

**Andrew M. Calamari
Sanjay Wadhwa
Thomas P. Smith, Jr.
David Stoelting
Michael C. Ellis
Attorneys for Plaintiff
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
Brookfield Place
200 Vesey Street, Suite 400
New York, NY 10281
(212) 336-0174 (Stoelting)
Email: StoeltingD@sec.gov (Stoelting)**

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
- against -	:
	:
DEMITRIOS HALLAS,	:
	:
Defendant.	:
	:
-----X	

17-CV-__ ()

Jury Trial Demanded

COMPLAINT

Plaintiff Securities and Exchange Commission (the “Commission”), for its Complaint against Defendant Demitrios Hallas (“Hallas”), alleges as follows:

SUMMARY

1. Hallas, a former registered representative at a New York City broker-dealer, violated the antifraud provisions of the federal securities laws. First, Hallas purchased and sold daily leveraged Exchange-Traded Funds and Notes (ETFs and ETNs) in his customers’ accounts, knowingly or recklessly disregarding that these products were unsuitable for such customers.

Second, Hallas had no reasonable basis for recommending daily leveraged ETFs and ETNs.

Third, Hallas, under the guise of soliciting funds from one of his customers for investment purposes, misappropriated a total of \$170,750 from that customer.

2. The products in which Hallas invested his customers' hard-earned money – daily leveraged ETFs and ETNs – are characterized by a significant degree of volatility and risk. As explained below, these products were unsuitable for Hallas's five customers, and Hallas had no reasonable basis for these recommendations.

3. ETFs are investment companies and ETNs are unsecured notes. Daily leveraged ETFs and ETNs seek to deliver a multiple, the inverse, or a multiple of the inverse of the performance of an underlying index or benchmark over the course of a single trading day. To accomplish their investment objectives, daily leveraged ETFs and ETNs pursue a range of investment strategies, including swaps, futures contracts, and other derivative instruments. These products are inherently risky, complex and volatile, and are only appropriate for sophisticated investors.

4. Hallas's customers were unsophisticated. They had limited or no investing experience and their incomes, net worth levels, and assets were modest. The risk and volatility in daily leveraged ETFs and ETNs was inconsistent with the investment profiles of Hallas's customers, yet Hallas purchased and sold a total of 179 daily leveraged ETF and ETN positions in their accounts from September 2014 to October 2015. Hallas's customers paid a total of approximately \$128,000 in commissions and fees in connection with the purchase and sale of these 179 positions. The net loss across these 179 positions was approximately \$150,000.

5. Hallas purchased and sold 22 different daily leveraged ETFs and ETNs in his customer accounts. These products sought to double or triple the performance, or the inverse of

the performance, of over a dozen different underlying indices, including the S&P 500 VIX Short-Term Futures Index, as well as certain gold mining, oil and gas and Russian, Chinese and Brazilian stock indices. Exhibit 1 hereto contains details concerning the 22 different daily leveraged ETFs and ETNs that Hallas purchased and sold in his customer accounts.

6. Finally, in a brazen and fraudulent scheme, Hallas misappropriated \$170,750 from Customer A, a truck driver with no trading or finance experience and no retirement resources outside of the funds that he provided to Hallas. Customer A transferred funds to Hallas with the understanding that Hallas would make investments on his behalf; instead, Hallas spent Customer's A's funds on personal expenditures – a fact that he concealed from Customer A.

VIOLATIONS

7. By virtue of the conduct alleged herein, Hallas violated Section 17(a)(1), (2) and (3) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)(1), (2) and (3)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

8. Unless Hallas is permanently restrained and enjoined, he will again engage in the acts, practices, transactions, and courses of business set forth in this complaint and in acts, practices, transactions, and courses of business of similar type and object.

