



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581

JUN 15 11 28 AM '98
OFFICE OF PROCEEDINGS
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PROCEEDINGS

EDDIE J. FRUGE,
Complainant,

v.

CHRISTOPHER HAROLD KNOWLES, and
AMERICAN FINANCIAL SERVICES, INC.,
Respondents.

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* CFTC Docket No. 98-R68
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ORDER OF DISMISSAL and DEFAULT ORDER

Frugé and Knowles have submitted a stipulation of dismissal, and Frugé has received full payment under the terms of their settlement agreement. Accordingly, the complaint against Christopher H. Knowles is DISMISSED.

American Financial Services, Incorporated ("AFS") has failed to file an answer and thus is in default. AFS's default constitutes, among other things, an admission of the allegations in the complaint. Accordingly, it is concluded that AFS and its agent violated Sections 4b and 4c(b) of the Commodity Exchange Act, that AFS is liable for its agent's violations pursuant to Section 2(a)(1)(A) of the Act, that these violations proximately caused \$5,061.45 in damages, and that this default award shall be reduced by the \$1,000 paid to Frugé by Knowles pursuant to their settlement agreement; and American Financial Services, Incorporated is ORDERED to pay to Eddie J. Frugé reparations of \$4,061.45, plus interest on that amount at 5.434% compounded annually from September 17, 1997, to the date of payment, plus \$125 in costs for the filing fee. Any motion to vacate the default must meet the appropriate standards set out in CFTC rule 12.23.

Dated June 15, 1998.

Philip W. McGuire,
Judgment Officer