



U.S. COMMODITY FUTURES TRADING COMMISSION

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

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OFFICE OF
PROCEEDINGS

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TERRY MALONEY,
Complainant

v.

COMMONWEALTH FINANCIAL
GROUP, INC., and MICHELLE KAYE
MALSBURY,
Respondents

CFTC Docket
No. 99-R005

DEFAULT ORDER AND REPARATION AWARD

Respondents have not filed an answer to the complaint. The complaints served on respondents at their addresses on file with the National Futures Association were returned to the Commission by the U.S. Postal Service. The envelopes indicate that the complaint served on Commonwealth was undelivered because that firm is no longer located at its registered address, and that the complaint served on Malsbury was never claimed by her after two delivery notices were provided.

Under CFTC Rules 1.30 and 12.22, by failing to provide proper addresses and/or to file an answer, the respondents are in default and are deemed to have admitted the allegations of the complaint. Therefore, the allegations of the complaint are deemed true.

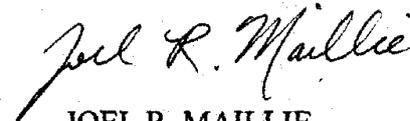
Based on the complaint, it is determined that Malsbury, on behalf of Commonwealth, fraudulently solicited complainant's options on futures account by touting profitability while minimizing the risks of trading options, and by fraudulently misrepresenting that trading in certain commodities could lower the risks for complainant. These actions violated, among other provisions, CFTC Rule 33.10 and Commodity Exchange Act Section 4c(b), and proximately caused all the losses suffered through trading in the account, \$9,802.00.

In addition to the finding of direct fraud in the paragraph above, it is determined that the complaint sets forth allegations that respondent Commonwealth aided and abetted additional violations engaged in by a successor *unregistered* brokerage firm, Global Investment Corp., Ltd. The Global contact resulted in additional losses to complainant of \$5,600.

Violations having been found, respondent Michelle Kaye Malsbury is ORDERED to pay reparations to complainant in the amount of \$9,802.00. Respondent Commonwealth Financial Group, Inc., is ORDERED to pay reparations to complainant in the amount of \$15,402.00. In addition, each respondent is ORDERED to pay prejudgment interest on their respective reparations judgments compounded annually at the rate of 4.513 % from October 4, 1996, to the date of payment, plus complainant's filing fee costs of \$125.00. *Liability is joint and several as to the amount of \$9,802.00 and prejudgment interest thereon, as well as to the amount of the filing fee.*

Respondents, if seeking to vacate the default award, must comply with the requirements of Rule 12.23 in all respects. No such motion will be *considered* unless accompanied by a certificate of service showing that it has been sent to complainant, and no such motion will be *granted* unless it is accompanied by an answer that strictly complies with Rule 12.18. Since respondents apparently never obtained the materials sent to them, they may obtain copies of the Service List and other documents in the record from the Proceedings Clerk (202-418-5508).

Dated: December 17, 1998


JOEL R. MAILLIE
Judgment Officer