



UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:)

International Markets Live, Inc.,)

Respondent.)

CFTC Docket No. 18-24

ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTION 6(c) AND (d) OF
THE COMMODITY EXCHANGE ACT, MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission”) has reason to believe that from in or about March 2017 to in or about March 2018 (Relevant Period), International Markets Live, Inc. (“Respondent” or “IML”) violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb) and 6m(1) (2012), and Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017), of the Commission Regulations (“Regulations”) promulgated thereunder. Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondent consents to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”) and acknowledges service of this Order.¹

¹ Respondent consents to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondent does not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondent does not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

II. FINDINGS

The Commission finds the following:

A. Summary

Between March 2017 and March 2018 (the “Relevant Period”), Respondent owned and operated a website, www.fxsignalslive.com, which exercised discretionary trading authority over some of Respondent’s paid customers’ trading accounts at third-party brokers. Therefore, Respondent acted as a Commodity Trading Advisory (“CTA”) during the Relevant Period. Because Respondent was not registered with the Commission as a CTA, it violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb) and 6m(1) (2012), and Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017).

B. Respondent

IML is a New York corporation that was formed in 2013, and is owned and operated by two individuals who have never registered with the Commission.

C. Facts

IML operates websites that provide educational information about commodity trading to paying customers, particularly information concerning trading in foreign currencies (“forex”). During the Relevant Period, IML owned and operated www.fxsignalslive.com, a website that allowed some of Respondent’s customers who were not Eligible Contract Participants (“ECPs”)² to engage in retail forex transactions. Further, www.fxsignalslive.com provided specific commodity trading advice to some of IML’s customers.

www.fxsignalslive.com provided a platform that allowed customers to mirror, automatically, forex trades posted on IML’s website by traders employed by IML. Customers used software provided by IML that automatically executed trades posted by IML’s traders in accounts that were owned by the customers and held at third-party brokers. As a direct result of the forex trading information posted on IML’s website, actual forex trades were executed in the customers’ accounts. The individual customers did not take any actions to make the forex trades occur and did not exercise any discretion with respect to the trades in their accounts. Approximately 500 customers automatically mirrored trades in their forex accounts that were posted on IML’s website.

In accepting Respondent’s Offer, the Commission acknowledges that Respondent cooperated extensively with the Commission by, for example, providing the Commission with material information it had not explicitly requested.

² In relevant part, Section 1(a)(18)(xi) of the Act, 7 U.S.C. § 1(a)(18)(xi) (2012), defines an ECP as an individual who has amounts invested on a discretionary basis, the aggregate of which exceeds \$10 million, or \$5 million if the individual enters into the transaction to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.

III. LEGAL DISCUSSION

Section 1a(12) of the Act, 7 U.S.C. § 1a(12) (2012), defines a CTA as “any person who (i) for compensation or profit, engages in the business of advising others, either directly or through publications, writings, or electronic media, as to the value of or the advisability of trading in . . . any contract of sale of a commodity for future delivery.” For purposes of retail forex transactions, Regulation 5.1(e)(1), 17 C.F.R. § 5.1(e)(1) (2017), defines a CTA as “any person who exercises discretionary trading authority . . . over any account for or on behalf of any person that is not an eligible contract participant . . . in connection with retail forex transactions.”

Section 2(c)(2)(C)(iii)(I)(bb) of the Act states in relevant part that, “[a] person, unless registered in such capacity as the Commission by rule, regulation, or order shall determine . . . shall not –

exercise discretionary trading authority or obtain written authorization to exercise written trading authority over any account for or on behalf of any person that is not an eligible contract participant in connection with [retail forex transactions] entered into with or to be entered into with a person who is not described in item (aa), (bb), (ee), or (ff) of subparagraph (B)(i)(II)

IML, through www.fxsignalslive.com and during the Relevant Period, exercised discretionary trading authority with respect to retail forex transactions, in accounts held by non-ECPs. Further, none of the counterparties to the forex transactions IML managed were persons described in “item (aa), (bb), (dd) . . . or (ff) of subparagraph (B)(i)(II).” Because IML was not registered in an appropriate capacity (*i.e.*, as a CTA) when it exercised discretionary trading authority with respect to retail forex transactions during the Relevant Period, it violated Section 2(c)(2)(C)(iii)(I)(bb) of the Act.