JURISDICTION AND VENUE

9. The Commission brings this action pursuant to authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Section 21(d)(1) of the Exchange Act [15 U.S.C. § 78u(d)(1)], seeking a final judgment: (1) restraining and permanently enjoining the Defendant from engaging in the acts, practices and courses of business alleged against him herein; (b) ordering the Defendant to disgorge all ill-gotten gains and to pay prejudgment interest on those amounts; and (c) imposing civil money penalties on the Defendant pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

10. This Court has jurisdiction over this action pursuant to 28 U.S.C. §1331, Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa]. The Defendant, either directly or indirectly, has made use of the means or instrumentalities of interstate commerce, of the mails, of the facilities of national securities exchanges, and/or the means or instruments of transportation or communication in interstate commerce in connection with the acts, practices, and courses of business alleged herein.

11. Venue lies in the Southern District of New York pursuant to 28 U.S.C. §1391(b)(2), Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, transactions, and courses of business alleged in this complaint occurred within the Southern District of New York, and were effected, directly or indirectly, by making use of means or instrumentalities of transportation or communication in interstate commerce, or the mails, or the facilities of a national securities

exchange. The conduct alleged herein occurred while Hallas and some of his customers resided in the Southern District of New York.

DEFENDANT

12. **Hallas**, age 40, is a resident of New York, NY. From approximately March 2001 to November 2015, Hallas was a registered representative at eleven brokerage firms (where he held Series 6, 7, 24, 63 and 65 licenses). He was a registered representative with Santander Securities LLC (“Santander”) from May 2013 to May 2014 and with Forefront Capital Markets LLC (“Forefront”) from August 2014 through July 2015. After Forefront filed to withdraw its broker-dealer registration with the Commission, Hallas registered with PHX Financial, Inc. (“PHX”) from August 2015 through November 2015. Hallas is not currently registered with a broker-dealer.

13. In June 2014, Hallas consented to a settlement with the Financial Industry Regulatory Authority (“FINRA”) in connection with alleged violations of FINRA suitability rules. Hallas was suspended for 30 days and was ordered to pay a \$5,000 fine and \$6,110 in restitution. FINRA alleged that Hallas had no reasonable basis for recommending that two of his customers at Chase Investment Services Corp. (“Chase”) liquidate their investments and invest the proceeds in mutual funds, causing them to incur unnecessary fees and charges. Hallas was a registered representative with Chase from approximately June 2011 to February 2012.

RELATED ENTITIES

14. **Forefront** is a Delaware limited liability company with principal place of business in New York, New York. It was a broker-dealer that registered with the Commission on March 31, 2011 and filed to withdraw its registration on August 17, 2015 (withdrawal effective October 16, 2015).

15. **PHX** is a Florida corporation with principal place of business in New York, New York and is a broker-dealer registered with the Commission since October 31, 2007.

16. **Santander** is a Puerto Rico limited liability company with principal place of business in Puerto Rico and is dually registered with the Commission as a broker-dealer and investment adviser. It has been registered with the Commission as a broker-dealer since December 3, 1996 and as an investment adviser since September 2, 1999.

FACTS

A. Hallas's Customers

17. Hallas had five customers at Forefront, all of whom opened their Forefront accounts in September 2014. Each of these customers had prior accounts at Santander for which Hallas was their registered representative. Hallas's relationship with Customer A extended back to July 2011 when Hallas began serving as Customer A's registered representative at Chase.

18. At the time of their Forefront account opening in September 2014, Hallas's customers' ages ranged from 53 to 62. Customer B was already retired, and Customer E has since retired. The five customers held a total of six accounts at Forefront, four of which were Individual Retirement Accounts ("IRAs"). The customers' income, net worth levels, and assets were modest. Each customer had limited or no investment experience, and Hallas made all of the trading decisions in each of his customers' accounts. Hallas did not have discretionary authority and, therefore, needed his customers' authorization before purchasing or selling securities in their accounts.

19. Hallas's contact with his customers was minimal and predominantly related to their filling out forms to open or transfer accounts as Hallas moved from one broker-dealer to another. The brief meetings that Hallas had with his customers often took place in coffee shops

or fast food restaurants. During these meetings, Hallas presented the customers with account forms that he had filled out and asked them to sign. The customers did not realize that certain information that Hallas entered on the account forms – including with respect to the customers' incomes, net worth, risk tolerance levels and investment objectives – was inaccurate and/or inflated.

