

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
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U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

-v-

ARISTA LLC, ABDUL SULTAN WALJI a/k/a ABDUL
SULTAN VALJI, and RENIERO FRANCISCO,

Defendants.

12 Civ. 9043 (PAE)

OPINION & ORDER

PAUL A. ENGELMAYER, District Judge:

The Court has received the attached letter from the CFTC, reporting the July 2, 2013 guilty pleas by defendants Walji and Francisco in the parallel criminal proceeding. The Court directs counsel for all parties to submit a letter by Tuesday, July 9, 2013, addressing the impact of these pleas on this case. Counsel for the CFTC and Walji are directed to further address whether Walji's pending motion to modify the temporary restraining order is now moot.

SO ORDERED.

Paul A. Engelmayer
United States District Judge

Dated: July 3, 2013
New York, New York



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Division of
Enforcement

July 3, 2013

BY EMAIL (EngelmayerNYSDChambers@nysd.uscourts.gov)

The Honorable Paul A. Engelmayer
United States District Court
Southern District of New York
Thurgood Marshall U.S. Courthouse
40 Foley Square
New York, New York 10007

**Re: *U.S. Commodity Futures Trading Commission v. Arista LLC,
Abdul Sultan Walji a/k/a Abdul Sultan Valji, and Reniero Francisco,
No. 12-CV-9043 (PAE)***

Dear Judge Engelmayer:

We represent the Plaintiff U.S. Commodity Futures Trading Commission (the "Commission") in the above-referenced action. We write to inform the Court of developments in the parallel criminal case, *United States v. Abdul Walji and Reniero Francisco*, No. 13 Cr. 217 (DLC).

In a hearing before Judge Cote yesterday morning, Abdul Walji a/k/a Abdul Valji ("Walji") pled guilty to one count of conspiracy to commit securities fraud and wire fraud, one count of commodities fraud, and one count of securities fraud. Enclosed with this letter is a copy of the Superseding Information to which Walji pled guilty.

In a separate hearing before Judge Cote yesterday afternoon, Reniero Francisco ("Francisco") pled guilty to one count of conspiracy to commit securities fraud and wire fraud and one count of securities fraud. Enclosed is a copy of the Indictment to which Francisco pled guilty.

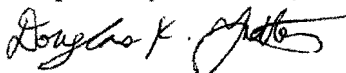
As announced by the United States Attorney's Office, Walji and Francisco both pled guilty to defrauding and misappropriating nearly \$10 million from investors in the Arista LLC investment fund. Walji also pled guilty to perpetrating a multi-million dollar fraudulent scheme with pension plan funds that he managed through three California-based trusts: Allied Benefits, Inc., Allied Benefits Trust, and Stone-Lamm Trust. Both Walji and Francisco are scheduled to be sentenced on November 15, 2013.

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In connection with their guilty pleas, Walji consented to forfeit \$13.6 million and Francisco consented to forfeit \$4.1 million, including the proceeds of certain bank and trading accounts. Enclosed are copies of their respective Consent Preliminary Orders of Forfeiture.

The Commission is reviewing Walji and Francisco's guilty pleas and their consent forfeiture orders to determine their impact on the Commission's action and on Walji's pending motion to modify the Court's Statutory Restraining Order.

Respectfully submitted,



Douglas K. Yatter
Trial Attorney

Enclosures

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