Section 4m(1) of the Act, 7 U.S.C. § 6m(1) (2012), states in relevant part that:

[i]t shall be unlawful for any commodity trading advisor . . . unless registered under the Act, to make use of the mails or any means or instrumentality of interstate commerce in connection with his business as such commodity trading advisor: *Provided*, That the provisions of this section shall not apply to any commodity trading advisor who, during the course of the preceding twelve months, has not furnished commodity trading advice to more than fifteen persons and who does not hold himself out generally to the public as a commodity trading advisor.

Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017), states that any person who meets the definition of a CTA set forth in Regulation 5.1(e)(1) must register with the Commission as a CTA.

During the Relevant Period, IML acted as a CTA because, for compensation or profit, it engaged in the business of offering trading advice regarding retail forex transactions with its customers who were not ECPs. Because www.fxsignalslive.com had more than 15 customers and was generally available to members of the public, IML was not exempt from registration as a CTA. Further, IML used www.fxsignalslive.com to allow customers to automatically mirror forex trades

by traders employed by IML, and thereby exercised discretionary trading authority over the customers' retail forex trades. Therefore, during the Relevant Period, IML acted as a CTA without registering with the Commission, in violation of Section 4m(1) of the Act and Regulation 5.3(a)(3).

IV. FINDING OF VIOLATIONS

Based upon the foregoing, the Commission finds that, during the Relevant Period, IML violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb) and 6m(1) (2012), and Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017).

V. OFFER OF SETTLEMENT

Respondent has submitted the Offer in which it, without admitting or denying the findings and conclusions herein:

- A. Acknowledges service of this Order;
- B. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- C. Waives:
 1. The filing and service of a complaint and notice of hearing;
 2. A hearing;
 3. All post-hearing procedures;
 4. Judicial review by any court;
 5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 6. Any and all claims that it may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 (2012), and 28 U.S.C. § 2412 (2012), and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2017), relating to, or arising from, this proceeding;
 7. Any and all claims that it may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201-53, 110 Stat. 847, 857-74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
 8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;

- D. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer;
- E. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent violated Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb) and 6m(1) (2012), and Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017);
 2. Orders Respondent to cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act and Regulation 5.3(a)(3);
 3. Orders Respondent to pay a civil monetary penalty in the amount of one hundred fifty thousand dollars (\$150,000) plus post-judgment interest within ten (10) days of the date of entry of this Order; and,
 4. Orders Respondent and its successors and assigns to comply with the conditions and undertakings consented to in the Offer and as set forth in Part VI of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent shall cease and desist from violating Sections 2(c)(2)(C)(iii)(I)(bb) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(bb) and 6m(1) (2012), and Regulation 5.3(a)(3), 17 C.F.R. § 5.3(a)(3) (2017);
- B. Respondent shall pay a civil monetary penalty in the amount of one hundred fifty thousand dollars (\$150,000) ("CMP Obligation"), plus post-judgment interest, within ten (10) days of the date of entry of this Order. If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Order, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961 (2012).
- C. Respondent shall pay the CMP Obligation by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-6560 office / (405) 954-1620 fax

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

- D. Respondent and its successors and assigns shall comply with the following condition and undertaking set forth in the Offer:

Public Statements: Respondent agrees that neither it nor any of its successors and assigns, agents or employees under its authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent and its successors and assigns shall comply with this agreement, and shall undertake all steps necessary to ensure that all of its agents and/or employees under its authority or control understand and comply with this agreement.

- E. Partial Satisfaction: Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall not be deemed a waiver of its obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
- F. Change of Address/Phone: Until such time as Respondent satisfies in full its CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to its telephone number and mailing address within ten (10) calendar days of the change.

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 14, 2018