U.S. COMMODITY FUTURES TRADING COMMISSION
Three Lafayette Centre
1155 21st Street, N.W., Washington, DC 20581

Office of Proceedings

ROBERT G. MACHALA, Complainant v. FIRST INVESTORS GROUP OF PALM BEACHES and KEVIN ALAN ROSENBERG, Respondents	)	CFTC Docket No. 02-R075

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INITIAL DECISION

Complainant reached a settlement with Mr. Rosenberg prior to the oral hearing. The payments due to complainant under that settlement agreement have been paid. This decision therefore addresses only the liability of respondent First Investors Group of Palm Beaches (FIG), which failed to answer the complaint and thereby stands in default. By defaulting, FIG has waived its rights to contest the allegations of the complaint, to take discovery, to examine complainant's testimony in an oral hearing, or to present evidence in its own behalf.

Based on the allegations of the complaint, it is concluded that FIG committed fraud in the solicitation through a misleading presentation of a seasonal trading "opportunity" that downplayed the risks of trading options on futures, resulting in damages in the amount sought in the complaint, $2,980.00. The following Reparation Award reflects the amount of damages, reduced by the amount complainant has received in a settlement from Rosenberg.

Violations having been found, respondent First Investors Group of Palm Beaches, Inc., is ORDERED to pay reparations to complainant Robert G. Machala in the amount of $1,980.00, plus interest compounded annually on that amount at the rate of 1.99 % from April 18, 2002, to the date of payment, plus costs in the amount of complainant's filing fee of $50.00.

The complaint against Mr. Rosenberg is DISMISSED due to the settlement.

Dated: May 20, 2004

Joel R. Maillie

JOEL R. MAILLIE
Judgment Officer