

October 3, 2018

CFTC Wins Trial against Fraudster in Futures Markets

Court Orders Defendant to Pay More than \$1.9 Million for Fraudulent Solicitation of Customers, False Statements to the CFTC, and for Violating a Prior CFTC Order against Him

Washington, DC — A Colorado federal court entered final judgment ordering Defendant **Gregory L. Gramalegui** of Vail, Colorado, d/b/a Emini Trading School, (Defendant or Gramalegui) to pay more than \$1.9 million in civil monetary penalties and disgorgement in connection with a federal enforcement action brought by the Commodity Futures Trading Commission (CFTC) alleging fraudulent solicitation of customers in connection with the offering of a futures trading system and an advisory service, making false statements to the CFTC, and violations of a prior CFTC order against the Defendant.

CFTC Director of Enforcement Comments

James McDonald, CFTC Director of Enforcement, commented: “The CFTC’s case and this court’s decision make clear that recidivists will be caught and punished and that lying to the CFTC is a grave offense meriting a serious penalty. This case also shows, yet again, the CFTC’s readiness to prove its case at trial.”

Summary of Opinion

In a 73-page opinion entered on September 26, 2018, following a two-day bench trial, Judge Robert E. Blackburn of the U.S. District Court for the District of Colorado found that Gramalegui engaged in a years-long scheme to fraudulently market and sell a futures trading system that did not work and an advisory service that did not deliver as promised and, in doing so, Gramalegui failed to provide required advertising disclosures to clients and prospective clients. In addition, the Court found that Gramalegui’s unlawful activity violated a prior CFTC Order entered against him in 2001 based on his marketing of a previous deceptive trading system and advisory service (see CFTC Press Release [4544-01](#)). Finally, in the first litigated decision under this provision of the Commodity Exchange Act (CEA), the Court found that during the CFTC’s investigation of this matter, Gramalegui repeatedly made false statements to the CFTC. The enforcement action was initiated by the CFTC on October 19, 2015 (see CFTC Complaint and Press Release [7268-15](#)).

The Court ordered the Defendant to pay a \$1,442,070.51 civil monetary penalty and to disgorge \$480,690.17 in ill-gotten gains. The Court also imposed permanent trading and registration bans on Defendant and permanently enjoined him from further violations of the CEA and CFTC Regulations, as charged.

The CFTC cautions that orders requiring repayment of funds to victims may not result in the recovery of any money lost because the wrongdoers may not have sufficient funds or assets. The CFTC will continue to fight vigorously for the protection of customers and to ensure the wrongdoers are held accountable.

The CFTC staff members responsible for this case are Laura Brookover (formerly of the CFTC), Ilana Waxman, Raagnee Beri, Daniel Jordan, Michelle Bougas, Erica Bodin, Jeremy Christianson, Michael Loconte, and Rick Glaser.

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CFTC’s Fraud Advisories

The CFTC has also issued several customer protection [Fraud Advisories](#) that provide the warning signs of fraud, including [Commodity Trading Systems Sold on the Internet](#).

Also, before investing or trading with a firm, check the firm's registration status and disciplinary history, if registered, with the National Futures Association. A company's registration status can be found at: www.nfa.futures.org/basicnet.

Customers can report suspicious activities or information, such as possible violations of commodity trading laws, to the CFTC Division of Enforcement via a Toll-Free Hotline 866-FON-CFTC (866-366-2382) or [file a tip or complaint](#) online.