

Commodity Futures Trading Commission
CEA CASES

NAME: GEORGE S. CASHMAN

CITATION: 23 Agric. Dec. 37

DOCKET NUMBER: 114

DATE: JANUARY 13, 1964

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(No. 8861)

In re GEORGE S. CASHMAN. CEA Docket No. 114. Decided January 13, 1964.

Trading Limits -- Suspension of Registration -- Consent

For exceeding the maximum daily speculative trading limits in rye futures, respondent's registration as a floor broker is suspended for 15 days and all contract markets are directed to refuse all trading privileges to him for the same period.

Mr. Earl L. Saunders, for Commodity Exchange Authority. *Cunningham and Coughlin*, of Chicago, Illinois, for respondent.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. Chapter 1), hereinafter referred to as the Act. The respondent, a member of the Board of Trade of the City of Chicago and a registered floor broker under the Act, is charged with exceeding the maximum speculative trading limits in rye futures, in violation of the Act and the regulations issued thereunder.

No hearing has been held with respect to this proceeding. On January 9, 1964, the respondent submitted a stipulation under § 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he admits the facts hereinafter set forth under "Findings of Fact," waives hearing on the charges in the complaint, and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. The respondent, George S. Cashman, an individual, whose address is 141 West Jackson Boulevard, Chicago, Illinois, is now and was at all times material to the complaint a registered floor broker under the Act and a member of the Board of Trade

of the City of Chicago, hereinafter referred to as the Chicago Board of Trade.

2. The Chicago Board of Trade is now and was at all times material to the complaint a duly designated contract market under the Act.

3. On September 20, 1963, the respondent made the following speculative purchases and sales of rye futures on the Chicago Board of Trade.

	Bushels	
	Purchases	Sales
December 1963	410,000	402,000
March 1964	96,000	63,000
May 1964	39,000	24,000
July 1964	8,000	13,000

Future	Bushels	
	Purchases	Sales
Total	553,000	502,000

4. On August 15, 1962, the respondent entered into a stipulation pursuant to § 0.4(a) of the rules of practice governing administrative proceedings under the Act (17 CFR 0.4(a)), in which stipulation the respondent admitted that on July 18, 1962, he made speculative purchases of rye futures on the Chicago Board of Trade which were in excess of the maximum permissible quantity of 500,000 bushels, in violation of § 4a of the Act (7 U.S.C. 6a), and the order of the Commodity Exchange Commission establishing limits on position and daily trading in rye for future delivery (17 CFR 150.3). The respondent, in such stipulation, agreed to cease and desist from the acts set forth therein in the future, and agreed that such stipulation would be admissible as evidence of such acts in any subsequent proceeding against the respondent before the Secretary of Agriculture.

CONCLUSIONS

Section 4a of the Act (7 U.S.C. 6a) empowers the Commodity Exchange Commission to "fix such limits on the amount of trading under contracts of sale . . . [a] commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the Commission finds

is necessary to diminish, eliminate, or prevent" burdens on interstate commerce caused by excessive speculation. Pursuant to this section, a limit on the maximum speculative purchases and on the maximum speculative sales of rye that any person may make on or subject to the rules of any one contract market during any one business day was established as 500,000 bushels in any one future or in all futures combined (17 CFR 150.3). Findings of Fact 3 and 4 establish that the respondent made speculative purchases and sales of rye futures on the Chicago Board of Trade which were in excess of the maximum permissible quantity of 500,000 bushels, in violation of § 4a of the Act and § 150.3 of the regulations issued by the Commodity Exchange Commission.

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the proposed stipulation and order, and that they believe that the proposed sanction is adequate and that the prompt entry, without further proceedings, of the order to which the respondent has consented will constitute a satisfactory disposition of this case as against the respondent, serve the public interest, and effectuate the purposes of the Act. The complainant recommends, therefore, that the stipulation and waiver submitted by the respondent be accepted and that the proposed order be issued. It is so concluded.

ORDER

Effective January 28, 1964, the registration of the respondent, George S. Cashman, as a floor broker under the Act is suspended for a period of 15 days, and effective on the same date all contract markets shall refuse all trading privileges to the respondent for a period of 15 days, such refusal to apply to all trading done and all positions held by the respondent directly or indirectly.

A copy of this decision and order shall be served on the respondent and on each contract market.

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