

Court Dockets

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEECOMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

DONALD WRAY RODGERS and
THREE BRIDGES TRADING FUND, LLC,

Defendants.

Case No.: _____

ECF CASE

**COMPLAINT FOR INJUNCTIVE
AND OTHER EQUITABLE RELIEF
AND FOR CIVIL MONETARY
PENALTIES UNDER THE
COMMODITY EXCHANGE ACT
AND COMMISSION REGULATIONS**

JURY TRIAL DEMANDED

Plaintiff Commodity Futures Trading Commission ("CFTC" or "Commission"), by and through its attorneys, alleges as follows:

I. SUMMARY

1. From at least January 2022 through in or about November 2022 (the "Relevant Period"), Donald Wray Rodgers ("Rodgers"), individually and as agent and principal of Three Bridges Trading Fund, LLC ("Three Bridges") (collectively "Defendants"), operated a fraudulent scheme in which Defendants solicited and accepted funds for a pooled investment (the "TB Pool") in commodity futures contracts.

2. Rodgers, as principal and agent of Three Bridges, knowingly or recklessly made fraudulent and material misrepresentations and omissions about his commodities trading and returns to persuade individuals ("Pool Participants") to transfer at least \$2 million to Defendants for the purpose of participating in the TB Pool. Through such solicitations, Defendants persuaded approximately 50 individuals to transfer money to Three Bridges. Defendants sent

periodic account statements to the Pool Participants, which consistently but falsely represented profits from the trading of commodity futures contracts.

3. Defendants misappropriated much of the money received from Pool Participants. Some pool funds were misappropriated for Three Bridges' benefit to pay certain Pool Participants either purported profits or withdrawals from funds deposited by other Pool Participants in the manner of a Ponzi scheme, rather than from trading profits as Defendants claimed.

4. As trading profits failed to materialize, Defendants attempted to conceal their fraudulent scheme by issuing false account documents to Pool Participants: first creating false account statements to convince Pool Participants that Three Bridges remained solvent, and later, creating false trade confirmations to wrongfully explain Three Bridges' loss of Pool Participants' funds.

5. By virtue of this conduct and the conduct further described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices in violation of anti-fraud Sections 4b(1)(A)-(C), 4o(1)(A)-(B), and 6(c)(1) of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 6b(1)(A)-(C), 6o(1)(A)-(B), 9(1), and Commission Regulation ("Regulation") 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3) (2023). Furthermore, Defendants have violated Regulation 4.20(c), 17 C.F.R. § 4.20(a)(1), (b)-(c), which prohibits a commodity pool operator ("CPO") from failing to operate a commodity pool as a separate legal entity, failing to receive funds in the pool's name, and from commingling property of a pool it operates or intends to operate with property of another person.

6. In addition to the above-described fraudulent conduct, Defendant Three Bridges made use of the mails or any means or instrumentality of interstate commerce and acted at all

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