

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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6:04 pm, May 01, 2026

In the Matter of:

Sidney Lebental,

Respondent.

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) CFTC Docket No. 26-01
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**ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTION 6(c) AND (d) OF THE COMMODITY EXCHANGE ACT, MAKING
FINDINGS, AND IMPOSING REMEDIAL SANCTIONS**

I. INTRODUCTION

The Commodity Futures Trading Commission (“Commission”) has reason to believe that between in or about January 2019 and September 2019 (the “Relevant Period”), Respondent Sidney Lebental (“Lebental” or “Respondent”) violated Section 4c(a)(5)(C) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 6c(a)(5)(C). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondent engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondent consents to the entry of this Order Instituting Proceedings Pursuant to Section 6(c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions (“Order”), and acknowledges service of this Order.¹

¹ Respondent consents to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant and agrees that they shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondent does not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondent does not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

II. FINDINGS

The Commission finds the following:

A. SUMMARY

On approximately 50 occasions during the Relevant Period, Lebental engaged in the disruptive trading practice known as “spoofing” (bidding or offering with the intent to cancel the bid or offer before execution) while trading treasury futures, primarily the Ultra U.S. Treasury Bond futures contract, generally denominated as UB, and requiring the deliverance of cash Treasuries with a maturity of 25 to 30 years (“Ultra Bond,” and generally, “Treasury Futures”) on the Chicago Board of Trade (“CBOT”), an exchange operated by CME Group, Inc. (collectively, “CME”), a registered futures exchange and designated contract market. This conduct violated Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C).

B. RESPONDENT

Sidney Lebental is a dual citizen of France and the United States of America. During the Relevant Period, Lebental resided in New York and was employed as head of the linear rates desk in the New York office of a global financial institution (“Bank”). Lebental has never been registered with the Commission in any capacity.

C. FACTS

During the Relevant Period, Lebental engaged in spoofing by placing bids or offers for Treasury Futures contracts with the intent to cancel his bids or offers before execution. Lebental placed such spoof orders to induce the execution of one or more orders on the opposite side of the market—in Treasury Futures contracts (like the Ultra Bond futures contract, generally denominated as UB, and requiring the delivery of cash Treasuries with a maturity of at least 15 and not more than 25 years), or, more frequently, in the market for financially correlated cash Treasuries (typically 30-year maturity cash Treasuries). Lebental knew that the two futures contracts, or the futures contract and the cash Treasuries, were sufficiently correlated that a spoof in one would affect the price of the other.

Lebental’s spoofing was characterized by a pattern of trading in which he placed an order or orders on BrokerTec, a trading platform operated by CME, for specific cash Treasuries that he wanted to fill (the “Genuine Order(s)”) and, while the Genuine Order was resting, entered with the intent to cancel before execution an order or orders for a correlated Treasury futures contract (most frequently the Ultra Bond) on the opposite side of the market (the “Spoof Order(s)”). In certain instances, both the Genuine Order and the Spoof Order would occur in two different Treasury Futures, for example placing a Spoof Order in the Ultra Bond and a Genuine Order for the U.S. Treasury Bond futures contract. After Lebental’s Genuine Orders were fully or partially filled, he would cancel his Spoof Orders shortly thereafter.

In placing these Spoof Orders, Lebental intentionally or recklessly sent false signals of increased supply or demand to trick participants into executing against the Genuine Orders. In

reality, he did not intend that his Spoof Orders execute; rather, at the time he placed his Spoof Orders, he intended to cancel them before execution.

III. LEGAL DISCUSSION

A. Violations of Section 4c(a)(5)(C) of the Act

Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C), prohibits engaging in any trading, practice, or conduct on or subject to the rules of a registered entity that is, is of the character of, or is commonly known to the trade as, “spoofing,” i.e., bidding or offering with the intent to cancel the bid or offer before execution. As set forth above, Lebental engaged in a pattern of trading in which he entered large Spoof Orders that he intended to cancel prior to execution, for the purpose of having his Genuine Orders filled. Lebental thus violated Section 4c(a)(5)(C) of the Act. *See United States v. Coscia*, 866 F.3d 782, 795–96 (7th Cir. 2017) (affirming conviction for spoofing where evidence showed that defendant entered orders with intent to cancel before execution); *CFTC v. Skudder*, No. 22-cv-1925, 2022 WL 17752392, at *6 (N.D. Ill. Dec. 19, 2022) (denying motion to dismiss spoofing complaint, holding that the Commission adequately alleged intent to cancel before execution).

IV. FINDINGS OF VIOLATIONS

Based on the foregoing, the Commission finds that during the Relevant Period Respondent violated Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C).

