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AT CLERK'S OFFICE  
CLERK U.S. DISTRICT COURT  
DISTRICT OF MARYLAND

UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND

U.S. COMMODITY FUTURES TRADING  
COMMISSION,

Plaintiff,

v.

CALVARY CURRENCIES, LLC a/k/a  
CALVARY CURRENCIES, and ARTHUR  
JOHN KEEFFE, II,

Defendants.

CASE NO. DKC 04-CV-01021

CONSENT ORDER OF PERMANENT  
INJUNCTION AND JUDGMENT FOR  
OTHER EQUITABLE RELIEF  
AGAINST DEFENDANTS CALVARY  
CURRENCIES, LLC a/k/a CALVARY  
CURRENCIES and ARTHUR JOHN  
KEEFFE, II

I. INTRODUCTION

On March 29, 2004, plaintiff U.S. Commodity Futures Trading Commission (Commission) filed a complaint against Calvary Currencies, LLC a/k/a Calvary Currencies and Arthur John Keffe, II (collectively defendants) seeking injunctive and other equitable relief for violations of the Commodity Exchange Act (Act), 7 U.S.C. §§ 1 *et seq.* (2002), and various Commission Regulations (Regulations), 17 C.F.R. §§ 1.1 *et seq.* (2004).

II. CONSENTS AND AGREEMENTS

To effect settlement of the matters alleged in the complaint in this action without a trial on the merits or further judicial proceedings, defendants:

1. Consent to entry of this Consent Order of Permanent Injunction and Judgment for Other Equitable Relief Against Defendants Calvary Currencies, LLC a/k/a Calvary Currencies and Arthur John Keffe, II (order);

2. Affirm that they have read and agreed to this order voluntarily, and that no promise or threat has been made by the Commission or any member, officer, agent or representative, or by any other person, to induce consent to this order, other than as set forth below;

3. Acknowledge service upon them of the summons and complaint in this action;

4. Admit that this Court possesses personal and subject matter jurisdiction over them and this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;

5. Admit that venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;

6. Waive:

a. The entry of findings of fact and conclusions of law;

b. All claims that they may possess pursuant to the Equal Access to Justice Act (EAJA), 5 U.S.C. § 504 (2000) and 28 U.S.C. § 2412 (2000), relating to or arising from this action and any right pursuant to EAJA to seek costs, fees and other expenses relating to or arising from this action;

c. Any claim of double jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing injunctions, a civil monetary penalty or any other relief; and

d. All rights of appeal from this order;

7. Agree that they will not oppose enforcement of the order on the ground that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and waives any objections based thereon;

8. By consenting to the entry of this order, defendants neither admit nor deny any of the allegations contained in the Complaint except as to jurisdiction and venue, which defendants

admit for purpose of the settlement of this case. However, defendants agree, and the parties to this order intend, that the allegations of the Complaint shall be taken as true and correct and be given preclusive effect without further proof, in any proceeding in bankruptcy relating to the defendants. Defendants also shall provide immediate notice to the Commission of any bankruptcy filed by, on behalf of, or against any of them.

9. Agree that neither they nor their agents, employees or representatives acting under their control, shall take any action or make any public statements denying, directly or indirectly, any allegations in the complaint, or creating or tending to create the impression that the complaint and this order are without factual basis; provided, however, that nothing in this provision shall affect defendants' (i) testimonial obligations, or (ii) their right to take legal positions in other proceedings to which the Commission is not a party. Defendants will undertake all steps necessary to assure that their agents, employees and representatives understand and comply with this agreement;

10. Consent to the continued jurisdiction of this Court for the purpose of enforcing the terms and conditions of this order, even if defendants, now or in the future, reside outside the jurisdiction.

