U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre
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OFFICE OF PROCEEDINGS

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DEAN and MARJORIE HENDERSON, Complainants	)	
v.	)	CFTC Docket No. 98-R097
UNIVERSAL COMMODITY CORPORATION, Respondent	)	

FINAL DECISION

Complainants filed their reparations complaint 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 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 either to the Commission or to any U.S. Court of Appeals (see Rule 12.106(d)).

In this matter, the parties failed to avail themselves of the opportunity to submit evidence after the initial complaint and answer. Respondents sought documents from complainants, but did not move for an order compelling discovery when complainants failed to produce the documents requested. In addition, respondents filed Requests for Admissions to which complainants also did not respond, and those requests are deemed admitted. The requests thus admitted, however, do not address the particulars of the frauds discussed in the complaint and accompanying materials (including, among other things, representations regarding how a broker's expertise could diminish risk; misrepresentation regarding the status of the account to induce additional trading in options even less likely to break even; and respondent's other agent's admission that complainants' account appeared to have been traded to generate commissions). Upon careful consideration of the pleadings filed by the parties, it is concluded that complainants have demonstrated that respondent, through its agents, committed fraud in the solicitation and trading of complainants' options account, in violation of CFTC Rule 33.10, and it is further concluded that those frauds proximately led to the

$9,905.88 in losses suffered by complainants. The following Reparation Award reflects these conclusions.

REPARATION AWARD

Violations having been found, IT IS ORDERED that respondent Universal Commodity Corporation shall pay reparations to complainants in the amount of $9,905.88, plus costs (filing fee) in the amount of $50.00.

Dated: October 6, 1998

Joel R. Maillie

JOEL R. MAILLIE
Judgment Officer