RELEASE Number:
7722-18

April 30, 2018

Federal Court Enters $3.5 Million in Final Judgments against Ryan Madigan of Pittsford, New York, Randell A. Vest of Fort Myers, Florida, and Colorado Company R2 Capital Group, LLC

Judgment Follows Partial Summary Judgment in which Federal District Court Concluded that Ryan Madigan Engaged in Various Acts of Commodities Fraud

Washington, DC – The Commodity Futures Trading Commission (CFTC) today announced that on April 11, 2018, the U.S. District Court for the District of Colorado entered Default Judgment against Defendants **Randall A. Vest** and his holding company, **Bulletproof Vest, Inc.** (Bulletproof Vest). The judgment resolves a CFTC enforcement action filed on August 6, 2014, charging Defendants **Ryan Madigan** of Pittsford, New York; Vest of Fort Meyers, Florida; and Ryan **Tomazin** of Stamford, Connecticut with commodity futures and off-exchange retail foreign currency(forex) fraud and misappropriation (see CFTC Complaint and Press Release 6981-14 (https://www.cftc.gov/PressRoom/PressReleases/pr6981-14), August 21, 2014).

Earlier, on March 2, 2018, the Court entered final judgment on fraud charges against the Defendants' respective holding companies **Madigan Enterprises, Inc.** (Madigan Enterprises), **Bulletproof Vest,** and **RAST Investor Group, LLC** (RAST), as well as Colorado-based **R2 Capital Group, LLC** (R2 Capital), which the individual Defendants jointly operated and controlled through the Defendant holding companies.

In total, the Court awarded $2,072,181.64 in restitution to the Defendants' victims; $1,485,920 in civil monetary penalties; permanent trading and registration bans against all the Defendants. The Court also awarded the CFTC $31,812.35 in attorneys' fees and costs as sanctions against R2 Capital, Madigan, and Madigan Enterprises for their refusal to respond to the CFTC's discovery requests during the litigation.

The CFTC Complaint alleged that from at least December 2009 through November 2014, Defendants, through R2 Capital, fraudulently solicited more than $2.4 million from at least four pool participants for an investment pool operated by Defendants. According to the Complaint, the pool traded forex and, later, E-mini S&P 500, and E-mini Dow futures contracts, among others.

According to the Complaint, Madigan and the other Defendants misappropriated more than $1.2 million of pool funds by routinely diverting substantial sums from the R2 Capital and pool bank accounts to themselves and their holding companies until all but a few hundred dollars remained. Defendants allegedly spent these misappropriated funds on themselves, including paying the individual Defendants' own personal expenses.

The Complaint also charged the Defendants with illegally commingling and misappropriating funds received from pool participants by transferring funds into the individual Defendants' personal bank accounts, among other things.

Judgment against Madigan, Madigan Enterprises, and R2 Capital (the Madigan Defendants)

On March 2, 2018, the Court entered final judgment against the Madigan Defendants, ordering them to pay, jointly and severally, $690,727.21 in restitution to defrauded pool participants, a $560,000.00 civil monetary penalty, and $31,812.35 in attorneys' fees and costs to the CFTC as sanctions for refusing to respond to discovery during the civil litigation. The judgment also permanently bans the Madigan Defendants from trading in all markets regulated by the CFTC.

The final judgment against the Madigan Defendants follows an August 3, 2017, Order of Partial Summary Judgment, which concluded that "Mr. Madigan personally engaged in various acts of commodities fraud." Specifically, the Court determined that "Mr. Madigan engaged in fraud by misrepresenting his own investment in the Pool, by promising certain investors double-digit returns when he knew the Pool was incurring losses, and by sending trading statements to investors that falsely represented the Pool's investment gains from trading activities." The Court also determined, "the record reflects that, at a minimum, R2 Capital took possession of several hundred thousand dollars in Pool assets and distributed them to the [Madigan, Vest, and Tomazin] Defendants."

Further, in court filings, Madigan admitted that he intentionally misrepresented to investors that he earned an MBA degree from the Rochester Institute of Technology, when, in fact, he never received such a degree.

Default Judgment against Vest and Bulletproof Vest (the Vest Defendants)

On April 11, 2018, the Court entered a default judgment against the Vest Defendants, ordering them to pay, jointly and severally, $1,381,454.43 in restitution and a $925,920 civil monetary penalty. The Court also permanently banned the Vest Defendants from trading in all markets regulated by the CFTC. Finally, the Court ordered the Vest Defendants to pay the CFTC's costs in prosecuting this action against them.

Permanent Injunction against Tomazin and RAST (the Tomazin Defendants)

On December 1, 2017, the Court entered final judgment against the Tomazin Defendants, who fully cooperated with the CFTC in this litigation, permanently banning them from trading in all markets regulated by the CFTC.

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 appreciates the assistance of the National Futures Association and the U.S. Attorney's Office for the Southern District of New York.

CFTC Division of Enforcement staff members responsible for this case are Daniel J. Grimm, Danielle Karst, Ken Koh, George H. Malas, Hillary Van Tassel, Anthony Homer, Luke B. Marsh, and Paul G. Hayeck.

* * * * * *

CFTC's Commodity Pool Fraud Advisory

The CFTC has issued several customer protection Fraud Advisories (http://www.cftc.gov/ConsumerProtection/FraudAwarenessPrevention/CFTCFraudAdvisories/index.htm) that provide the warning signs of fraud, including the Commodity Pool Fraud Advisory (http://www.cftc.gov/ConsumerProtection/FraudAwarenessPrevention/CFTCFraudAdvisories/fraudadv_commoditypool), which warns customers about a type of fraud that involves individuals and firms, often unregistered, offering investments in commodity pools.

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 (http://www.cftc.gov/ConsumerProtection/FileaTiporComplaint/index.htm) online.