



## U.S. COMMODITY FUTURES TRADING COMMISSION

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September 9, 2024

The Honorable Charles E. Grassley  
U.S. Senator  
135 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Grassley,

I am writing in response to your letter dated August 22, 2024, concerning a pending Commission enforcement action, *CFTC v. Traders Global Group Inc., et al.* I understand your interest in this matter. As Chairman, it is my guiding belief that federal agencies must always act in the public interest with integrity, transparency, and provide truthful information in all proceedings.

The CFTC's Division of Enforcement has an outstanding record of bringing strong cases against individuals who violate the Commodity Exchange Act ("CEA") and the rules and regulations promulgated by the Commission under the Act. It is with the greatest care that we bring cases against those who violate the CEA and regulations. These laws and regulations are in place to protect the American public and we take our role as federal regulators and enforcers of these rules with the utmost seriousness.

On August 28, 2023, the Commission filed a fraud action in the United States District Court for the District of New Jersey against Defendants Traders Global Group Inc. d/b/a "My Forex Funds" and Murtuza Kazmi. The Commission sought and obtained a restraining order to protect customer funds under the control of defendants during the pendency of the litigation. On November 14, 2023, the Court also granted a preliminary injunction against further violations of law during pendency of the litigation based in part on the Court's finding of a reasonable likelihood of success on the merits on the fraud charges. The CFTC submitted a declaration in support of the motion for a restraining order and preliminary injunction.

The declaration submitted in support of the restraining order contained certain factual errors. The primary error in the declaration was that it misclassified a \$31.5 million CAD transfer of customer assets as if it went to an "unidentified Kazmi account," when, in fact, this transfer of customer assets consisted of two payments to the Canadian tax authority on behalf of Defendant Traders Global Group. The other debits and transfers of assets identified in tables in the declaration—which describe about \$500 million in debits from defendants' bank accounts in aggregate—are not challenged.

The Commission acknowledged the error and expressed its regret for the error to the Court. The Commission also explained to the Court that as to the fraud charges pending against defendants, any use of fraudulently obtained funds from investors, including whether to pay taxes or to be deposited into a Kazmi account, is improper.

On March 7, 2024, defendants filed a motion for sanctions, based primarily on the error relating to the \$31.5 million CAD transfer. The Commission has opposed the motion. In its filing, while making clear that the Commission vigorously disputes defendants' claims of bad faith and intent to deceive, the Commission again forthrightly acknowledges the error, makes clear that it takes the Court's admonishment and concerns seriously, and sets forth the steps it has taken to address the error, including by correcting the error at the preliminary injunction hearing and filing a corrected declaration. I refer you to this public filing for the Commission's position on the defendants' motion for sanctions, which is attached.

I note that although the Commission vigorously disputes defendants' characterizations that any errors in this case were made in bad faith, to ensure there is transparency on the facts and to inform the Court, the Commission authorized a limited waiver of its privileges, and provided documents to defendants relating to the issues raised. The motion is now set for an evidentiary hearing beginning on September 19, 2024. Beyond noting above the status of the litigation, which is a matter of public record, it is the agency's longstanding practice to not comment on or release nonpublic information that may relate to pending litigation, outside of the litigation itself, to allow the factual and legal issues to be resolved through the litigation.

Please know that I am unwavering in my commitment that the CFTC maintain its reputation as a trusted regulatory and enforcement agency. If you have further questions, please reach out to Ann Wright, Director, Office of Legislative and Intergovernmental Affairs, at [awright@cftc.gov](mailto:awright@cftc.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Behar".