20. Customer A entrusted the retirement savings that he had accumulated from his years as a bakery, taxi and garbage truck driver to Hallas. Hallas made all trading decisions in Customer A's accounts. Customer A had no prior experience in finance or investing, and other than the accounts with Hallas, Customer A did not hold any other brokerage accounts. When Hallas switched to a new brokerage firm, he met with Customer A – sometimes at a fast food restaurant – to obtain Customer A's signature on account transfer and opening forms that Hallas had filled out. Hallas never discussed his trading strategy with Customer A, nor did he discuss the specific stocks that he bought and sold in Customer A's account, including daily leveraged ETFs and ETNs.

21. Hallas became Customer B's registered representative at Santander after Customer B's prior registered representative left the firm. Customer B is retired, having worked in human resources for a religious organization. Other than his accounts with Hallas, Customer B does not hold any other brokerage accounts, and he has no experience in finance or investing. Hallas never contacted Customer B to discuss trading recommendations or to discuss particular trades, including purchases and sales of daily leveraged ETFs and ETNs.

22. Hallas first became Customer C's registered representative when he was associated with Santander. Customer C is a boiler technician who formerly worked in computer operations. Although Customer C had brokerage accounts apart from the Hallas accounts,

Customer C did not trade often or purchase and sell daily leveraged ETFs or ETNs in such accounts. Hallas never discussed his trading strategy with Customer C, nor did Hallas discuss or explain daily leveraged ETFs and ETNs.

23. Customer D works as an interpreter for the federal court system. Hallas was Customer D's registered representative at Santander, and other than his accounts with Hallas and a retirement account that he holds through his employer, Customer D has no brokerage accounts or investment experience. Hallas never discussed any trades, including purchases and sales of daily leveraged ETFs and ETNs, with Customer D.

24. Customer E is retired, having previously worked as an administrative coordinator at a university. Customer E met Hallas at Santander, where Hallas was her registered representative. At the time that Customer E met Hallas, she held a retirement account through her employer and also held a brokerage account outside of Santander, but did not trade in that account. Hallas never discussed trades, including purchases and sales of daily leveraged ETFs and ETNs, with Customer E, nor did he discuss investment strategy or Customer E's retirement objectives.

25. Customers A, B and C transferred their accounts to PHX after Hallas began working there in the fall of 2015. Despite incurring significant losses in their Forefront accounts as a result of Hallas's trading, the PHX account opening forms that Hallas filled out for Customers A, B and C each inaccurately indicated that their net worth had increased from the time that they opened their Forefront account only one year earlier, and that they were looking to engage in more speculative trading than was indicated on their Forefront account opening forms just one year earlier.

B. Hallas Purchased and Sold Products – Daily Leveraged ETFs and ETNs – that were Not Suitable for His Customers

26. Hallas began trading daily leveraged ETFs and ETNs after joining Forefront, as he was not permitted to trade these products at Santander. Between September 2014 and October 2015, Hallas purchased and sold a total of 179 daily leveraged ETF and ETN positions in his Forefront and PHX customer accounts. The daily leveraged ETFs and ETNs that Hallas purchased and sold sought to magnify the performance of the S&P 500 VIX Short-Term Futures Index, as well as certain gold mining, oil and gas and foreign stock indices, by multiples of two or three. As described (often in bold typeface) in the prospectuses for the daily leveraged ETFs and ETNs that Hallas purchased and sold, such products are intended for use by sophisticated investors who understand the leveraging, volatility and shorting risks associated with the products. The prospectuses also warn that daily leveraged ETFs and ETNs should only be traded by investors who intend to actively monitor and manage their investments, including as often as intra-day. The prospectuses further warn that daily leveraged ETFs and ETNs seek to magnify the performance of their respective benchmark index over the course of a single trading day and are not expected to meet their target returns for periods greater than one trading day.

