

Commodity Futures Trading Commission
CEA CASES

NAME: COWEN & CO.

DOCKET NUMBER: 152

DATE: JANUARY 5, 1968

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Cowen & Co., Respondent

CEA Docket No. 152

Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, Cowen & Co., has violated the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), and the regulations made pursuant thereto (17 CFR, Part 1), and in accordance with the provisions of section 6(b) of the said act (7 U.S.C. 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent, a partnership with offices at 45 Wall Street, New York, New York, is now and was at all times material to this complaint a registered futures commission merchant under the Commodity Exchange Act.

II

From January 26 through November 1, 1967, the respondent, acting in the capacity of futures commission merchant, carried accounts for customers who traded in commodity futures subject to the provisions

of the Commodity Exchange Act and regulations. During the same period, the respondent did not make any computation or permanent record, as of the close of the market on each business day, of the amount of money, securities, and property of customers required to be held in segregation in accordance with the provisions of section 4d of the Commodity Exchange Act (7 U.S.C. 6d). Between November 22, 1965, and January 6, 1966, the Commodity Exchange Authority communicated with the respondent on a number of occasions because of the respondent's failure to prepare and maintain a daily record of customers' funds required to be held in segregation. On January 6, 1966, the Director of the Authority's Accounting and Licensing Division wrote a letter to the respondent calling attention to its delinquencies in that respect, informing it that section 1.32 of the regulations (17 CFR 1.32) required the preparation and maintenance of such a report and that the respondent would be afforded an opportunity to bring itself into compliance. The respondent was therefore aware of the provisions of the aforementioned section of the regulations, and its failure to make the required computation and record, as above described, was a knowing and wilful violation of the aforementioned sections of the Commodity Exchange Act and the regulations.

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent. 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 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 at 10:00 a.m., local time, on March 6, 1968, in New York, New York, at a place therein 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 order should not be made suspending or revoking the registration of the respondent as futures commission merchant, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined.

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.

January 5, 1968

[SEE SIGNATURE IN ORIGINAL]

Assistant Secretary

George L. Mehren

LOAD-DATE: June 16, 2008

