

Commodity Futures Trading Commission
CEA CASES

NAME: MORRIS F. SHIPPER

DOCKET NUMBER: STIPULATION 3

DATE: JULY 27, 1945

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Morris F. Shipper 321 South Seminary Street Florence, Alabama

Stipulation of Compliance Under the Commodity Exchange Act No. 3

WHEREAS, the Secretary of Agriculture has reason to believe that Morris F. Shipper has violated the Commodity Exchange Act, as amended, and the rules and regulations of the Secretary of Agriculture promulgated thereunder; and WHEREAS, no complaint has been filed with respect to said violation and said Morris F. Shipper desires to enter into a stipulation pursuant to the provisions of Section 0.4 (a) of the rules of practice under the Commodity Exchange Act: Now, therefore, the said Morris F. Shipper admits that the following facts are true:

(1) That, at all times hereinafter mentioned, Morris F. Shipper was operating under the trade name of Shipper Cotton Company, a sole proprietorship, and doing business as a spot cotton merchant and soliciting and accepting orders for the execution of cotton futures contracts on duly designated contract markets;

(2) That, at all times hereinafter mentioned, Morris F. Shipper was a member of the New York Cotton Exchange, a duly designated contract market under the provisions of the

Commodity Exchange Act, as amended, and was registered as futures commission merchant under the provisions of the Commodity Exchange Act, as amended;

(3) That, on various dates including the period between May 13, 1942, and August 13, 1942, and the period between September 28, 1944, and January 29, 1945, Morris F. Shipper accepted orders from the customers listed below for the execution of contracts for the sale of cotton for future delivery made on or subject to the rules of a contract market, which futures contracts were or might have been used for (1) hedging any transaction in interstate commerce in cotton or the products or byproducts of cotton, or (2) determining the price basis of any transaction in interstate commerce in cotton:

Name	Address
Anderson Gin Company	Anderson, Alabama
Augustine Gin Company	Lawrenceburg, Tennessee
Bonnonton Gin Company	Bonnonton, Tennessee
Alfred Buffler	Florence, Alabama
Ed Buffler	Florence, Alabama
G. A. Duggar	Lawrenceburg, Tennessee
J. T. Flagg	Florence, Alabama
Roy Hardiman	Lawrenceburg, Tennessee
T. S. Hassel and Company	Clifton, Tennessee
Polytinsky and Hovater	Brick, Alabama

(4) That the transactions and resulting open contracts in cotton futures of the customers named in (3) above were not separately accounted for on the books of Morris F. Shipper

but were commingled with transactions and open contracts of Morris F. Shipper on the records of the correspondent firms executing said transactions on the New York Cotton Exchange and the New Orleans Cotton Exchange;

(5) That daily computations were not made and permanent records were not kept of the amount of money, securities, and property required to be segregated for the accounts of the customers named in (3) above;

(6) That no monthly computation or "point balance" record was kept accruing to the official closing price on the last day of each calendar month the open trades or contracts in the accounts of the customers named in (3) above;

(7) That, on or about January 30, 1945, at the suggestion of a representative of the United States Department of Agriculture, Morris F. Shipper communicated with his correspondent brokers on the New York Cotton Exchange and the New Orleans Cotton Exchange and instructed such brokers to open separate accounts on their books for the various customers then having open contracts through Morris F. Shipper and to carry such customers' accounts separately and on a disclosed basis in the future;

(8) That, on December 4, 1942, and various dates thereafter, and from January 11, 1945, to January 29, 1945, Morris F.

Shipper held futures contracts in cotton of a size required to be reported under the Commodity Exchange Act and the rules and regulations promulgated thereunder, and that during the aforesaid periods Morris F. Shipper failed to file the required reports; and

(9) That, upon having his attention called to the failure to report, set out in (6) above, Morris F. Shipper did, with the assistance of a representative of the United States Department of Agriculture, prepare and file the required reports,

In addition to admitting the foregoing facts, Morris F. Shipper agrees to discontinue all acts and practices which are in violation of Sections 4g and 4i of the Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder, and further agrees that this stipulation shall be admissible as evidence of acts and practices in violation of Sections 4g and 4i of the Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder, in any subsequent proceeding brought against him in the enforcement of the provisions of the said act and regulations.

Done at Florence, Alabama, this 27th day of July 1945.

/s/ Morris F. Shipper

Morris F. Shipper

doing business as

Shipper Cotton Company

LOAD-DATE: June 16, 2008

