



**April 15, 2015**

**CFTC Orders Tennessee-based Commodity Pool Operator Hope Advisors LLC to Pay a \$100,000 Civil Monetary Penalty for Registration and Reporting Violations**

**Washington, DC** – The U.S. Commodity Futures Trading Commission (CFTC) today entered an Order requiring **Hope Advisors LLC** (HAL), a Brentwood, Tennessee, Commodity Pool Operator (CPO), to pay a \$100,000 civil monetary penalty for acting as a CPO without registering with the CFTC, as required, and for providing monthly statements to pool participants that failed to show all the information required by Commission Regulation.

**Registration Violations**

The Order finds that HAL operates Hope Investments LLC (HIL) as a commodity pool. However, it commenced operating HIL in March 2011 and continued to operate HIL through January 23, 2013, without the benefit of registration with the CFTC as a CPO, in violation of the registration provisions of the Commodity Exchange Act. These provisions ensure that persons dealing in commodities meet certain minimum financial and fitness requirements, and enable the CFTC to monitor the trading activities of market members, the Order states.

**Regulation 4.22(d) Reporting Deficiencies**

In addition, the CFTC Order states that the principal purpose of financial reporting required by CFTC Regulation 4.22(d) is to ensure that pool participants receive accurate, fair, and timely information on the overall trading performance and financial condition of the pool. According to the Order, as relevant here, Regulation 4.22(d) requires that commodity pool statements report both realized and unrealized gains and losses; however, the Order states that HAL was providing monthly reporting statements to HIL participants that showed only realized gains and losses.

According to the Order, HAL learned it was required to register as a CPO in August 2012, and thereafter undertook the registration process; it has been registered in that capacity since January 24, 2013. HAL also took remedial action to correct the monthly pool statements it sent to pool participants, by retaining a consultant, who designed a compliant performance report that HAL sends to participants each month. The Order also states that as of August 2013, HAL began issuing two monthly reports to HIL participants, one showing realized gains/losses, and a second based on net asset value showing realized and unrealized gains and losses that complies with the specific Commission reporting regulations. According to the Order, no customers were injured by any of the previous omissions.

The following CFTC Division of Enforcement staff members are responsible for this case: Diane M. Romaniuk, Ava M. Gould, Judith McCorkle, Scott R. Williamson, and Rosemary Hollinger.

The CFTC appreciates the assistance of the National Futures Association.

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