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Release Number 8941-24

CFTC Orders Texas Company to Pay \$100,000 for Failing to Register as an Introducing Broker

August 12, 2024

Washington, D.C. — The Commodity Futures Trading Commission today issued an order simultaneously filing and settling charges against **Cost Management Solutions, LLC (CMS)**, a Texas corporation. The order finds the respondent failed to register as an Introducing Broker (IB) and requires CMS to pay a \$100,000 civil monetary penalty. The CFTC also orders CMS to cease and desist from further violating the CEA, as charged.

Case Background

The order finds from at least May 2018 through the present, CMS acted as an unregistered IB by soliciting and accepting orders for swap and options transactions for its clients. CMS mainly brokered transactions in energy commodities, including propane, heating oil, and crude oil. CMS’s IB activities included: identifying counterparties; price discovery; negotiating trades; and trade execution. CMS did not accept any money, securities, or property to margin, guarantee, or secure these transactions. CMS received fees from its clients for its brokerage services.

CMS’ clients were primarily propane retailers interested in hedging risk. In a typical transaction, at its client’s behest, CMS contacted two to three potential counterparties for a quote. CMS negotiated on behalf of its client with the counterparties. If the client determined the quote was acceptable, CMS then executed the swap agreement or option transaction on behalf of the client.

Division of Enforcement staff responsible for this case are Michael Amakor, Karen Kenmotsu, A. Daniel Ullman II, and Paul G. Hayeck.

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The CFTC strongly urges the public to verify an individual or company’s registration with the CFTC before committing funds. If unregistered, a customer should be wary of providing funds to that individual or 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), [file a tip or complaint online](#), or contact the [Whistleblower Office](#).

Whistleblowers are 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

[Order: Cost Management Solutions, LLC](#)

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