

Commodity Futures Trading Commission
CEA CASES

NAME: ROBERT P. TALLIAN

DOCKET NUMBER: 236

DATE: FEBRUARY 5, 1975

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Robert P. Tallian, Respondent

CEA Docket No. 236

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. 1 et seq.), and the regulations issued thereunder (17 CFR 1.1 et seq.), and therefore this Complaint and Notice of Hearing is issued alleging the following:

I

Respondent Robert P. Tallian, whose principal place of business is at 175 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act, and a clearing member of the MidAmerica Commodity Exchange, a duly designated contract market under the Commodity Exchange Act.

II

All futures transactions referred to herein relate to wheat and corn futures contracts executed in July 1973 by the respondent in his capacity as floor broker on the MidAmerica Commodity Exchange for customers of Miller-Lane & Company, a registered futures commission

merchant under the Commodity Exchange Act and a clearing member of the MidAmerica Commodity Exchange. Such contracts for future delivery are or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof.

III

Section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)), in pertinent part, prohibits the filling of orders on any contract market "by offset against the order or orders of any other person."

Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39) requires that:

A member of a contract market who shall have in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month may execute such orders for and directly between such principals at the market price, if, in conformity with written rules of such contract market

(3) Such member executes such orders in the presence of an official representative of such contract market designated to observe such transactions and, by appropriate descriptive words or symbol, clearly identifies all such transactions on his trading card or other similar record, made at the time of execution, and notes thereon the exact time of execution and promptly presents said record to such official representative for verification and initialing.

IV

Rule 406 of the MidAmerica Commodity Exchange, in conformity with Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39), permits the execution of simultaneous buying and selling orders from different principals for the same commodity in the same delivery month provided that the execution is in the presence of a designated official who shall verify and initial the trading card or other record, and the transactions are clearly identified, and the time of execution is noted.

V

On various dates, specified below, respondent Tallian unlawfully offset customers' buy and sell orders. He had in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month and failed to execute such orders in the presence of a designated Exchange official, failed to have such official verify and initial respondent's trading card or other record, and failed to identify and note on such record the time of execution.

Offset Trades Made By Robert P. Tallian

Date	Quantity n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
					Buying	Selling
7/ 2/73	5	December	Wheat	277	50951	62014
7/ 3/73	5	December	Wheat	282	25004	30036
7/ 5/73	5	December	Wheat	280	30012	25046
	15	December	Wheat	283 7/8	65004	59158
	5	December	Wheat	283 7/8	65004	30012

n1 Quantities are in '000's of bushels.

See original document-page 3

Date	Quantity n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
					Buying	Selling
7/6/73	1	December	Wheat	268 3/8	15006	00222
	1	December	Wheat	268 3/8	15003	00222
	10	December	Corn	194 1/2	59134	44034
7/9/73	4	March	Wheat	266	10452	60040
	5	March	Wheat	266	10452	60092
	1	March	Wheat	266 1/8	10452	10050
7/10/73	1	March	Wheat	256	10050	80018
	2	December	Wheat	257	59090	65004
7/11/73	1	December	Wheat	266	61002	12002
	1	March	Wheat	263 1/4	44005	80018
	5	July	Wheat	273 3/4	60078	28040
7/12/73	5	September	Wheat	278	54062	30072
	5	December	Wheat	277 1/8	65002	18052
	2	December	Wheat	277 1/2	65002	62036

Date	Quantity	n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
						Buying	Selling
7/13/73		2	March	Corn	211	37004	59126
		1	September	Corn	219	20040	10421
		5	September	Corn	219	20040	31012
		3	September	Corn	221	56013	55004
		2	September	Corn	221	56013	37020
		5	December	Corn	207 1/2	60062	44020
		3	December	Corn	209 3/8	80006	63062
7/16/73		10	July	Corn	246	28040	00222
		5	September	Corn	229 3/8	36010	63074
		2	December	Corn	214 1/2	44030	28099
		2	December	Corn	214 1/2	44028	28099
		5	December	Corn	215	38078	61002
		2	December	Corn	217	38066	44050
7/17/73		5	May	Corn	219	26042	63062
		5	September	Corn	224	42030	60090
		5	December	Corn	211 7/8	59078	29034
		1	December	Corn	212	59078	61010
		1	December	Corn	212	59078	61010
		2	December	Corn	212 1/2	44030	18034
		10	December	Corn	212 1/2	44007	54023
		5	December	Corn	215	61002	63062
		1	December	Corn	215	61002	63084
		5	December	Corn	215 1/2	38013	59078
		5	December	Corn	215 1/2	61008	26016
		3	December	Corn	215 1/2	61018	26016
		1	December	Corn	216	10312	25072
		3	December	Corn	216 1/4	27026	63062

n1 Quantities are in '000's of bushels.

See original document-page 4

Date	Quantity	n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
						Buying	Selling
7/18/73		1	December	Wheat	270	10421	11460
		2	December	Wheat	277	80036	62036
7/20/73		5	December	Wheat	292 1/4	18052	00222
		5	December	Wheat	294 1/2	18064	00207
		5	December	Wheat	300 3/4	25072	18064
		5	December	Wheat	300 3/4	65003	18064
		10	December	Wheat	300 3/4	65005	00203
		5	December	Wheat	300 3/4	65005	59090
		5	December	Wheat	300 3/4	65005	59130
		5	December	Wheat	300 3/4	65006	28040
		10	December	Wheat	300 3/4	65006	18089
		4	December	Wheat	300 3/4	65006	18069
		1	December	Wheat	300 3/4	65006	38017
		1	December	Wheat	300 3/4	95006	64204
		4	December	Wheat	300 3/4	95006	18035
		5	December	Wheat	300 3/4	00207	18052
		1	December	Wheat	300 3/4	12002	80028
	4	December	Wheat	297	50852	61004	

n1 Quantities are in '000's of bushels.

By reason of the facts alleged in this complaint, the respondent has wilfully violated section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and section 1.39 of the regulations issued thereunder (17 CFR 1.39).

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, and 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 three 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 the purpose 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 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 such hearing is waived, the hearing will be held in Chicago, Illinois, at a place therein and date to be specified later, before an Administrative Law Judge 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) suspending or revoking the registration of the respondent as a floor broker, (2) 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 (3) directing that the respondent shall cease and desist from violating the Commodity Exchange Act and regulations in the manner alleged herein.

Done at Washington, D. C. February 5, 1975

[SEE SIGNATURE IN ORIGINAL]

RICHARD L. FELTNER

Assistant Secretary

LOAD-DATE: June 16, 2008

