



U.S. COMMODITY FUTURES TRADING COMMISSION

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LEROY WATSON,
Complainant,

v.

FORWARD FOREX, INC.,
Respondent.

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* CFTC Docket No. 08-R029
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**ORDER DENYING MOTION TO VACATE DEFAULT ORDER
and
MODIFYING DEFAULT ORDER**

Forward Forex, Incorporated has failed to supplement its deficient motion to set aside the default order, as directed by the Order dated March 6, 2009. That Order had directed Forward Forex to cure the deficiencies in its motion by producing affidavits by two principals of Forward Forex that addressed factual matters relating to Forward Forex's proposed defenses and factual matters relating to Forward Forex's apparent failure to comply with CFTC rule 3.30.¹ These simple, routine factual matters could have been described either from the recollections of the Forward Forex principals or from business records presumably accessible to these principals. Moreover, Forward Forex would have presented the same or similar evidence to substantiate the defenses in its answer. However, Forward Forex has refused to produce the requested affidavits. As a result, Forward Forex has failed to show mistake, excusable neglect, or want of jurisdiction; has failed to show that, if the default were set aside, there would be a reasonable likelihood of success for its defense on the merits; has failed to show that further delay would not prejudice complainant; and otherwise has failed to show an intention to participate in this proceeding in a good faith manner. Accordingly, the motion to vacate is denied.

Forward Forex has established that the actual damages should be reduced, and thus the default award is modified as follows. It is concluded: one, that Forward Forex, Incorporated, and agents and principals of Forward Forex, defrauded Leroy Watson and unlawfully converted his funds in violation of Sections 4b(a)(2)(C)(i), (ii) and (iii), and Section 4d(a), of the Commodity Exchange Act; two, that these violations proximately caused \$18,478 in damages; and three, that Forward Forex is liable for the violations of its agents and principals pursuant to

¹ The complaint and default order were served on Forward Forex at the last address that it had provided the NFA for service of reparations complaints and orders. The NFA recently confirmed that Forward Forex has never submitted the proper notice that it had changed that address to the residence of one of its principals.

Section 2(a)(1)(B) of the Act. Accordingly, Forward Forex, Incorporated is ORDERED to pay to Leroy Watson reparations of \$18,478, plus interest on that amount, at 2.17% compounded annually from September 26, 2006, to the date of payment, plus \$125 in costs for the filing fee.

Dated June 12, 2009.



Philip McGuire,
Judgment Officer