

**NATIONAL FUTURES ASSOCIATION  
BEFORE THE HEARING PANEL**

MAY 17 2007

**NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING**

In the Matter of:	)	
	)	
GAIN CAPITAL GROUP LLC	)	NFA Case No. 06-BCC-037
(NFA ID #339826),	)	
	)	
Respondent.	)	

**DECISION**

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee ("BCC") of National Futures Association ("NFA") against Gain Capital Group LLC ("Gain"), in the above-captioned matter, and the Offer of Settlement ("Offer") submitted by Gain and having accepted the Offer, the Hearing Panel ("Panel") issues the following Decision.

I

**ALLEGED VIOLATIONS OF NFA REQUIRMENTS**

On December 8, 2006, the BCC issued a three count Complaint against Gain, a futures commission merchant ("FCM") and Forex Dealer Member ("FDM") of NFA located in Bedminster, New Jersey.

Count I of the Complaint charged Gain with violations of NFA Compliance Rules 2-36(b)(1) and 2-36(c) for its use and that of its unregistered sales solicitors of misleading promotional material.

Count II of the Complaint charged Gain with violations of NFA Compliance Rule 2-9(c), for failing to develop and implement an adequate anti-money laundering ("AML") program, and Count III of the Complaint charged Gain with a violation of NFA Compliance Rule 2-11, for failing to notify NFA in advance of carrying customer accounts.

II

**OFFER OF SETTLEMENT**

Gain submitted an Offer in which, without admitting or denying the allegations in the present case, it proposed to settle this case by consenting to findings that it committed the violations alleged in Counts I and II of the Complaint and also by agreeing to pay a fine of \$100,000, which would be due and payable thirty days after the issuance of a Decision accepting its Offer.

Gain's Offer was contingent upon NFA dismissing Count III of the Complaint, which NFA agreed to do.

III

**FINDINGS**

Pursuant to the Offer, the Panel finds that Gain violated NFA Compliance Rules 2-36(b)(1) and 2-36(c) as a result of its use and that of its unregistered sales solicitors of misleading promotional material. The Panel also finds that Gain violated NFA Compliance Rule 2-9(c), by failing to develop and implement an adequate AML program.

IV

**PENALTY**

Having considered the matter and having accepted the Offer submitted by Gain, the Panel orders Gain to pay a fine of \$100,000, within thirty days after the issuance of this Decision.

On motion of NFA, the Panel orders that Count III be dismissed.

**NATIONAL FUTURES ASSOCIATION  
HEARING PANEL**

Date: May 17, 2007

By: *Shirley J. Matthews Harris*  
Chairperson

**AFFIDAVIT OF SERVICE**

I, Myra Lewis, on oath state that on May 17, 2007, I served copies of the attached Decision, by placing such copies in the United States mail, postage prepaid, certified mail, return receipt requested, and by regular mail, first-class delivery, in envelopes addressed as follows:


Eileen A. Donovan  
Office of the Secretariat  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Richard Foelber  
Deputy Chief, Office of  
Cooperative Enforcement  
Division of Enforcement  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

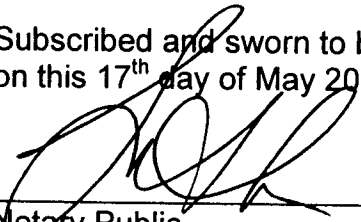
Lawrence B. Patent  
Associate Chief Counsel  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Tempest Thomas  
Proceedings Clerk  
Office of Proceedings  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

John W. Cotton, Esq.  
Cotton & Gundzik LLP  
624 South Grand Avenue  
22nd Floor  
Los Angeles, CA 90017

  
\_\_\_\_\_  
Myra Lewis

Subscribed and sworn to before me  
on this 17<sup>th</sup> day of May 2007.

  
\_\_\_\_\_  
Notary Public

