U.S. COMMODITY FUTURES TRADING COMMISSION



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

OFFICE OF PROCEEDINGS		O.F O.F OFFICE OF F PROCEEDI
ALVIN E. COX, Complainant	-))	T.C. PM 3 05 ROCEEDINGS
v.) CFTC Docket) No. 00-R124	X _{GS} 05
ROBERT IAN GORRIE and TRADELINE)	
BROKERAGE SERVICES, L.L.C.,)	
Respondents) _)	

DEFAULT ORDER AND REPARATION AWARD

Respondents have not answered the complaint. The record reflects that the complaint sent to respondent Gorrie at his registered address for service of complaints was returned marked "Unclaimed" after two notices had been left at that address by the United States Postal Service. The complaint sent to respondent Tradeline was returned marked "Moved/Left No Forwarding Address" by the USPS. As a result of respondents' failure to answer the complaint, the Director of the Office of Proceedings has forwarded the complaint under Rule 12.22 as a Default Proceeding.

Under the CFTC Rules, both respondents are in default and have waived their right to contest the evidence presented by complainant or to file affirmative defenses. The allegations of the complaint are deemed true. See Rule 12.22 and Rule 12.23.

Based solely on the complaint, it is determined that respondent Tradeline, through an unnamed agent, fraudulently solicited complainant for the purpose of funding and trading a commodity options on futures account by misrepresenting the likelihood of profit and by dissuading complainant from understanding the true risks, and that Gorrie fraudulently breached a promise to supervise and monitor the trading of complainant's account when he complained about losses. The complaint establishes that Gorrie's promise was made when the funds in the account were halfway depleted. In addition, the record evidence establishes that Tradeline churned complainant's account by trading it excessively to maximize commissions in disregard of complainant's financial interests, and that Gorrie (after promising to assume supervisory responsibility for the account) failed to detect and prevent this churning. The actions of respondents violated, among other provisions, Sections 4c(b) of the Commodity Exchange Act, CFTC regulation 33.10, and CFTC regulation 166.3. The violations by Tradeline are found to have proximately caused damages to complainant in the amount sought in the complaint, \$4,144.60, and the violations by Gorrie are found to have proximately caused damages to complainant of half of that amount.

Violations having been found, respondent Robert Ian Gorrie is ORDERED to pay reparations to complainant in the amount of \$2,072.30, and respondent Tradeline Brokerage Services, L.L.C., is ORDERED to pay reparations to the complainant in the amount of \$4,144.60. In addition, respondents are ORDERED to pay prejudgment interest on these respective amounts (compounded annually at the

rate of 6.025 % from May 12, 1998, to the date of payment), plus costs of \$125.00. Liability for the amount of \$2,072.30, prejudgment interest on that amount, and the assessed costs shall be JOINT AND SEVERAL.

Dated: December 13, 2000

JOEL R. MAILLIE
Judgment Officer