### III. ORDER OF PERMANENT INJUNCTION

Based upon and in connection with the foregoing conduct,

IT IS HEREBY ORDERED THAT:

11. Defendants are permanently restrained, enjoined, and prohibited from cheating or defrauding or attempting to cheat or defraud other persons and deceiving or attempting to deceive another person by any means whatsoever, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, made, or to be made,

for or on behalf of any other person if such contract for future delivery is or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, in violation of Section 4b(a)(2)(i) and (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) and (iii), including engaging in any commodity related activity that: fraudulently solicits customers for funds; misrepresents the profit potential of trading futures contracts; misrepresents the track record of the firm soliciting funds to trade in futures contracts; misrepresents the associated risks involved with trading futures contracts; and misrepresents how the risks in trading futures contracts will be managed.

IT IS FURTHER ORDERED THAT,

12. Defendants are permanently restrained, enjoined, and prohibited from offering to enter into, executing, confirming the execution of, or conducting an office or business in the United States for the purpose of soliciting, accepting any order for, or otherwise dealing in transactions in, or in connection with, contracts for the purchase or sale of a commodity for future delivery when: (a) such transactions are not conducted on or subject to the rules of a board of trade designated or registered with the Commission as a contract market or derivatives transaction execution facility for such commodity, and (b) such contracts are not executed or consummated by or through a member of such contract market, in violation of Section 4(a) of the Act, 7 U.S.C. § 6(a).

IT IS FURTHER ORDERED THAT,

13. Defendants are permanently restrained, enjoined and prohibited from directly or indirectly:

a. engaging in, controlling or directing the trading for any commodity futures, commodity options on futures, security futures, or foreign currency futures or options account, in any markets or on any entity regulated by the Commission, for themselves or on behalf of any other person or entity, whether by power of attorney or otherwise; and

b. applying for registration or seeking exemption from registration with the Commission in any capacity or engaging in any activity requiring registration or exemption from registration, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9), and acting, directly or indirectly, as a principal, officer, director, supervisor, agent or employee of any person registered, required to be registered or exempted from registration, unless such exemption is pursuant to Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9). This includes, but is not limited to, soliciting, accepting or receiving any funds, revenue or other property from any person, giving commodity trading advice for compensation or soliciting prospective customers related to the purchase or sale of any commodity futures, commodity options on futures, security futures, or foreign currency futures or options account except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).

#### IV. JUDGMENT FOR OTHER EQUITABLE RELIEF

IT IS HEREBY ORDERED THAT:

14. PAYMENT OF RESTITUTION: Defendants are jointly and severally liable with each other for restitution in the amount of \$75,000, for which judgment is entered in favor of plaintiff and against defendants. Post-judgment interest shall accrue beginning on the date of

entry of this order and shall be determined by using the Treasury Bill rate prevailing on the date of this order pursuant to 28 U.S.C. § 1961.

15. The National Futures Association (hereinafter Monitor) is designated as the Monitor to oversee the distribution of any restitution payments made by defendants to the Commission. The Monitor shall not be liable for any action or inaction arising from his appointment as Monitor, other than actions involving fraud.

16. Any restitution made by defendants to the Commission shall be by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the "Calvary Settlement Fund" and sent by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order to Daniel Driscoll, Monitor, National Futures Association, 200 W. Madison St., Suite 1600, Chicago, IL 60606-3447 under a cover letter that identifies the paying defendants and the name and docket number of the proceeding. Defendants shall simultaneously transmit a copy of the cover letter and the form of payment to the Monitor and to Gregory Mocek, or his successor, Director, Division of Enforcement, Commodity Futures Trading Commission, at the following address: Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581.

17. The Monitor will distribute funds obtained from defendants in an equitable fashion as determined appropriate by the Monitor to all persons who gave funds, either directly or indirectly, to defendants as a result of their course of illegal conduct as alleged in the complaint.

