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CFTC Charges Nikolai S. Battoo and Four Companies He Controls with Fraud In Connection With Commodity Pools that Accepted Over \$140 Million from U.S. Investors

Defendants allegedly made fraudulent misrepresentations and omissions to hide losses sustained by a series of commodity pools called “Private International Wealth Management”

Washington, DC – On September 6, 2012, the U.S. Commodity Futures Trading Commission (CFTC) filed an emergency action in the U.S. District Court for the Northern District of Illinois to freeze assets under the control of defendants **Nikolai S. Battoo** (Battoo), **BC Capital Group S.A.**, **BC Capital Group International Limited**, **BC Capital Management LLP**, and **BC Capital Group Holdings S.A.** (the BC Common Enterprise). The action also seeks an order appointing a receiver for the BC Common Enterprise and related entities, prohibiting the defendants from destroying books and records, and granting the CFTC immediate access to evidence.

The CFTC’s complaint alleges that defendants operated a series of commodity pools called “Private International Wealth Management” (PIWM) that solicited more than \$140 million from U.S. residents. The complaint also alleges that defendants made fraudulent misrepresentations and omissions in connection with significant losses sustained by the PIWM pools through periodic account statements and asset verification documents as well as through telephone calls and letters to pool participants.

Specifically, defendants allegedly committed fraud in 2008 by failing to disclose the PIWM pools’ significant exposure to the Bernard Madoff Ponzi scheme, as well as trading losses suffered by other of Battoo’s hedge funds in which the PIWM pools were invested. In 2009, defendants sent asset verifications to pool participants that the CFTC alleges overstated the value of the PIWM pools’ investments. Finally, in 2011, defendants allegedly overstated the impact that the bankruptcy of MF Global, Inc. had on the PIWM pools and used it as an excuse for refusing to return pool participants’ funds.

In the continuing litigation against the defendants the CFTC seeks a permanent injunction from future violations of federal commodities laws, permanent registration and trading bans, full restitution to defrauded pool participants, disgorgement of any ill-gotten gains, and the payment of appropriate civil monetary penalties.

The CFTC appreciates the assistance of the U.S. Securities and Exchange Commission (SEC) in this matter.

The CFTC Division of Enforcement staff responsible for this action are Andrew Ridenour, Amanda Harding, David Slovick, Stephen Turley, Carlin Metzger, Erica Bodin, Theodore Kneller, Kathleen Banar, Rick Glaser and Richard Wagner.

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