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Release Number 8879-24

Federal Court Orders Unregistered Florida Commodity Pool Operator to Pay Over \$64 Million in Monetary Sanctions for Fraudulent Scheme

March 15, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced the U. S. District Court for the Southern District of Florida entered a consent order today imposing a permanent injunction, restitution, and civil monetary penalty against **Empires Consulting Corp.**, a Florida corporation that operated commodity pools under the name EmpiresX.

The order finds, among other things, Empires Consulting defrauded participants in unlawfully operated commodity pools without being registered as required and commingled participant funds. The order resolves the CFTC’s June 30, 2022 claims against Empires Consulting. [See CFTC Press Release No. [8551-22](#).]

Under the terms of the order, Empires Consulting is required to pay

\$32,178,397 in restitution and a civil monetary penalty in the same amount, totaling \$64,356,794 in fines. The order also permanently prohibits Empires Consulting from engaging in further violations of the Commodity Exchange Act (CEA) and CFTC regulations, as charged.

Case Background

The order stems from the CFTC’s June 2022 complaint charging Empires Consulting, along with its founders, Emerson Pires and Flavio Goncalves, and head trader Joshua Nicholas with a scheme to defraud EmpiresX pool participants. The complaint alleges, beginning in approximately September 2020, Empires Consulting used the company’s website and videos posted on social media platforms to solicit individuals (pool participants) to trade commodity futures, options, and digital assets with EmpiresX. Pool participants had the alleged ability to participate either through a “private investment” pool account directly managed by the company’s head trader or through a pool account purportedly traded by an automated “EX Bot” that traded based on the head trader’s trading.

The order finds Empires Consulting fraudulently obtained approximately \$100 million from pool participants. According to the order, Empires Consulting, through its officers and employees, knowingly made false claims to prospective pool participants regarding its registration status, the use of participant funds, the size of the pools, and participant returns. The order also finds Empires Consulting commingled and misappropriated participant funds, and in or around November 2021, stopped honoring participant withdrawal requests. The CFTC’s litigation against the individual defendants continues.

Parallel Civil and Criminal Actions

On the same day the CFTC initiated its enforcement action, the U.S. Securities and Exchange Commission (SEC) filed a parallel action against Empires Consulting, Pires, Goncalves, and Nicholas for related conduct. The SEC resolved its claims against Empires Consulting in 2023. The U.S. Department of Justice also filed a parallel criminal matter against certain employees or officers of Empires Consulting on June 30, 2022. [See [DOJ](#) and [SEC](#) press releases.]

The CFTC thanks the SEC and the National Futures Association for their assistance in this matter.

The Division of Enforcement staff responsible for this matter are Ben Sedrish, Heather Dasso, Elizabeth N. Pendleton, Scott Williamson, and Robert Howell, and former staff member Margaret Aisenbrey.

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CFTC’s Commodity Pool Fraud Advisory

The CFTC has issued several customer protection [Fraud Advisories and Articles](#), including the [Commodity Pool Fraud Advisory](#), which provides information about a type of fraud involving individuals and firms, often unregistered, offering investments in commodity pools. The CFTC also strongly urges the public to verify a company’s registration with the Commission 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 [CFTC Whistleblower Office](#). Whistleblowers may be eligible to receive between 10 and 30 percent of the monetary sanctions collected paid from the CFTC Customer Protection Fund financed through monetary sanctions paid to the CFTC by violators of the CEA.

-CFTC-

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[Consent Order: Empires Consulting Corp, et al](#)[Statement of Commissioner Kristin N. Johnson](#)

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