

FILED

JAN 20 2011

NATIONAL FUTURES ASSOCIATION  
BEFORE THE  
HEARING PANEL

NATIONAL FUTURES ASSOCIATION  
LEGAL DOCKETING

In the Matter of:	)	
	)	
TURTLE FUTURES, INC.	)	
(NFA ID #332644),	)	
	)	
and	)	NFA Case No. 10-BCC-016
	)	
RUSSELL SANDS	)	
(NFA ID #60840),	)	
	)	
Respondents.	)	

**DECISION**

Having reviewed all matters relevant to the Complaint issued by the Business Conduct Committee of National Futures Association ("NFA") in the above-captioned proceeding and the Offer of Settlement ("Offer") submitted by Turtle Futures, Inc. ("Turtle") and Russell Sands ("Sands") and having accepted the Offer, the Hearing Panel hereby issues the following Decision.

I

**ALLEGED VIOLATIONS OF NFA REQUIREMENTS**

On June 30, 2010, the Committee issued a Complaint against Turtle, an independent introducing broker NFA Member located in Boca Raton, Florida and Sands, the sole owner, principal, and an associated person of Turtle and an NFA Associate. The Complaint charged Turtle and Sands with using several pieces of deceptive and misleading promotional material. The Complaint alleged that the promotional material was deficient because Turtle and Sands failed to clearly label

hypothetical performance as hypothetical and failed to include the required hypothetical disclaimer, in violation of NFA Compliance Rules 2-2(a), 2-29(b)(1), 2-29(c)(1), 2-29(c)(5), 2-36(b)(1) and 2-36(i). The Complaint also charged that Turtle's and Sands' promotional material was deficient in that it exaggerated the profit potential and downplayed the risk of loss of trading commodities, in violation of NFA Compliance Rules 2-2(a), 2-29(b)(1) and 2-29(b)(3). The Complaint further charged that Turtle's and Sands' promotional material was deficient because it failed to state that testimonials are not indicative of future performance, and that gains touted in the testimonials were not representative of all reasonably comparable accounts, in violation of Compliance Rules 2-2(a), 2-29(b)(1) and 2-29(b)(6). Finally, the Complaint charged Turtle and Sands with using misleading and deceptive promotional material which attempted to minimize the significance of NFA's earlier disciplinary Complaint against them, in violation of NFA Compliance Rules 2-2(a) and 2-29(b)(1).

## II

### OFFER OF SETTLEMENT

Turtle and Sands submitted an Offer whereby Sands and Turtle agreed to pay a \$45,000 fine to NFA as set forth in the settlement agreement.

In addition, Turtle and Sands also agreed to pre-submit all promotional material to NFA for approval prior to its first use for a period of three years ("Pre-Review Period"). This includes all promotional material used by Turtle, Sands, and/or any other entity that is owned, controlled or managed by Turtle or Sands ("Sands' Entities").

In addition, Turtle and Sands agreed to pre-submit all promotional material used by any Third-Party Marketers to NFA for approval prior to its first use for a period

of three years. "Third-Party Marketers" includes any third-party entity or individual who promotes or markets Sands, any futures or forex trading program offered by Sands, and/or any of the various Turtle related products, subscriptions, hotlines, e-mail services, seminars, books, etc. offered by either Turtle or Sands ("Turtle Products").

Sands and Turtle also agreed that upon the issuance of this Decision, Sands' Entities will provide to NFA a list of Third-Party Marketers with whom they transact business. Sands, Turtle, and Sands' Entities further agreed to update this list during the Pre-Review Period. In addition, Sands, Turtle, and Sands' Entities agreed to only transact business with those Third-Party Marketers which use promotional material to promote Turtle Products, if such promotional material is approved by NFA during the Pre-Review Period.

### III

#### **FINDINGS**

Having considered the matter and having accepted the Offer submitted by Turtle and Sands, the Hearing Panel finds that Turtle and Sands violated NFA Compliance Rules 2-2(a), 2-29(b)(1), (3) and (6), 2-29(c)(1), 2-29(c)(5), 2-36(b)(1) and 2-36(i), as alleged in the Complaint.

### IV

#### **PENALTY**

Having considered the matter and having accepted the Offer submitted by Turtle and Sands, the Hearing Panel orders Turtle and Sands to pay a fine of \$45,000 to NFA as set forth in the settlement agreement.

The Panel further orders Turtle and Sands to pre-submit all promotional

material to NFA prior to first use for a period of three years. This includes all material used by Sands' Entities, as that term is defined above.

Furthermore, the Panel orders Turtle and Sands to pre-submit all promotional material used by any Third-Party Marketers, as that term is defined above, to NFA for approval prior to its first use for a period of three years. The Panel further orders that, upon the issuance of this Decision, Turtle, Sands, and Sands' Entities shall provide to NFA a list of Third-Party Marketers with whom they transact business and update this list during the Pre-Review Period. Finally, the Panel orders Sands, Turtle, and Sands' Entities to only transact business with those Third-Party Marketers which use promotional material to promote Turtle Products, if such promotional material is approved by NFA during the Pre-Review Period.

## V

### INELIGIBILITY

Pursuant to the provisions of Commodity Futures Trading Commission ("CFTC") Regulation 1.63, this Decision and the sanctions imposed herein render Sands ineligible to serve on a disciplinary committee, arbitration panel, oversight panel or governing board of any self-regulatory organization, as that term is defined in CFTC Regulation 1.63, until the later of three years after the effective date of this Decision, or until he has satisfied all the sanctions and conditions imposed by this Decision.

### NATIONAL FUTURES ASSOCIATION HEARING PANEL

Dated: 01/20/2011

By: Wm F. Whitland  
Chairperson

**AFFIDAVIT OF SERVICE**

I, Nancy Miskovich-Paschen, on oath state that on January 20, 2011, I served copies of the attached Decision, by sending such copies in the United States Mail, postage prepaid, certified mail, return receipt requested, and by regular mail, in envelopes addressed as follows:

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Nancy Miskovich-Paschen

Subscribed and sworn to before me  
on this 20th day of December 2010.

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