27. Hallas's customers were unsophisticated investors, each having limited or no investing experience outside of the accounts that they held with Hallas. Their income, net worth levels, and assets were modest. Hallas did not discuss with his customers their investment objectives or specifics regarding investment strategies or securities in which to invest. In particular, Hallas never discussed leveraged ETF and ETN purchases and sales, or their associated risks, with his customers. Despite his customers' lack of sophistication and knowledge concerning daily leveraged ETFs and ETNs and their risks, Hallas repeatedly made

unsuitable daily leveraged ETF and ETN purchases and sales in his customers' accounts, purchasing and selling approximately 179 daily leveraged ETF and ETN positions in total.

C. Hallas Had No Reasonable Basis for Purchasing and Selling Daily Leveraged ETFs and ETNs in His Customers' Accounts

28. Hallas had an obligation to have a reasonable basis for recommending daily leveraged ETFs and ETNs to his customers. This meant that, at a minimum, he needed to acquire an understanding of the products and their risks. And, yet, Hallas did not conduct adequate due diligence on daily leveraged ETFs and ETNs; he did not adequately understand how the products worked or the risks involved in purchasing and selling them; and, had no basis to believe that the products were suitable for his customers.

29. In knowing or reckless disregard of his duty to his customers, Hallas did not conduct appropriate due diligence on daily leveraged ETFs and ETNs in order to fully understand their associated risks (including the risks inherent in holding daily leveraged ETF and ETN positions open for periods greater than one day) or to determine whether they were suitable for his customers. In recommending these purchases and sales, Hallas made an implicit representation to his customers that he had a reasonable basis for doing so.

30. The prospectuses for the daily leveraged ETFs and ETNs that Hallas purchased and sold in his customers' accounts contained numerous bold font warnings stating that such products are intended for use by sophisticated investors and are not expected to meet their target returns for periods greater than one trading day. Despite these warnings, Hallas repeatedly purchased and sold daily leveraged ETFs and ETNs in the accounts of his unsophisticated customers, and repeatedly held daily leveraged ETF and ETN positions open in his customer accounts for periods greater than one day, including for weeks or months at a time in some instances.

31. In 116 different instances, Hallas kept a daily leveraged ETF or ETN position open in his Forefront and PHX customer accounts for a period greater than one day. For example, Exhibit 2 hereto details the instances in which Hallas's customers lost \$5,000 or more as a result of a single daily leveraged ETF or ETN position that Hallas purchased and sold in their accounts. In each such instance, Hallas held the position open for a period greater than one day, including upwards of five months in two instances.

32. Hallas knew, or was reckless in not knowing, that he had no reasonable basis for the repeated buying and selling of daily leveraged ETFs and ETNs in the accounts of his customers, and that those products were not suitable for his customers. In particular, Hallas did not discuss daily leveraged ETFs and ETNs with his customers, did not conduct adequate due diligence on the products, and did not adequately understand or ignored the significant risks associated with such products, which were detailed in their prospectuses.

D. Hallas Misappropriated Funds Obtained From Customer A

33. Hallas engaged in a fraudulent scheme whereby he offered to make investments on Customer A's behalf using a series of checks that Customer A provided to him, but, instead, blatantly misappropriated the funds and spent them on personal expenses. Some of the checks that Customer A provided to Hallas were blank checks that Customer A signed and on which Hallas subsequently wrote in the dollar amount. Several of the checks also included notations such as "Invest" or "Investment."

34. From March 2014 to May 2016, Customer A provided Hallas with twelve checks totaling \$170,750 with the understanding that Hallas would invest the funds in securities on Customer A's behalf. Hallas received six of the checks, totaling \$145,000, while he was

associated with Santander, Forefront or PHX. The other six checks, totaling \$25,750, were received after Hallas left PHX and was no longer associated with a broker-dealer.

