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STACY KOSTENKO, Complainant v. GLOBAL ATLANTIC MANAGEMENT, INC., Respondent	)	CFTC Docket No. 04-R082

DEFAULT ORDER AND REPARATION AWARD

The parties to this proceeding agreed to a settlement in August 2005 that involved a single payment to complainant of $5000. Since that time, the respondent in this matter has failed to cooperate in any meaningful fashion in achieving the completion of the settlement agreement. It has delayed sending documents to the complainant at the time agreed; it has failed to execute the documents; it has failed to provide the Court with complainant's executed documents; it has failed to make any payments due under their agreement; and not even once has respondent ever initiated any contact with the Court to provide notice of any difficulties or the reasons for delay. As a result of respondent's principals' lack of cooperation, the Court has had to initiate numerous inquiries to respondent's attorney, all of which are met with continued assurances that remain unfulfilled. In the last Court-initiated discussion, occurring in December, respondent's principals, through counsel, contended that the hang-up in paying the settlement was due to the single-payment requirement. The Court suggested that a preliminary payment of virtually any amount would help demonstrate good-faith intent to fulfill the settlement, but even that suggestion – coupled with a warning that failure to heed it would result in a default – has not resulted in any progress during the intervening month.

Almost half a year of this is enough. Respondent has been granted ample opportunity to fulfill its obligations under the settlement or, failing that, to demonstrate that it intends to fulfill those obligations in the foreseeable future. Respondent, furthermore, has not notified the Court that it wishes to withdraw from the settlement, but instead seeks to derive the benefits of that agreement avoiding litigation of this matter.

The continued derelictions and lack of cooperation demonstrated by respondent – most especially the failure to deliver documents signed by complainant or to provide respondent's own executed documents – provide substantial evidence that respondent did not enter into the agreement in good faith but instead settled merely to delay and hinder this proceeding. Having

done so, respondent will be held in default rather than being granted the opportunity to participate in a proceeding its conduct has thus far successfully obstructed.

Pursuant to Rules 12.201(f) respondent Global Atlantic Management is in DEFAULT and this proceeding is therefore adjudicated as a default proceeding under the provisions of CFTC Rules 12.22 and 12.23. As provided in the rule, the allegations of the complaint are deemed true and respondent is deemed to have waived the opportunity to submit evidence in its own behalf. Based solely on the allegations of the complaint and the documents submitted by complainant, it is concluded that respondent Global Atlantic Management, then registered as an introducing broker, aided and abetted non-registrant commodity trading advisor Qix, Inc., in fraudulently soliciting funds from complainant for trading futures contracts, in violation of Section 4o and 13(a) of the Commodity Exchange Act. Global's violations caused complainant to suffer losses in the amount of $25,000, the amount sought in the complaint.

Violations having been found, respondent Global Atlantic Management is ORDERED to pay reparations to complainant in the amount of $25,000.00, plus prejudgment interest compounded annually at the rate of 4.60 % from January 25, 2004, to the date of payment, plus complainant's costs of $125.00 representing the filing fee paid in reparations.

Any motion to vacate this default must conform to the requirements of Rule 12.23. Alternatively, respondent, on or before February 28, 2006, may demonstrate that it has fulfilled its settlement agreement *in toto* by providing a copy of a cancelled check for the settlement amount, and move to vacate the default on that basis.

Dated: February 10, 2006

Joel R. Maillie

JOEL R. MAILLIE
Judgment Officer