

UNITED STATES OF AMERICA
before the
COMMODITY FUTURES TRADING COMMISSION

RECEIVED
CFTC
2007 APR -5 P 1:22
OFFICE OF PROCEEDINGS
PROCEEDINGS CLERK

Samirah Sabbagh,
Complainant,

v.

Erik Haugen, LLC,
Farr Financial, Inc.,

Respondents.

*
*
*
*
*
*
*
*
*
*
*
*

CFTC Docket No. 07-R008

RULING ON MOTION TO DISMISS

On or about November 29, 2006, Complainant initiated this proceeding by requesting that her dispute with Respondents be resolved via the Commission's Voluntary Decisional Procedure. On or about January 9, 2007, Respondents elected to elevate this matter to a Formal Decisional Procedure.

Complainant set forth a brief description of her allegations against Respondents alleging unauthorized trading and abuse of her account. Although Complainant claims that on December 2, 2005, Respondent Haugen executed an option to sell futures contracts without her authorization, she further alleges that she managed to cancel a portion of the order and subsequently decided to keep the remaining position until its expiration on June 27, 2006. Complainant next alleges that Respondent Farr liquidated the remaining position on April 18, 2006 without her approval, leaving a debit balance on her account of \$37,431.79. Complainant maintains that Respondents' "unauthorized trading and abuse" resulted in actual losses totaling \$44,068.21. However, in her description, Complainant fails to mention that she executed a settlement and release agreement with Farr Financial.

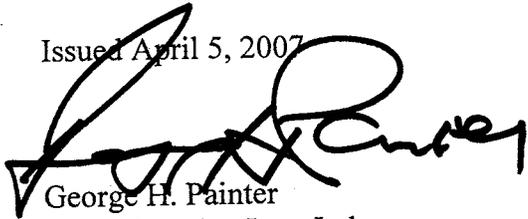
The record shows that on April 6, 2006, Farr and Complainant entered into a settlement agreement whereby Farr agreed to pay to Complainant \$7,700. In consideration of the payment, Complainant "assigns, remises, releases and forever discharges Farr Financial Inc . . . from *any and all*" manner of action, cause of action, suites, and debts, from the beginning of time to the date of the settlement on April 6, 2006. Therefore, even if the trades at issue were unauthorized, by and through the settlement agreement Complainant agreed to hold the remaining positions in her account and can no longer describe the trades as "unauthorized."

Complainant is barred from bringing this action by the express terms of the settlement agreement because her claim rests on Farr's "unauthorized trading" on December 2, 2005. Respondents have not filed a counterclaim for damages in this forum.

This matter is DISMISSED on the grounds that the claims arising from the subject account are barred by a settlement agreement and release executed by all parties in a parallel civil action in the Superior Court of the State of California, Case No. 106 CV 066266. All motions not ruled on heretofore are DENIED.

This Court shall provide a copy of this ruling to the Superior Court of the State of California, County of Santa Clara, at 191 N. First Street, San Jose, CA 95113.

Issued April 5, 2007

A handwritten signature in black ink, appearing to read "George H. Painter", is written over the typed name and title.

George H. Painter
Administrative Law Judge