

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

DANIEL J. CORBETT

v.

MARSHA ELEANOR FRIEDMAN,
DEBRAH GAIL aka GAIL EISENBERG,
UNIVERSAL FINANCIAL HOLDING CORP.
and WORLDWIDE COMMODITY
CORPORATION

CFTC Docket No. 08-9022

ORDER PURSUANT TO
DELEGATED AUTHORITY

OFFICE OF PROCEEDINGS
PROCEEDINGS CLERK
2008 JUN -16 P 4: 55

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C.F.T.C.

Complainant Daniel Corbett ("Corbett") filed a reparation complaint against two individuals, Marsha Friedman ("Friedman") and Deborah Gail aka Gail Eisenberg ("Gail"); introducing broker Worldwide Commodity Corp. ("Worldwide"), which employed Friedman and Gail; and Worldwide's guarantor futures commission merchant, Universal Financial Holding Corp. ("Universal"). Corbett's complaint charged the individual respondents with fraud and the corporate respondents with failure to supervise. In his prehearing memorandum and thereafter, he expanded his claim against Universal to include liability pursuant to its guarantee agreement with Worldwide; and expanded his claim against Worldwide to allege its liability as a principal for the acts of its employees.

The initial decision found Friedman and Gail liable jointly to Corbett for \$15,372, and found Friedman separately liable for an additional \$37,002. *Corbett v. Friedman*, [Current Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 30,779 (I.D. Feb. 25, 2008). The decision dismissed Corbett's allegations of vicarious liability against Worldwide and Universal, finding that these claims were raised too late in the case to provide fair notice to respondents. The initial decision limited Corbett's case against them to the failure to supervise claim alleged in his

complaint, and found that claim unproved. Worldwide, which has been shut down by the Commission, did not appear at the hearing; nor did Universal.¹

Respondents Gail and Friedman timely appealed the initial decision on March 12, 2008, but neither filed a brief to perfect her appeal. Briefs were due in mid-April. The failure to perfect constitutes a “voluntary waiver” by Friedman and Gail “of any objection to the initial decision . . . and of all further administrative or judicial review” Regulation 12.401(a). Under Regulation 12.401(b), “[i]f the brief is not filed within the time prescribed . . . the Commission may, upon its own motion or upon motion by a party, dismiss the appeal, in which event the initial decision shall become the final decision and order of the Commission, effective upon service of the order of dismissal.” Notwithstanding respondents’ failure to file briefs, this case shall remain on the appellate docket to allow the Commission to consider whether under the Commodity Exchange Act, Worldwide and Universal were put on notice of their potential vicarious liability by virtue of being named as respondents in Corbett’s complaint. *See* Regulation 12.401(f), providing that “the Commission may, in its discretion, consider sua sponte any issues arising from the record [of a reparation appeal] and may base its determination thereon, or limit the issues to those presented . . . in the briefs.” Accordingly the initial decision remains non-final.

IT IS SO ORDERED.²


Laura M. Richards
Deputy General Counsel
Commodity Futures Trading Commission

Dated: June 6, 2008

¹ National Futures Association (“NFA”) registration records show that Universal’s registration was suspended effective November 11, 2006, and that the firm has been named in two Commission injunctive actions. NFA records show that Worldwide’s registration was revoked by the Commission effective February 8, 2007, as a result of its settlement of a Commission injunctive action in 2006.

² By the Commission pursuant to delegated authority. 17 C.F.R. § 12.408(a)(6).