V. OFFER OF SETTLEMENT

Respondent has submitted the Offer in which he, without admitting or denying the findings and conclusions herein, knowingly and voluntarily:

- A. Consents to the resolution of this matter in an administrative proceeding;
- B. Acknowledges service of this Order;
- C. Admits the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;
- D. Waives:
 - 1. The filing and service of a complaint and notice of hearing;
 - 2. A hearing;
 - 3. All post-hearing procedures;
 - 4. Any and all rights or defenses that he has or might have for the matter to be adjudicated in a federal district court in the first instance, including any associated right to a jury trial;

5. Judicial review by any court;
 6. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;
 7. Any and all claims that he may possess under the Equal Access to Justice Act, 5 U.S.C. § 504, and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2026), relating to, or arising from, this proceeding;
 8. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–253, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this proceeding; and
 9. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief, including this Order;
- E. Agrees that Respondent is not the prevailing party in this action for purposes of the waiver of any and all rights under the Equal Access to Justice Act specified in subpart 7 of Paragraph D of this Section;
- F. Stipulates that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondent has consented in the Offer; and
- G. Consents, solely on the basis of the Offer, to the Commission's entry of this Order that:
1. Makes findings by the Commission that Respondent violated Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C);
 2. Orders Respondent to cease and desist from violating Section 4c(a)(5)(C) of the Act;
 3. Orders Respondent to pay a civil monetary penalty in the amount of two hundred thousand dollars (\$200,000), plus any post-judgment interest, within ten (10) days of the date of entry of this Order;
 4. Orders that Respondent be prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), for a period of one (1) month (defined as a period of 30 calendar days) after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period; and
 5. Orders Respondent to comply with the conditions and undertakings consented to in the Offer and set forth in Part VI of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

- A. Respondent shall cease and desist from violating Section 4c(a)(5)(C) of the Act, 7 U.S.C. § 6c(a)(5)(C);
- B. Respondent shall pay a civil monetary penalty in the amount of two hundred thousand (\$200,000) (“CMP Obligation”), within ten (10) days of the date of the entry of this Order. If the CMP Obligation is not paid in full within ten (10) days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.
- C. Respondent shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier’s check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/ESC/AMK326
Commodity Futures Trading Commission
Division of Enforcement
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-amz-ar-cftc@faa.gov

If payment is to be made by electronic funds transfer, Respondent shall contact the Federal Aviation Administration at the above email address to receive payment instructions and shall fully comply with those instructions. Respondent shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Respondent and the name and docket number of this proceeding. The paying Respondent shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.

- D. Respondent is prohibited from, directly or indirectly, engaging in trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40)), for a period of one (1) month after the date of entry of this Order, and all registered entities shall refuse him trading privileges during that period; and
- E. Respondent shall comply with the following conditions and undertakings set forth in the Offer:

1. **Public Statements:** Respondent agrees that neither he nor any of his agents or employees under his authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondent's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondent shall comply with this agreement, and shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement.
2. **Partial Satisfaction:** Respondent understands and agrees that any acceptance by the Commission of any partial payment of Respondent's CMP Obligation shall not be deemed a waiver of his obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.
3. **Change of Address/Phone:** Until such time as Respondent satisfies in full his CMP Obligation as set forth in this Order, Respondent shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten calendar days of the change.
4. Respondent agrees that he shall not, for a period of one (1) month after the date of entry of this Order, directly or indirectly:
 - a. enter into any transactions involving "commodity interests" (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2026)), for his own personal account or for any account in which he has a direct or indirect interest;
 - b. have any commodity interests traded on his behalf;
 - c. control or direct the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests;
 - d. solicit, receive, or accept any funds from any person for the purpose of purchasing or selling any commodity interests;
 - e. apply for registration or claim exemption from registration with the Commission in any capacity, and engage in any activity requiring such registration or exemption from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2026); and/or
 - f. act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2026)), agent, or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)), registered,

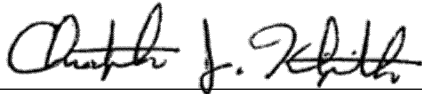
required to be registered, or exempted from registration with the Commission except as provided for in Regulation 4.14(a)(9).

5. Notices: Until such time as Respondent satisfies in full his CMP Obligation, upon the commencement by or against Respondent of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Respondent's debts, all notices to creditors required to be furnished to the Commission under Title 11 of the United States Code or other applicable law with respect to such insolvency, receivership bankruptcy or other proceedings, shall be sent to the address below:

Secretary of the Commission
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street N.W.
Washington, DC 20581

The provisions of this Order shall be effective as of this date.

By the Commission.



Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: May 1, 2026