



owner and manager of WealthBuilder LLC, as the owner of WealthBuilder Associates, and as an associate member of the National Futures Association (“NFA”).

2. Wealthbuilder Capital Advisers (“WB Capital”) (NFA ID. No. 416975), previously known as Global Arena Trading Advisors LLC, was a commodity trading advisor, commodity pool operator, and designated forex firm member of NFA, located in Las Vegas, Nevada.

3. WealthBuilder LLC presents educational seminars on various topics related to the financial markets, including futures and forex trading.

4. Wealthbuilder Associates is an introducing broker located in Belize.

#### **NFA COMPLAINTS AND DECISIONS**

5. In December 2012, the Business Conduct Committee of the NFA issued a complaint against Smith charging him with using misleading promotional material and failing to produce records to the NFA.

6. In June 2013, an NFA Hearing Panel accepted an Offer and Settlement from Smith and issued a Decision (“June 2013 Decision”) ordering him to pay a \$10,000 fine and to submit to NFA, for a period of two years, all futures and forex related promotional material used by him – and any firm of which he was a principal – promptly after first using such material.

7. On May 2, 2014, the NFA filed a Complaint (“2014 NFA Complaint”) against WB Capital and Smith which included, but was not limited to, the following allegations:

- a. In accordance with the June 2013 Decision, Smith began making submissions to the NFA in August of 2013.
- b. In August 2013, Smith submitted to the NFA a promotional email for Smith’s “How to make a living as a Trader” seminar. This email encouraged recipients to register for the seminar immediately and claimed that, “It sold

out faster than anything we have ever done. Ever.” and “It sold out in just a few minutes.” The email also made reference to a video which included additional information about the seminar. However, Smith did not submit this video to the NFA.

- c. In September 2013, Smith submitted to the NFA two promotional emails for his “How to Make a Living as a Trader Seminar.” The first email stressed the urgency of signing up for the seminar. According to this email, “there are only 40 seats available. This means you need to sign up right now!” This email also referred to a video that purportedly provided further explanation of the seminar, but again Smith did not submit this video to the NFA. The second email touted an “important bonus” of the “Pro Trader Program” seminar. Specifically, if you signed up to attend and “graduated” from Smith’s “Pro Trader Program” seminar, Smith would open and fund a trading account for you and allow you to trade the account. According to this email, the “Pro Trader Program” would help seminar attendees become professional traders without fear of losing their own money as they would “lose Courtney’s money instead!”
- d. On October 1, 2013, Smith submitted to the NFA an advertisement called, “Learn To Trade Using Courtney’s Money!”, which contained unsupported claims about the “Pro Trader Program.”
- e. Between September 19 and October 17, 2013, the NFA sent several letters to Smith regarding his promotional material submissions. These letters, among other things, reminded Smith of his obligation, under the June 2013 Decision,

to provide the NFA with the video referenced in paragraphs b. and c. above. Smith never produced the video despite his obligation to do so.

- f. Throughout October and November 2013, the NFA sent Smith several additional letters (“October-November letters”) which, among other things, requested that Smith clarify how he planned to use the promotional material he had submitted to the NFA and provide support for some of the statements made in his promotional material. In addition, the October letters requested that Smith identify the firm(s) where he maintained the trading accounts for the “Pro Trader Program” graduates, and describe how the “Pro Trader” accounts were funded. The NFA required a written response to its October-November letters within five business days. Smith repeatedly failed to respond to the NFA within the required time frame. In addition, Smith’s eventual responses failed to address many of the outstanding information requests.
- g. On November 12, 2013, Smith’s lawyer provided the NFA with login access to Smith’s “How to Make a Living as a Trader” website. NFA’s review of this website revealed that it had been in use since at least September 2013, even though Smith had not made the NFA aware of the website until November 2013. The NFA’s review also found that videos posted on the site contained misleading statements including, “...we’re going to be making big money when that big move comes”, and (2) “every day you should be making money. And the purpose of why we want you to make money just about every day is so that you have the comfort that you can quit your job.” On

another of Smith's websites, the NFA found the following misleading statement in bright red letters: "WOW 95% Winning Trades."

