

## U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre 1155 21<sup>st</sup> Street, N.W., Washington, DC 20581

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MARCIA DEGRAFF,	)	•		T	
Complainant	)		Charles angelia	Ņ	Samuel
v.	)	CFTC Docket No. 03-R089		<u></u>	
PEREGRINE FINANCIAL GROUP, INC.,	)				
Respondent	)				

## FINAL DECISION

Complainant initiated this reparations case selecting a voluntary decisional proceeding, a choice concurred in by the respondent. In a voluntary proceeding, the parties submit their dispute on the papers only, waiving their right to present oral testimony. In addition, the judge is not authorized to conduct discovery on his own motion (see Rule 12.34), leaving the parties solely responsible for the development of the record. When the record is closed, the judge issues a Final Decision containing only a conclusion whether any violations of the Commodity Exchange Act have been proven, and, if so, a reparation award for any damages caused by such violations (see Rule 12.106(b)). The decision does not contain findings of fact or other evidentiary evaluations by the judge. The Final Decision is not appealable to the Commission or to any court.

In this matter, neither side took discovery, nor did either side submit verified final statements. Therefore, this Final Decision is based on the complaint (including the addenda thereto) and the answer.<sup>1</sup>

On this record, it is determined that complainant has carried her burden of demonstrating by a preponderance of the evidence that respondent Peregrine violated Section 4b(a)(1)(i) of the Commodity Exchange Act and Rule 33.10 of the Commission's regulations, and that these

<sup>&</sup>lt;sup>1</sup> Respondent's answer (at ¶ 15) asserts that complainant is seeking only the money left in her account after August 2002 (i.e., when her balance was zero because the account had been closed ten months earlier), quoting complainant's November 26, 2003, letter to the CFTC Office of Proceedings. A closer reading of that letter reveals that on the very first page, in ¶ 1, complainant definitely states she is seeking to recover the losses suffered in her account. It will be presumed that respondent's assertion represents an oversight rather than an improper effort to mischaracterize the complainant's submission. It is also noted that the answer does not contain any affidavit of any person involved with complainant in opening her account and makes no effort to rebut her allegation that she opened her account "after being convinced I'd 'make a killing.'" (Complaint attachment dated August 7, 2003.)

violations proximately caused complainant's losses of \$4,644.94. Violations having been found, Peregrine Financial Group, Inc., is ORDERED TO PAY REPARATIONS in the amount of \$4,644.94, plus costs in the amount of \$50.00 as complainant's filing fee.

Dated: May 27, 2004

Joel R. Maillie
JOEL R. MAILLIE
Judgment Officer