

EXHIBIT B
DECLARATION OF JOY MCCORMACK
(CFTC)

**Declaration under penalty of perjury of
Joy McCormack pursuant to 28 U.S.C. § 1746**

Based upon personal knowledge, I, Joy McCormack, hereby make the following declaration in support of Plaintiff Commodity Futures Trading Commission's Motion and Memorandum of Law in Support of Motion for a Preliminary Injunction and appointment of Temporary Receiver:

1. I am employed with the United States Commodity Futures Trading Commission ("CFTC") as a Senior Futures Trading Investigator in the Division of Enforcement ("the Enforcement Division"), where I have been employed since 1999. My primary responsibilities include conducting investigations to determine whether there have been violations of the Commodity Exchange Act ("Act") and CFTC Regulations.
2. In connection with my responsibilities, I routinely conduct background research; issue subpoenas and official document requests; analyze financial records consisting of bank and trading records; analyze investor records for derivatives transactions, including commodity futures, swaps, digital currencies, and retail off-exchange foreign currency ("forex") trading, and prepare summaries of my analysis; review registration information for entities and individuals in the U.S. derivatives industry; conduct witness interviews and investigative testimony and attend depositions, among other activities.
3. Over the last 20 years, I have worked on hundreds of matters in the CFTC's Enforcement Division, including dozens of matters involving fraud in commodity pools and forex trading.

I. SCOPE OF INVESTIGATION

4. In August 2019, I was assigned to the Enforcement Division's investigation concerning Mr. Travis Capson, Mr. Arnab Sarkar, Denari Capital, LLC and the various entities they created. Based on my participation in this investigation, I have personal knowledge of the facts set forth herein.

5. During the course of this investigation, I conducted research, participated in investigative interviews, performed financial cash flow, money tracing and other analyses, and gathered and reviewed documents obtained by the Division, including, but not limited to, the following:

- a. documents received from the National Futures Association (“NFA”)¹, a designated self-regulatory organization for the derivatives industry;
- b. trading and bank records from various financial institutions, including responses to surveys of all futures commission merchants (known as “FCMs”) registered with the CFTC;
- c. documents from potential and actual third party vendors of the defendants;
- d. transcripts of investigative testimony and related exhibits; and
- e. documents received from investors and other witnesses.

II. BACKGROUND

6. Public records show that **Denari Capital, LLC** (“**Denari**”) is a California limited liability company with an address is 3100 Oak Road, Suite 380, Walnut Creek, California. According to testimony by **Mr. Travis Capson** (“**Capson**”) and **Mr. Arnab Sarkar** (“**Sarkar**”), they are both principals and co-owners of Denari.

7. According to their testimony, between 2012 and 2019, Capson and Sarkar solicited individual and corporate participants for various investments, including forex trading, real estate, and investment in a gold mining company, among other investments via phone, email and in-person meetings.

¹ The NFA has been delegated certain authority and responsibilities under the Commodity Exchange Act, including handling the registration of certain participants in the U.S. derivatives industry on behalf of the CFTC.

8. As discussed in the testimony, Capson and Sarkar usually had participants in their Denari pool either sign a joint venture agreement or a promissory note.
9. According to documents produced by Denari in response to the Commission's subpoenas, participants received account statements from Capson and/or Sarkar via mail and email.
10. Records from the Retail Forex Exchange Dealers ("RFEDs") where Denari held its accounts, show that Capson and Sarkar used email and the internet to open their forex trading accounts and carry out their trading activity.
11. I caused subpoenas and official document requests to be issued to Denari and the various financial institutions it held accounts at for corporate bank, trading and operational records, among other documents.
12. I have received voluminous records from Denari and financial institutions pursuant to those subpoenas and my review and analysis of that information continues.
13. Capson and Sarkar were signatories on Denari's bank accounts. According to the testimony of Capson and Sarkar and witness interviews, Capson and Sarkar instructed investors to transfer these funds into Denari's bank accounts. They also received checks which Capson and/or Sarkar deposited into Denari's bank accounts.
14. The bank accounts are in the name of Denari and not in the name of any separate legal entity for their commodity pool.
15. From my preliminary review of those records, Denari received at least \$3,700,000 from investors who signed Joint Venture Agreements.
16. The records also reflect that Denari received at least \$3,200,000 from investors who entered into Promissory Notes.

17. In addition, Denari received at least \$1,450,000 from other investors for reasons other than for Joint Venture agreements and Promissory Notes.

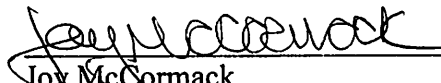
18. As a result, Denari commingled investor funds in its bank accounts with funds that do not relate to investor investments, including for personal uses by Capson and Sarkar.

19. Some, but not all of the funds Denari received from investors were deposited into forex trading accounts at two RFEDs, Gain Capital and FXCM.

20. Overall, between 2012 and the present, Denari received at least \$8,300,000 in funds from at least twenty-eight individuals.

I hereby declare, under penalty of perjury, that the foregoing is true and correct.

Executed this 8th day of November 2019.


Joy McCormack
Senior Investigator