- h. On November 29, December 10, 11, and 19, 2013, the NFA sent Smith and his attorney emails and letters regarding Smith's continued failure to respond to their informational requests and requiring that the "How to Make a Living as a Trader" website be disabled because it violated the NFA's promotional materials rules.
- i. On December 20, 2013, the NFA reviewed another website owned by Smith and found that it contained unsubstantiated claims touting Smith's trading success, including for example, the following: (1) "Courtney Smith is the only person in history to have run a top ranked mutual fund, hedge fund, futures newsletter and stock picking newsletter"; (2) "he [Smith] will be revealing many of the techniques he uses to create this amazing track record"; and (3) "Due to OUTSTANDING results, we've been forced to close registration for this seminar. Stay tuned for a course to take its place with another POWERHOUSE MONEY-MAKING system!"
- j. On December 23, 2013, the NFA received a letter of response ("December letter") from Smith which, among other things, stated that: (1) Smith had disabled the "How to Make a Living as a Trader" website; and (2) the "Pro Trader Program" maintains its trading accounts at a firm called FxEthos.com, a New Zealand company affiliated with a company called Ethos Capital Limited ("Ethos Capital").

- k. Contrary to Smith's representation in the December letter, his "How to Make a Living as a Trader" website was not shut down and remained active.
- l. Shortly thereafter, the NFA asked Smith to describe the impact on the Pro Trader accounts maintained at FxEthos.com, if any, of the fact that: (1) Ethos Capital went into liquidation in May 2013, but continued to trade illegally after the liquidation date; and (2) New Zealand's Financial Markets Authority issued a public warning about Ethos Capital in August 2013 and added the firm to its list of "Names of Firms and Individuals to be Wary of."
- m. In response to the NFA's inquiry, Smith's attorney indicated that Smith would not respond to the NFA's inquiry because he believed it was outside of the NFA's jurisdiction.
- n. The NFA identified a number of additional websites that Smith uses that he failed to disclose and submit to the NFA, and which included a number of deficiencies. On January 10, 2014, the NFA directed Smith to restrict access to these websites until the NFA had an opportunity to review them fully for compliance with NFA requirements. Smith failed to follow NFA's directive, and the websites were accessible to the public as of the date of the filing of the 2014 NFA Complaint.
- o. The NFA identified a number of promotions on Smith's Twitter account that he had not submitted to the NFA after they were first posted.
- p. As of the date of the filing of the 2014 NFA Complaint, Smith had refused to answer NFA questions which resulted in the NFA being unable to complete a review of Smith's futures and forex promotional materials.

8. The 2014 NFA Complaint charged that Smith used misleading futures and forex related promotional material, in violation of NFA Compliance Rules 2-29(b)(1), 2-29(b)(3), and 2-36(b)(1) as in and incorporated by NFA Compliance Rule 2-39(a), and failed to cooperate with NFA in violation of NFA Compliance Rule 2-5.
9. Smith submitted an offer in which he agreed to permanently withdraw his Commodity Futures Trading Commission (“CFTC”) registration and NFA membership status.
10. On December 22, 2014, the Hearing Committee Panel of the NFA filed a Decision which, among other things, accepted the offer submitted by Smith and ordered Smith to permanently withdraw his CFTC registrations and NFA membership status.
11. Pursuant to CFTC Regulation 1.63, the Decision and the sanctions imposed therein rendered Smith permanently 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.

### **CONCLUSIONS OF LAW**

#### **SMITH IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A SELF-REGULATORY ORGANIZATION**

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

12. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
13. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(vi)... is the subject of an order of ... a self-regulatory organization ... suspending or expelling him from a national securities or commodities association...

14. Having consented to a permanent withdrawal of his CFTC registration and NFA membership status, Smith has effectively been expelled from a national commodities exchange and commodities association. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Smith's investment adviser representative registration.

15. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Smith's registration as an investment adviser representative and all applicable exemptions is in the public interest.

**SMITH HAS ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE  
COMMODITIES BUSINESS**

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vii)

16. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

17. The foregoing conduct by Smith as described above constitutes dishonest or unethical practices in the commodities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Smith's investment adviser representative registration.

18. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Smith's registration as an investment advisor and all applicable exemptions is in the public interest.

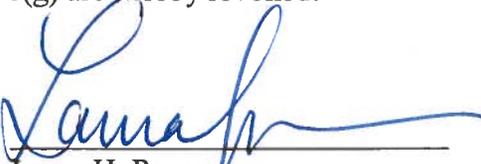
**CONCLUSION**

For the reasons stated above, it is on this 7<sup>th</sup> day of August, 2015

**ORDERED** that the investment adviser representative registration of Courtney David Smith be **REVOKED**; and it is further

**ORDERED** that Smith is denied all exemptions contained in N.J.S.A. 49:3-50 subsections (a) paragraph 9, 10, and 11 and subsection (b); and it is further

**ORDERED** that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked.

  
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Laura H. Posner  
Chief, Bureau of Securities

## NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

**NOTICE OF OTHER ENFORCEMENT REMEDIES**

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.