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Release Number 8892-24

Federal Court Orders California Man and His Company to Pay \$9 Million in Restitution and Penalties for Forex Fraud

April 15, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced the entry of a consent order in the U.S. District Court for the Eastern District of California imposing restitution and a civil monetary penalty against **Eshaq M. Nawabi, d/b/a/ Nawabi Enterprise**, and **Hyperion Consulting Inc.** The order requires the defendants to pay \$4.5 million in restitution to victims of the fraud and a \$4.5 million civil monetary penalty.

Today’s order follows a prior consent order the court entered on December 6, 2023, which, in addition to finding the defendants liable for fraud, enjoins them from future violations of the Commodity Exchange Act and CFTC regulations, as charged in the complaint, and permanently bans them from registering with the CFTC and trading on any registered entity. Today’s order fully resolves the CFTC action filed on April 26, 2022. [See CFTC Press Release No. [8524-22](#)].

Case Background

The order finds from approximately October 2019 through April 22, 2022, the defendants solicited pool participants to deposit money to trade forex. To persuade pool participants to send them money, the defendants made fraudulent and material misrepresentations and omissions including: the defendants had historically made large profits (between 8–25% per month) for themselves and pool participants from trading forex; pool participants would realize profits of 8–25% per month on their funds with minimal risk; the defendants would trade forex with the funds the pool participants deposited; and upon request, pool participants could withdraw their money within three to five business days of any such requests. Instead of trading pool participant funds as promised, the defendants misappropriated the pool participants’ money for Nawabi’s own personal benefit as well as to pay other pool participants in a manner akin to a Ponzi scheme. To conceal their misappropriation, the defendants created and issued false account statements that misrepresented trading returns the pool participants supposedly earned. The defendants failed to return funds to the pool participants despite repeated requests.

The CFTC cautions that orders requiring repayment of funds to victims may not always result in the recovery of lost money because the wrongdoers may not have sufficient funds or assets.

Division of Enforcement staff responsible for this case are Sarah Matlack Wastler, James H. Holl, III, Maura Viehmeyer, Erica Bodin, and Rick Glaser.

CFTC’s 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](#).

-CFTC-

RELATED LINKS

Consent order: Eshaq M. Nawabi, et al,

Resources

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