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Release Number 8956-24
Federal Court Orders Operator of Commodity Trading Fund to Pay Restitution and Penalties for Defrauding Fund Participants and Commingling Pool Funds
August 29, 2024

Washington, D.C. – The Commodity Futures Trading Commission today announced that the U.S. District Court for the Eastern District of New York entered a consent order finding **Harris Bruce Landgarten**, a resident of Old Brookville, New York, defrauded pool participants. He also commingled pool funds with his own funds in violation of the Commodity Exchange Act (CEA) and CFTC regulations.

The order requires Landgarten to pay \$91,000 in restitution to defrauded pool participants and imposes a \$91,000 civil monetary penalty along with permanent trading and registration bans as well as a permanent injunction against further violations of the CEA and CFTC regulations, as charged.

Case Background

The order finds that from July 2014 through March 2017 (relevant period), Landgarten operated the Tradeanedge Members Fund (TMF) commodity pool, consisting of three pool participants who invested \$150,000 total. Landgarten incurred purported pool expenses and subsequently withdrew money from the TMF account to reimburse himself for such expenses. Rather than disclose he was incurring purported expenses and using pool participants' funds to reimburse himself for these expenses, Landgarten instead misrepresented to the pool participants – on statements he prepared and provided – that their investments were worth an amount that included the funds he had already spent.

The order also finds that, on numerous occasions, Landgarten withdrew more money from TMF, in the form of cash withdrawals and electronic transfers to himself, than he had incurred in claimed expenses, and thus commingled pool funds with his own funds. At times during the relevant period, the amount Landgarten withdrew in excess of claimed expenses and commingled with non-pool funds exceeded \$10,000.

"The CFTC does not tolerate fraud or any attempts to obstruct our mission to ferret out fraudsters and wrongdoers and hold them accountable," said Director of Enforcement Ian McGinley.

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

Parallel Criminal Action

The U.S. Attorney's Office for the Eastern District filed a related criminal action charging Landgarten with one count of commodities fraud, two counts of wire fraud, and one count of attempt to obstruct an official proceeding [*See United States v. Landgarten*, No. 18-cr-328 (E.D.N.Y. June 28, 2018).] On February 3, 2023, Landgarten pled guilty to attempting to obstruct an official proceeding and was later sentenced to 10 months imprisonment, along with 100 hours of community service, and a period of supervised release after he is released from prison. Landgarten was also ordered to pay \$91,000 in restitution.

The CFTC appreciates the assistance of the U.S. Attorney's Office for the Eastern District of New York and the National Futures Association.

The Division of Enforcement staff responsible for this matter are Michael Berlowitz, Trevor Kokal, David Acevedo, Lenel Hickson, Jr., Manal M. Sultan, and former staff member Gabriella Geanuleas.

CFTC's Commodity Pool Fraud Advisory

The CFTC has issued several customer protection [Fraud Advisories and Articles](#), including the [Commodity Pool Fraud Advisory](#) and the [Forex Trading Fraud Advisory](#), which help customers identify these 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-

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