

Commodity Futures Trading Commission
CEA CASES

NAME: LOUIS DREYFUS CORPORATION

DOCKET NUMBER: 215

DATE: AUGUST 8, 1973

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Louis Dreyfus Corporation, Respondent

CEA Docket No. 215

Complaint and Notice of Hearing

There is reason to believe that the respondent has violated the commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), hereinafter [ILLEGIBLE TEXT]ferred to as the Act. This complaint and notice of hearing is issued [ILLEGIBLE TEXT]tating the charges in that respect as follows.

I

Louis Dreyfus Corporation is now and was at all times material herein a business firm with its principal office and place of business at One State Street Plaza, New York, New York. At all times material herein, Dreyfus was engaged in merchandising wheat, held reportable positions in wheat, and was required to submit reports to the Commodity Exchange Authority showing the details of its cash positions in wheat.

II

During the period from about July 7, 1972 to about October 20, 1972, the respondent submitted to the Commodity Exchange Authority sixteen reports on Report Form 204 C.E.A., "Weekly Statement of Cash Grain

[ILLEGIBLE TEXT]ositions". With respect to the entries in these reports purporting to show respondent's fixed-price cash position in wheat, all of these reports [ILLEGIBLE TEXT]ere incorrect, with errors ranging from more than 900,000 bushels to more than 25,000,000 bushels.

III

Respondent was notified by the Commodity Exchange Authority by a Letter dated October 30, 1972, that the 204 report for August 25, 1972, appeared to be inaccurate. Subsequently, on November 15, 1973, respondent submitted corrected reports for each date on which the reports described above had been submitted.

IV

The table below shows a comparison of the information relating to wheat as shown on the 204 reports originally submitted and the information relating to wheat as shown on the corrected reports submitted on November 15, 1972.

See original document—page 2

Date as of	Per original 204 reports	Per corrected 204 report submitted	Difference (amount of error)
(In bushels 000)			

(1)	November 15, 1972					
	Long (2)	Short (3)	Long (4)	Short (5)	Long (6)	Short (7)
1972						
July 7	3,738	1,855	5,646	5,197	- 1,908	- 3,342
14	6,249	29,784	8,717	32,595	- 2,468	- 2,811
21	6,500	29,980	7,429	33,595	- 929	- 3,615
28	11,526	33,270	13,969	36,444	- 2,443	- 3,174
Aug. 4	24,946	88,136	26,712	92,312	- 1,766	- 4,176
11	35,302	89,706	39,745	93,238	- 4,443	- 3,532
18	37,438	91,521	42,475	95,716	- 5,037	- 4,195
25	41,113	92,746	48,750	112,216	- 7,637	- 19,470
Sept. 1	46,090	97,165	66,842	120,326	- 20,752	- 23,161
8	47,073	96,778	67,730	119,556	- 20,657	- 22,778
15	57,618	97,817	83,440	122,246	- 25,822	- 24,429
22	60,097	106,959	84,355	126,380	- 24,258	- 19,421
29	66,807	105,630	92,072	126,156	- 25,265	- 20,526
Oct. 6	69,226	109,726	94,249	130,846	- 25,023	- 21,120
13	70,392	107,494	96,237	125,205	- 25,845	- 17,711
20	72,225	103,634	95,708	126,296	- 23,483	- 22,662

V

By reason of the facts alleged herein, the respondent willfully violated the provisions of section 4i of the Act (7 U.S.C. 6i) and sections 15.01(d), 19.00, and 19.01 of the regulations of the Secretary of Agriculture promulgated under the Commodity Exchange Act (17 CFR 15.01 (d), 19.00, 19.01).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the

rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4 (b), 0.5 through 0.22, 0.28). The respondent will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and five copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for purposes of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless hearing is waived, a hearing will be held in New York, New York, at a place therein and date to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondent will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined and (2) directing that the respondent shall cease and desist from violating the Act and the regulations thereunder in the manner alleged herein.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

August 8, 1973

[SEE SIGNATURE IN ORIGINAL]

CLAYTON YEUTTER

Assistant Secretary

LOAD-DATE: June 12, 2008

