER



Account: 113022895
 Member ID: 1170022895
 Last logged in: 4/13/2010 1:00:03

Sign Out

Navigation

General Information

Reports

Placements

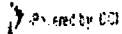
Encashments

View Current Encashments

New Encashment

Member Profile

Other Activities



Encashments

No. of Encashments: 8

Total: US\$2,210,000.00

Encashment #	Amount	Payment Name	Requested	Status	Completed	Account Memb
41639	US\$125,000.00	CHRISTOPHER	Wed, Feb. 10 2	Processing		1170022895
45363	US\$125,000.00	CHRISTOPHER	Fri, Apr. 01 20	Processing		1170022895
54283	US\$125,000.00	CHRISTOPHER	Tue, Feb. 12 20	Processing		1170022895
54285	US\$125,000.00	CHRISTOPHER	Mon, Mar. 22 2	Processing		1170022895
54286	US\$300,000.00	CHRISTOPHER	Wed, May. 23 2	Processing		1170022895
60203	US\$250,000.00	CHRISTOPHER	Thu, Jun. 26 20	Request_Prcer		1170022895
60209	US\$1,100,000.00	CHRISTOPHER	Thu, Jul. 10 20	Request_Prcer		1170022895
60265	US\$40,000.00	CHRISTOPHER	Fri, Jul. 11 200	Request_Prcer		1170022895

New Edit Sign Delete

Judy E. Tuttle



JUDY E. TUTTLE
 Comm# DC0521174
 Expires 4/18/2010
 Bonded by (800)432-4254
 Florida Notary Assn., Inc.

Notary Public

*Original
 made
 "No sense in copy"*