

**BEFORE THE
NATIONAL FUTURES ASSOCIATION**

In the Matter of:

ALPHAMETRIX LLC
(NFA ID #356769)

NFA Case No. 13-MRA-007

**NOTICE OF MEMBER RESPONSIBILITY ACTION
UNDER NFA COMPLIANCE RULE 3-15**

National Futures Association (NFA) hereby gives notice to AlphaMetrix LLC (AlphaMetrix), a registered commodity pool operator (CPO) and commodity trading advisor (CTA) and NFA Member that, pursuant to NFA Compliance Rule 3-15, the President of NFA, with the concurrence of NFA's Executive Committee, has taken a Member Responsibility Action (MRA) against AlphaMetrix, whereby:

1. By Friday, November 1, 2013 at 5:00 p.m. (CST), AlphaMetrix is required to satisfy in full all existing direct or indirect loans or advances of pool assets made to AlphaMetrix, AlphaMetrix Group LLC (AMG) or any subsidiaries of AMG, and AlphaMetrix must not engage in any activity that creates a direct or indirect loan or advance of pool assets to it or its affiliates thereafter.
2. Effective immediately, AlphaMetrix and any person acting on behalf of it are prohibited from soliciting or accepting any customer or pool participant funds until AlphaMetrix repays in full all existing direct and indirect loans or advances of pool assets made to AlphaMetrix, AMG or any subsidiaries of AMG.
3. AlphaMetrix is required to provide copies of this MRA via e-mail or overnight courier to all: a) participants in any pools operated by AlphaMetrix; b) third-party money managers who advise any of the pools operated by AlphaMetrix; c) any third-party who acts as a selling agent for any of the pools operated by AlphaMetrix; and d) financial institutions in which money is on deposit in the name of AlphaMetrix or any of the pools operated by AlphaMetrix.
4. In the event that AlphaMetrix fails to comply with any of the requirements set forth in this MRA, then effective immediately AlphaMetrix and any person acting on its behalf shall be prohibited from: 1) placing trades for any pools that it operates except for liquidation of existing positions; and 2) disbursing or transferring any funds from any customer and/or pool accounts (including bank, trading, or any other types of accounts) without prior approval from NFA.

This action is effective immediately and deemed necessary to protect AlphaMetrix's pool participants because AlphaMetrix has withdrawn management and incentive fees from its various pools that were earned and owed to third-party money managers. Despite the fact that AlphaMetrix had fee rebate agreements with certain of its third-party money managers and participants, which called for their fees to be reinvested into various pools, AlphaMetrix did not reinvest approximately \$600,000 of these fee rebates. The fact that these fee rebates were not reinvested has an impact on the pools' net asset values. AlphaMetrix's failure to reinvest these fee rebates means that AlphaMetrix and/or AMG received an indirect loan of pools assets in violation of NFA Compliance Rule 2-45. This indirect loan has not been satisfied by AlphaMetrix or AMG and remains outstanding.

In support of these actions, NFA attaches the affidavit of Diane Seidel, who is an Associate Director in NFA's Compliance Department, and based thereon alleges as follows:

1. AlphaMetrix is an NFA Member CTA/CPO located in Chicago, Illinois. AlphaMetrix has been an NFA Member since July 2005. AlphaMetrix is a subsidiary of AMG, which is a listed principal of AlphaMetrix. AMG is not an NFA Member or a Commodity Futures Trading Commission registrant.
2. AlphaMetrix acts as the CPO of approximately 90 active Pools and had approximately \$700 million under management as of August 31, 2013.
3. On October 10, 2013, AlphaMetrix provided the following disclosure, in part, to its pools' participants:

"We write to update you on certain developments at AlphaMetrix Group, LLC ("AlphaMetrix"), the ultimate parent of the AlphaMetrix family of companies. In the operation of our business, we regularly run intercompany balances between and amongst our affiliates. Our regulated commodity pool operator, AlphaMetrix, LLC (the "CPO") is one such affiliate with whom there are intercompany balances. The CPO's assets consist largely of a receivable owed to it by Parent. Parent has recently encountered significant cash flow issues and is working to strengthen its current financial position and its continued operations. As a result of this, the CPO has delayed fee rebates owed to certain of its third-party money managers and participants, which should have been reinvested into various pools, but were not. The fact that these fee rebates were not reinvested may have an impact on the pools' net asset values."