35. On four occasions, Hallas sold securities in Customer A's brokerage accounts at Santander, Forefront and PHX on Customer A's behalf, and used the proceeds from these securities sales to fund four transfers totaling \$115,700 from Customer A's brokerage accounts to Customer A's bank account. Hallas provided instructions and account information to operations personnel at the brokerage firms in order to effectuate several of these transfers, but he did not inform anyone at the brokerage firms that the transfers would be used to fund checks from Customer A to himself. Once the funds had been transferred from Customer A's brokerage accounts to Customer A's bank account, Hallas immediately thereafter deposited checks from Customer A totaling \$115,000 into his (Hallas's) personal bank account.

36. While Customer A provided checks to Hallas understanding that they would be drawn on Customer A's bank account, Hallas never told Customer A that he would be funding the four checks described above by selling securities in Customer A's brokerage accounts and transferring the proceeds to Customer A's bank account. Customer A believed that Hallas was investing the funds in a retirement account for Customer A's benefit.

37. Hallas did not invest any of the \$170,750 on Customer A's behalf. Instead, Hallas immediately deposited the funds into his own personal bank accounts and spent the funds on his personal expenses, including significant bar and restaurant bills, credit card and student loan debt, and living expenses such as rent. Hallas concealed from Customer A that he was spending Customer A's funds on his (Hallas's) personal expenses.

38. In May 2016, after Customer A asked Hallas about the retirement account, Hallas drafted and sent a letter to Customer A. In the letter, Hallas stated, "[t]his is a letter of

authorization to start distribution [sic] a monthly payment from the retirement agreement established by [Customer A] in which he entrusted and moved money to Demitrios Hallas. . . The total account balance transferred and managed by Mr. Hallas is \$170,000 with [Customer A] authorizing Mr. Hallas to manage the account. . ." Hallas continued to conceal from Customer A that he had spent Customer A's funds on his own personal expenses, and other than making some small payments, Hallas has not returned the \$170,750 back to Customer A.

FIRST CLAIM FOR RELIEF
Violations of Section 17(a)(1), (2) and (3) of the Securities Act

39. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 38 as if fully set forth herein.

40. The Defendant, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, has: (a) employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of a material fact or omissions of a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon purchasers of securities and upon other persons.

41. By reason of the foregoing, the Defendant, directly or indirectly, singly or in concert, has violated, and unless enjoined, will again violate Section 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(1), (2) and (3)].

SECOND CLAIM FOR RELIEF

Violation of Section 10(b) of the Exchange Act and Rule 10b-5

42. The Commission realleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 38, as if fully set forth herein.

43. The Defendant, directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of the means or instrumentalities of interstate commerce or of the mails, or of the facilities of a national securities exchange, has: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

44. By reason of the foregoing, the Defendant, directly or indirectly, singly or in concert, has violated, and unless enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently enjoining the Defendant from committing, aiding and abetting or otherwise engaging in conduct that would make him liable for the violations of the federal securities laws alleged in this complaint.

II.

Ordering the Defendant to disgorge any ill-gotten gains and to pay prejudgment interest

on those amounts.

III.

Ordering the Defendant to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

IV.

Granting such other and further relief as the Court may deem just and proper.

JURY DEMAND

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands trial by jury in this action of all issues so triable.

Dated: New York, New York
April 25, 2017

Respectfully submitted,

By: _____



Andrew M. Calamari
Sanjay Wadhwa
Thomas P. Smith, Jr.
David Stoelting
Michael C. Ellis
Attorneys for Plaintiff
U.S. Securities and Exchange Commission
New York Regional Office
200 Vesey Street, Suite 400
New York, New York 10281-1022
Tel: (212) 336-0174 (Stoelting)

