

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

11-cv-10949-LPZ-MKM
Hon. Lawrence P. Zatkoff

ALAN JAMES WATSON, MICHAEL POTTS
and CASH FLOW FINANCIAL LLC,

Defendants,

and

THE JEDBURGH GROUP,

Relief Defendant

ORDER

On March 10, 2011, the Commission filed a six-count Complaint against Defendants Alan James Watson (“Watson”), Michael Potts (“Potts”), and Cash Flow Financial LLC (“CFF”) and Relief Defendant The Jedburgh Group (“Jedburgh”). The Complaint seeks injunctive and equitable relief for violations of the Commodity Exchange Act (the “Act”), 7 U.S.C. §§1 *et seq.* (2006), and the regulations promulgated thereunder (the “Regulations”), 17 C.F.R. §§1.1 *et seq.* (2010). The Court previously entered a Consent Order Of Permanent Injunction, Civil Monetary Penalty And For Other Equitable Relief Against Alan James Watson and the Clerk entered default against CFF. The Court then entered a Consent Order For Equitable Relief And Final Judgment Against Relief Defendant Jedburgh on June 20, 2012.

On July 2, 2012, the Commission filed its Motion for Summary Judgment against Potts in

regards to Counts Four and Five of the Complaint. Count Four alleges that Potts, while acting as an associated person of a commodity pool operator, committed fraud through material misrepresentations and omissions in violation of Section 4o(1)(B) of the Act, 7 U.S.C. §6o(1)(B)(2006). Count Five alleges that Potts failed to register as an associated person of a commodity pool operator (“CPO”) in violation of Section 4k(2) of the Act, 7 U.S.C. §6k(2) (2006).

On October 24, 2012, the Court entered an Order requiring Potts to file an answer to the Commission’s Motion for Summary Judgment on or before Friday, November 9, 2012. The Court noted that Potts’ failure to file a response may result in the Court’s entry of judgment against him. As of the date of this Order, Potts has yet to file an answer to the Commission’s Motion.

Accordingly, it is HEREBY ORDERED that the Commission’s unopposed Motion for Summary Judgment Against Michael S. Potts [dkt 63] is GRANTED.

IT IS FURTHER ORDERED that judgment shall enter against Defendant Potts.

IT IS SO ORDERED.

Date: November 19, 2012

s/Lawrence P. Zatkoff
LAWRENCE P. ZATKOFF
United States District Judge