4. NFA has reviewed Alphamatrix's books and records, and has determined that AlphaMetrix has withdrawn management and incentive fees from its

various pools that were earned and owed to third-party money managers. Despite the fact that AlphaMetrix had fee rebate agreements with certain of its third-party money managers and participants, which called for their fees to be reinvested into various pools, AlphaMetrix as of October 15, 2013 did not reinvest approximately \$600,000 of these fee rebates. The fact that these fee rebates were not reinvested has an impact on the pools' net asset values. AlphaMetrix's failure to reinvest these fee rebates means that AlphaMetrix and/or AMG received an indirect loan of pools assets in violation of NFA Compliance Rule 2-45. This indirect loan has not been repaid to the pools by AlphaMetrix or AMG and remains outstanding.

The MRA will remain in effect until such time as AlphaMetrix demonstrates to the satisfaction of NFA that it is in complete compliance with all NFA Requirements, including, but not limited to, NFA Compliance Rule 2-45.

Alphamatrix is entitled to a prompt hearing on this matter before NFA's Hearing Committee if it so requests. The request for a hearing shall be made in writing to:

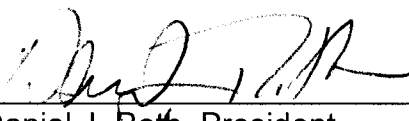
National Futures Association
300 South Riverside Plaza
Suite 1800
Chicago, Illinois 60606
Attn: Legal Department-Docketing

E-Mail: Docketing@nfa.futures.org
Facsimile: 312-781-1672

Aggrieved parties may petition the CFTC for a stay of this MRA pending a hearing pursuant to and in conformity with the terms set forth in CFTC Regulation 171.41.

NATIONAL FUTURES ASSOCIATION

Date: 10/21/2013

By: 
Daniel J. Roth, President

(ecs:MRA\2013:MRA_Alphamatrix (10.13) FINAL)

AFFIDAVIT

THE AFFIANT, DIANE SEIDEL, BEING DULY SWORN AND UNDER OATH STATES THAT:

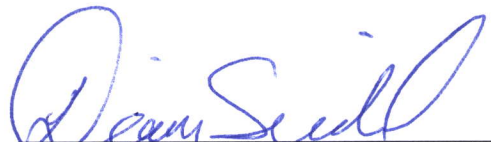
1. My name is Diane Seidel, and I am employed by National Futures Association (NFA) as an Associate Director in NFA's Compliance Department and have been employed by NFA since June 2004. In my capacity as a Associate Director, I oversaw NFA's examination of AlphaMetrix LLC, an NFA Member commodity trading advisor (CTA) and commodity pool operator (CPO).
2. AlphaMetrix is an NFA Member CTA/CPO located in Chicago, Illinois. AlphaMetrix has been an NFA Member since July 2005. AlphaMetrix is a subsidiary of AlphaMetrix Group LLC (AMG), which is a listed principal of AlphaMetrix. AMG is not an NFA Member or a Commodity Futures Trading Commission registrant.
3. AlphaMetrix acts as the CPO of approximately 90 active Pools and had approximately \$700 million under management as of August 31, 2013.
4. On October 10, 2013, AlphaMetrix provided the following disclosure, in part, to its pools' participants:

"We write to update you on certain developments at AlphaMetrix Group, LLC ("AlphaMetrix"), the ultimate parent of the AlphaMetrix family of companies. In the operation of our business, we regularly run intercompany balances between and amongst our affiliates. Our regulated commodity pool operator, AlphaMetrix, LLC (the "CPO") is one such affiliate with whom there are intercompany balances. The CPO's assets consist largely of a receivable owed to it by Parent. Parent has recently encountered significant cash flow issues and is working to strengthen its current financial position and its continued operations. As a result of this, the CPO has delayed fee rebates owed to certain of its third party money managers and participants, which should have been reinvested into various pools, but were not. The fact that these fee rebates were not reinvested may have an impact on the pools' net asset values."

5. NFA has reviewed Alphamatrix's books and records, and has determined that AlphaMetrix has withdrawn management and incentive fees from its various pools that were earned and owed to third party money managers. Despite the fact that AlphaMetrix had fee rebate agreements with certain

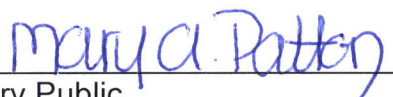
of its third-party money managers and participants, which called for their fees to be reinvested into various pools, AlphaMetrix as of October 15, 2013 did not reinvest approximately \$600,000 of these fee rebates. The fact that these fee rebates were not reinvested has an impact on the pools' net asset values. AlphaMetrix's failure to reinvest these fee rebates means that AlphaMetrix and/or AMG received an indirect loan of pools assets in violation of NFA Compliance Rule 2-45. This indirect loan has not been repaid to the pools by AlphaMetrix or AMG and remains outstanding.

Further Affiant sayeth naught.



Diane Seidel

Subscribed and sworn to before me
on this 21st day of October 2013.



Notary Public

