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Release Number 8864-24

Federal Court Orders Oregon Resident and His Forex Trading Firm to Pay \$830,000 in Civil Penalties for Commodity Fraud and Registration Violations

February 15, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced that the U.S. District Court for the District of Oregon entered a consent order for permanent injunction, monetary sanctions, and equitable relief against defendants **Erik J. Hass** and his company **Simply Gains, Inc.** The order resolves a CFTC action filed against the defendants on June 9, 2020, alleging they fraudulently solicited millions of dollars from unsuspecting customers for trading retail leveraged, margined, or financed foreign currency (forex) and failed to register as required under the Commodity Exchange Act (CEA). [See CFTC Press Release No. [8178-20](#)]

The order follows a guilty plea Hass entered in a parallel criminal action where he was ordered to pay full restitution to the victims of his illegal forex scheme. [See United States v. Erik Hass, Case No. 6:20-cr-00178-MC] The order acknowledges that restitution obligation and requires the defendants to pay an additional \$830,000 civil penalty. The order further bars the defendants from trading futures or options on a regulated market, registering in any capacity with the CFTC, or engaging in conduct in violation of the CEA as alleged in the complaint.

Case Background

The order finds that, between March 2013 and February 2019, the defendants solicited at least \$2.1 million from at least 21 individuals to fund their forex commodity pool operation. Despite assurances that depositors could not lose more than 20% of the funds they deposited, the defendants lost over \$1 million trading forex and misappropriated at least \$415,000 more for Hass' mortgage, credit card debt, and a Caribbean cruise.

The order further finds that the defendants fraudulently solicited prospective pool participants by misleading them about Hass' experience, expertise, and investment track record while promising future profitability with limited downside. According to the order, to conceal their misappropriation and unprofitable forex trading, the defendants sent pool participants false account statements that purported to show profits.

The CFTC acknowledges and thanks the U.S. Attorney's Office for the District of Oregon and the Oregon Division of Financial Regulation for their assistance in this matter.

The Division of Enforcement staff responsible for this action are Douglas Snodgrass, Joseph Patrick, Joseph Konizeski, Scott Williamson, and Robert Howell, and former staff member Bryan Hsueh.

CFTC's Foreign Currency (Forex) Fraud Advisory

The CFTC has issued several customer protection [Fraud Advisories](#) and Articles that provide the warning signs of fraud, including the [Foreign Currency \(Forex\) Trading Fraud Advisory](#), which alerts customers to forex fraud and lists simple ways to spot forex scams. The CFTC also strongly urges the public to verify a company's registration with the CFTC before committing funds. If unregistered, a customer should be wary of providing funds to that entity. A company's registration status can be found using [NFA BASIC](#).

Customers and other individuals can report suspicious activities or information, such as possible violations of commodity trading laws, to the Division of Enforcement via a toll-free hotline 866-FON-CFTC (866-366-2382) or [file a tip or complaint](#) online, or contact the [Whistleblower Office](#). Whistleblowers may be eligible to receive between 10 and 30 percent of the monetary sanctions collected paid from the Customer Protection Fund financed through monetary sanctions paid to the CFTC by violators of the CEA.

-CFTC-

RELATED LINKS

Consent order: [Simply Gains, Inc., et al](#)

Resources

- [CFTC Regulations](#)
- [Commodity Exchange Act](#)
- [Privacy Policy](#)
- [Web Policy](#)
- [FOIA](#)
- [EEO Statement](#)
- [No Fear Act](#)
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