U.S. COMMODITY FUTURES TRADING COMMISSION



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

OFFICE OF PROCEEDINGS

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v.)
WORLD FUTURES FINANCIAL)
GROUP, INC.,)
Respondent)

Complainant

INITIAL DECISION

In this proceeding, complainant contends that Mark Wilson, an employee of respondent World Futures Financial Group ("World Futures"), fraudulently solicited him to open his options account by, among other things, falsely promising to limit losses. By prior order in this matter, former respondents Mark Wilson and American Financial Services, Inc. ("AFS"), the guarantor of introducing broker World Futures, were defaulted for failing to file answers to the complaint. Those defaults have now become final as to those respondents. This decision addresses only the liability of World Futures, which must be determined on an independent review of the evidence and cannot be predicated on Wilson's default.

Before assessing whether complainant has proven his cause of action against World Futures, however, it must first be determined whether his complaint is barred by a prior settlement. The respondent has raised an affirmative defense to the complaint, alleging that complainant previously had settled the matter in its entirety. The record demonstrates, and complainant does not dispute, that complainant and World Futures entered into a settlement agreement of all issues between them in order to lay to rest a civil complaint filed by complainant in a Virginia court. That settlement agreement has been entered into the record. Its terms provide for payment of \$200 to complainant. Respondent has filed a copy of the cancelled check demonstrating that it had been cashed by complainant.

Complainant alleges that World Futures induced him into the settlement by convincing him that the way to get his money back would be to file against Wilson and AFS. He also claims he did not intend to be dismissing his entire cause of action against World Futures, but instead was only settling out of that particular court. Respondent has replied to these allegations by claiming that complainant settled because he wanted some money immediately and he was

willing to settle against World Futures for a relatively small sum because, he allegedly admitted, he did not really believe World Futures had done anything wrong.

By its terms, the settlement agreement cannot be interpreted in any reasonable fashion in the manner claimed by complainant. The document, labeled "General Release," has several prefatory clauses stating that there is a "misunderstanding" between World Futures and complainant, that World Futures denies wrongdoing, and that both sides wish to clear up the "misunderstanding." The one-paragraph main body of the text expressly includes the provision that complainant

does hereby release World Futures . . . from all claims, demands, actions, causes of action, debts, obligations, and liabilities of any nature, known or unknown, at law or in equity, arising out of, on account of or in relation to any matter, cause or thing at any time from the beginning of their association to the date of this settlement agreement and release, including without limiting the generality of the forgoing [sic], anything having to do with the purchase and sale of futures and/or options in his account with World Futures. . . . Customer further agrees to keep the details of this matter and settlement confidential and not to disclose the same unless required by law.

That language cannot be reasonably interpreted to allow suits to proceed in reparations or any other forum. Accordingly, complainant's explanation that the settlement applied only to his existing Virginia claim must be rejected.¹ In retrospect, complainant may have decided that the \$200 payment was a bad deal for him, but he accepted that payment and respondent is entitled to hold him to the terms of the release he signed.

For the reasons stated, the complaint is DISMISSED.

Dated: November 19, 1998

JOEL R. MAILLIE Judgment Officer

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¹ Complainant's acceptance of respondent's representative's advice regarding whom he should sue does not change this result. There is no indication that complainant was misled by that representative into thinking he was receiving objective advice rather than the urgings of one potential defendant who was attempting to shift the liability to someone else. In any event, this argument is also belied by the terms of the release, which do not leave open the opportunity to sue either Wilson or AFS as he now claims was his sole intent.