18. PAYMENT OF CIVIL MONETARY PENALTY: Defendants are jointly and severally liable with each other for \$50,000 in civil monetary penalties, for which judgment is entered in favor of plaintiff and against defendants. Post-judgment interest shall accrue

beginning on the date of entry of this order and shall be determined by using the Treasury Bill rate prevailing on the date of this order pursuant to 28 U.S.C. § 1961. However, all payments made by defendants first shall be credited to their restitution obligation. Once defendants' restitution obligation is satisfied, all subsequent payments shall be credited toward civil monetary penalties. Defendants shall pay these civil monetary penalties by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier's check, or bank money order, made payable to the Commodity Futures Trading Commission and sent to the Commodity Futures Trading Commission, Division of Enforcement, Attn: Marie Bateman – AMZ-300, DOT/FAA/MMAC, 6500 S. Macarthur Blvd., Oklahoma City, Oklahoma 73169. If payment by electronic fund transfer is chosen, Marie Bateman at 405-954-6569 may be contacted for instructions. Defendants shall accompany payment of the penalty with a cover letter that identifies defendants and the name and docket number of the proceedings. Defendants shall simultaneously transmit a copy of the cover letter and the form of payment to Gregory Mocek, or his successor, Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21<sup>st</sup> Street, N.W., Washington, D.C. 20581.

V. MISCELLANEOUS PROVISIONS

19. Continuing Jurisdiction of This Court: This Court shall retain jurisdiction to enforce compliance with this order.

20. Waiver: The failure of any party to this order at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this order. No waiver in one or more

instances of a breach of any provision contained in this order shall be deemed or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this order.

21. Successors and Assigns: This order shall inure to the benefit of and be binding upon defendants' successors, assigns, heirs, beneficiaries, and administrators.

22. Acknowledgments: Upon being served with a copy of this order after entry by this Court, defendants shall sign an acknowledgment of service and serve such acknowledgment on this Court and the Commission within seven calendar days.

23. Invalidation: If any provision or the application of any provision of this order is held invalid, the remainder of the order and the application of the provision to any other person shall not be affected by the holding.

24. Entire Agreement and Amendments: This order incorporates all of the terms and conditions of the settlement reached between the parties to this agreement. Nothing shall serve to amend or modify this order in any respect whatsoever, unless: (1) reduced to writing; (2) signed by all parties to this agreement, and (3) approved by further order of this Court.

25. Notices: All notices required to be given by any provision in this order shall be sent certified mail, return receipt requested, as follows: Notice to Calvary Currencies, LLC a/k/a Calvary Currencies and Arthur John Keeffe, II: 4532 Windsor Lane, Bethesda, Maryland 20814; Notice to the Commission: Attention, Director of Enforcement, Commodity Futures Trading Commission, Division of Enforcement, 1155 21<sup>st</sup> Street, N.W., Washington, DC 20581.

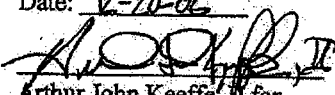


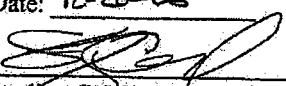
There being no just reason for delay, the Clerk of the Court is hereby directed to enter this order.

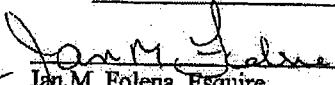
Done and **ORDERED** in Chambers at Greenbelt, Maryland, this 9<sup>th</sup> day of Mar, 2006.

  
HONORABLE JILLYN K. SCHULTZE  
UNITED STATES MAGISTRATE JUDGE

  
Arthur John Keeffe, II

Date: 12-20-06  
  
Arthur John Keeffe, II for  
defendant Calvary Currencies, LLC

Date: 12-20-06  
  
Sterling G. Mead, Esquire  
Attorney for defendants  
105 South Washington Street  
Rockville, Maryland 20850  
240-453-9512 (telephone)  
240-268-1400 (facsimile)

Date: 12-20-06  
  
Jan M. Polena, Esquire  
Attorney for Plaintiff  
U. S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581  
(202) 418-5313 (telephone)  
(202) 418-5531 (facsimile)

Date: 2/28/07