



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, N.W., Washington, DC 20581

Office of Proceedings

_____)	
O.W. MCKNIGHT, JR.,)	
Complainant)	
v.)	CFTC Docket
JOEL ALLEN CARLSEN, <i>et al.</i> ,)	No. 02-R024
Respondents)	Served by Federal Express
_____)	

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COMMERCIAL COMPLAINTS
SECTION

**DEFAULT ORDER AND REPARATION AWARD AS TO RESPONDENT CARLSEN
AND ORDER OF DISMISSAL AS TO OTHER RESPONDENTS**

Respondent Carlsen has failed to heed the oral and written warnings provided him previously by the Judgment Officer (*see* Notice dated January 7, 2004) and continues to disrupt the administration of this proceeding. Accordingly, for the reasons cited in the Notice, respondent Joel Allen Carlsen is hereby found to be in DEFAULT in this proceeding pursuant to CFTC Rule 12.201 and therefore the complaint as to him is adjudicated under the provisions of Rule 12.22.

In a default proceeding under the Commission's Rules, the allegations of the complaint are deemed admitted and a determination is made whether those allegations merit a reparations award. In this case, Carlsen's default stands as an admission of the allegations presented in the addendum to the complaint dated May 13, 2002. Those allegations establish that respondent Carlsen willfully misrepresented to complainant that his trading was likely to be successful, and that Carlsen told complainant that he was "in good hands" when the account executive who was assigned to the account was actually mishandling it and committing numerous frauds. Finally, after that account executive left, the complainant's submission establishes, respondent Carlsen personally took over the account and made direct promises of profit if complainant continued trading. All told, the trading by Carlsen and the other account executive resulted in complainant's loss of \$20,501.84. Respondent Carlsen is liable for this full amount both as a result of his own misconduct and as a result of the evidence establishing that he aided and abetted the violations of the other trader.

Respondent Carlsen's frauds violated CFTC Rule 33.10. Accordingly, respondent Joel Allen Carlsen is ORDERED to pay reparations to complainant in the amount of \$11,751.84, plus \$125.00 in costs for the filing fee paid by complainant. Respondent Carlsen is FURTHER ORDERED to pay prejudgment interest on the \$11,751.84, compounded annually at the rate of

1.24% from March 31, 2002, to the date of payment. (The total amount due to complainant differs from the amount cited as his loss because of sums previously paid to him in settlements.)

The complaint is DISMISSED as to all other respondents, who have settled this proceeding.

This default will be vacated by the Court only upon a showing by Carlsen, pursuant to a proper and timely motion to vacate under Rule 12.23, that his failure to follow the Court's orders and to heed the warnings issued previously was not the result of bad-faith or contemptuous behavior.

IT IS SO ORDERED.

Dated: February 27, 2004


JOEL R. MAILLIE
Judgment Officer