EXHIBIT 1

Daily Leveraged ETF or ETN	Characteristics	Hallas Customers Invested
Direxion Daily Brazil Bull 3X Shares (BRZU)	Seeks to triple the daily performance of the MSCI Brazil 25/50 Index	Customer A, Customer C
Direxion Daily Energy Bear 3X Shares (ERY)	Seeks to triple the inverse of the daily performance of the Energy Select Sector Index	Customer B
Direxion Daily Energy Bull 3X Shares (ERX)	Seeks to triple the daily performance of the Energy Select Sector Index	Customer A
Direxion Daily Financial Bull 3X Shares (FAS)	Seeks to triple the daily performance of the Russell 1000 Financial Services Index	Customer E
Direxion Daily FTSE China Bear 3X Shares (YANG)	Seeks to triple the inverse of the daily performance of the FTSE China 50 Index	Customer A, Customer B
Direxion Daily FTSE China Bull 3X Shares (YINN)	Seeks to triple the daily performance of the FTSE China 50 Index	Customer A, Customer B, Customer C, Customer D, Customer E
Direxion Daily Gold Miners Index Bear 3X Shares (DUST)	Seeks to triple the inverse of the daily performance of the NYSE Arca Gold Miners Index	Customer A, Customer B, Customer C
Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	Seeks to triple the daily performance of the NYSE Arca Gold Miners Index	Customer A, Customer B, Customer C, Customer E
Direxion Daily Junior Gold Miners Index Bear 3X Shares (JDST)	Seeks to triple the inverse of the daily performance of the Market Vectors Global Junior Gold Miners Index	Customer A, Customer B, Customer C, Customer D, Customer E
Direxion Daily Junior Gold Miners Index Bull 3X Shares (JNUG)	Seeks to triple the daily performance of the Market Vectors Global Junior Gold Miners Index	Customer A, Customer B, Customer C, Customer E
Direxion Daily Russia Bear 3X Shares (RUSS)	Seeks to triple the inverse of the daily performance of the Market Vectors Russia Index	Customer A, Customer B, Customer C, Customer D, Customer E
Direxion Daily Russia Bull 3X Shares (RUSL)	Seeks to triple the daily performance of the Market Vectors Russia Index	Customer A, Customer B, Customer C, Customer D, Customer E
ProShares Ultra Bloomberg Crude Oil (UCO)	Seeks to double the daily performance of the Bloomberg WTI Crude Oil Subindex	Customer A, Customer C
ProShares Ultra Bloomberg Natural Gas (BOIL)	Seeks to double the daily performance of the Bloomberg Natural Gas Subindex	Customer C, Customer D
ProShares Ultra Oil & Gas (DIG)	Seeks to double the daily performance of the Dow Jones U.S. Oil & Gas Index	Customer B
ProShares UltraShort Bloomberg Crude Oil (SCO)	Seeks to double the inverse of the daily performance of the Bloomberg WTI Crude Oil Subindex	Customer A, Customer C, Customer D
ProShares Ultrashort Oil & Gas (DUG)	Seeks to double the inverse of the daily performance of the Dow Jones U.S. Oil & Gas Index	Customer A, Customer B
VelocityShares 3X Inverse Crude ETN (DWTI)	Seeks to triple the inverse of the daily performance of the S&P GSCI Crude Oil Index	Customer A, Customer C, Customer E
Velocity Shares 3X Inverse Natural Gas ETN (DGAZ)	Seeks to triple the inverse of the daily performance of the S&P GSCI Natural Gas Index	Customer A, Customer B, Customer C, Customer D, Customer E
VelocityShares 3X Long Crude ETN (UWTI)	Seeks to triple the daily performance of the S&P GSCI Crude Oil Index	Customer A, Customer B, Customer E
VelocityShares 3X Long Natural Gas ETN (UGAZ)	Seeks to triple the daily performance of the S&P GSCI Natural Gas Index	Customer A, Customer B, Customer C, Customer E
VelocityShares Daily 2X VIX Short Term ETN (TVIX)	Seeks to double the daily performance of the S&P 500 VIX Short-Term Futures Index	Customer A, Customer B, Customer C, Customer E

