



**Commodity Futures Trading
Commission**

Office of External Affairs (202) 418-5080

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**U.S. COMMODITY FUTURES TRADING COMMISSION CHARGES
FLORIDA COMMODITY POOL OPERATOR LONGBOAT GLOBAL FUNDS
MANAGEMENT, LLC AND ITS PRESIDENT, ROBERT JOSEPH BEASLEY,
WITH FRAUD**

**CFTC Alleges That Defendants Fraudulently Misrepresented Certain
Investments**

WASHINGTON, D.C. – The U.S. Commodity Futures Trading Commission (CFTC) today announced the filing of an injunctive complaint in the United States District Court for the Northern District of California against **Longboat Global Funds Management, LLC** (Longboat) and **Robert Joseph Beasley** of Whitefish, Montana. The complaint charges that the defendants committed fraud by misrepresenting the condition and status of certain investments held by **Piranha Capital, LP**, a commodity pool that defendants operated, and failed to disclose defendant Beasley's personal financial interest in those investments.

Specifically, the complaint alleges that, between December 31, 2002, and July 2, 2004, defendants Longboat and Beasley directed and approved loans totaling approximately \$4 million to entities Beasley controls without fully disclosing to pool participants his relationship with and control of those entities. As alleged in the complaint, upon expiration of the loan notes, Beasley disregarded his duties to Piranha pool participants by failing to collect the interest or principal due on the notes in a timely manner. The complaint further alleges that, despite the failure to collect the money owed the pool by his companies under the notes, Beasley used the value of the unpaid interest payments to calculate his management and incentive fees.

The CFTC is seeking a restraining order freezing certain assets and appointing a receiver to preserve and protect the Piranha Capital, L.P. fund's assets. The CFTC is also seeking preliminary and permanent injunctions against defendants, repayment of defrauded customers, the return of ill-gotten gains, and monetary penalties for violating the Commodity Exchange Act. The Commission appreciates the extensive assistance of the National Futures Association in the matter.

The following CFTC Division of Enforcement staff members are responsible for this case: Jason Gizzarelli, Allison Lurton, Lacey Dingman, Karen Kenmotsu, Gretchen L. Lowe, and Richard Wagner.

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