EXHIBIT 2

Daily Leveraged ETFs and ETNs in Hallas Customer Accounts with Net Losses of \$5,000 or More Per Position							
Customer (Forefront)	Daily Leveraged ETF or ETN Name and Ticker Symbol	Date Purchased	Purchase Amount	Date Sold	Sale Amount	Total Commissions and Fees	Net Loss
Customer C	VelocityShares Daily 2x VIX Short Term ETN (TVIX)	3-Feb-15	\$76,500	23-Jul-15	\$15,075	\$67	\$61,492
Customer A	VelocityShares Daily 2x VIX Short Term ETN (TVIX)	13-Feb-15	\$61,275	23-Jul-15	\$14,226	\$493	\$47,541
Customer C	ProShares Ultra Bloomberg Natural Gas (BOIL)	15-Jan-15	\$118,040	9-Mar-15	\$81,609	\$1,387	\$37,818
Customer D	Direxion Daily Russia Bear 3x Shares (RUSS)	6-Jan-15	\$46,145	11-Feb-15	\$23,576	\$145	\$22,714
Customer C	Direxion Daily Russia Bear 3x Shares (RUSS)	2-Apr-15	\$95,550	17-Apr-15	\$74,691	\$1,031	\$21,891
Customer A	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	2-Feb-15	\$61,263	5-Mar-15	\$42,417	\$1,071	\$19,916
Customer A	Direxion Daily Russia Bear 3x Shares (RUSS)	3-Feb-15	\$68,495	11-Feb-15	\$51,647	\$781	\$17,629
Customer B	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	28-Oct-14	\$79,254	9-Dec-14	\$63,375	\$1,236	\$17,115
Customer A	Direxion Daily Russia Bull 3x Shares (RUSL)	8-Dec-14	\$34,170	2-Jan-15	\$18,362	\$145	\$15,953
Customer A	Direxion Daily Junior Gold Miners Index Bear 3X Shares (JDST)	13-Mar-15	\$36,873	15-Apr-15	\$22,401	\$930	\$15,402
Customer B	VelocityShares Daily 2x VIX Short Term ETN (TVIX)	10-Feb-15	\$44,100	6-Mar-15	\$31,200	\$971	\$13,871
Customer C	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	21-May-15	\$60,733	9-Jun-15	\$51,742	\$1,226	\$10,217
Customer B	VelocityShares 3x Long Natural Gas ETN (UGAZ)	20-Feb-15	\$33,615	16-Mar-15	\$24,706	\$720	\$9,630
Customer C	Direxion Daily Junior Gold Miners Index Bear 3X Shares (JDST)	13-Mar-15	\$91,445	18-Mar-15	\$82,949	\$997	\$9,492
Customer A	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	6-Mar-15	\$46,980	13-Mar-15	\$39,424	\$996	\$8,551
Customer C	Direxion Daily Brazil Bull 3X Shares (BRZU)	27-Apr-15	\$78,160	29-Apr-15	\$72,727	\$1,931	\$7,365
Customer B	Direxion Daily Junior Gold Miners Index Bear 3X Shares (JDST)	13-Mar-15	\$17,158	15-Apr-15	\$10,236	\$384	\$7,307
Customer A	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	20-Jul-15	\$40,223	23-Jul-15	\$33,319	\$21	\$6,925
Customer B	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	10-Feb-15	\$38,642	20-Feb-15	\$33,700	\$771	\$5,712
Customer C	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	9-Mar-15	\$96,705	13-Mar-15	\$91,980	\$972	\$5,697
Customer C	Direxion Daily FTSE China Bull 3X Shares (YINN)	24-Jul-15	\$53,917	27-Jul-15	\$49,547	\$1,221	\$5,591
Customer B	Direxion Daily Gold Miners Index Bull 3X Shares (NUGT)	6-Mar-15	\$30,302	13-Mar-15	\$25,377	\$495	\$5,420
Customer B	ProShares UltraShort Oil & Gas (DUG)	2-Feb-15	\$47,197	9-Feb-15	\$42,836	\$646	\$5,007