

Commodity Futures Trading Commission  
CEA CASES

**NAME:** GERSTENBERG AND COMPANY, RAYMOND A. GERSTENBERG, AND LEO J. PRINDIVILLE

**DOCKET NUMBER:** STIPULATION 15

**DATE:** JUNE 25, 1952

**DOCUMENT TYPE:** STIPULATION OF COMPLIANCE

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Gerstenberg and Company, Raymond A. Gerstenberg, and Leo J. Prindiville  
763 Board of Trade Building Chicago 4, Illinois

Stipulation of Compliance under the Commodity Exchange Act No. 15

WHEREAS, the Secretary of Agriculture has reason to believe that the above-named persons have violated sections 4b(D) and 4c(A) of the Commodity Exchange Act, and

WHEREAS, no complaint has been filed with respect to such violations and the above-named persons desire 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, Gerstenberg and Company, Raymond A. Gerstenberg and Leo J. Prindiville admit the following facts are true:

(1) Gerstenberg and Company is a partnership consisting of Raymond A. Gerstenberg, Raymond M. Gerstenberg, and Frank A. Jost, doing business at Room 763 Board of Trade Building, Chicago 4, Illinois. The partnership is registered as a futures commission merchant under the provisions of the Commodity Exchange Act and enjoys membership trading privileges on the Board of Trade of the City of Chicago. Leo J. Prindiville is a member of the said Board of Trade, is

registered as a floor broker under the provisions of the Commodity Exchange Act, and is employed by the partnership as its office manager.

(2) The Board of Trade of the City of Chicago, hereinafter referred to as the Board of Trade, is duly designated as a contract market under the provisions of the Commodity Exchange Act.

(3) On May 2, 1950, Gerstenberg and Company entered in its records and confirmed to its customer, namely, Joseph Saranella, four purchases and four offsetting sales on the Board of Trade totaling 65,000 bushels of May soybeans in amounts and at prices as follows: 25,000 bushels at \$ 3.11 1/2 per bushel; 15,000 bushels at \$ 3.11 1/4 per bushel; 20,000 bushels at \$ 3.11 per bushel; and 5,000 bushels at \$ 3.10 3/4 per bushel. Each of these transactions was of the character of a "cross trade" or "accommodation trade" accomplished as illustrated in the following manners: An actual transaction in May soybeans totaling 20,000 bushels, at a price of \$ 3.11 per bushel, had been made between two floor brokers on the Board of Trade wherein the buying floor broker represented the firm of Thomson and McKinnon and the selling floor broker represented the firm of A. J. Riffel and Company. Sometime thereafter Raymond A. Gerstenberg arranged for these two floor brokers to alter their records so as to make it appear that the Thomson and McKinnon floor broker

had bought from Gerstenberg instead of from Riffel as actually had taken place, and that the Riffel floor broker had sold to Gerstenberg instead of to Thomson and McKinnon as had actually taken place.

(4) On May 3, 1950, Gerstenberg and Company caused to be entered on its records under date of May 1, 1950, the purchase from itself of 75,000 bushels of May soybeans at \$ 3.10 per bushel, also the sale to itself of 75,000 bushels of May soybeans at \$ 3.10 per bushel all for account of the one and same customer, namely Midwest Manufacturing and Plating Company. The records were made to indicate that this transaction was made on the Board of Trade between Leo J. Prindiville and Raymond A. Gerstenberg, acting as floor brokers for Gerstenberg and Company. Both the purchase and offsetting sale were confirmed to said customer whereas they were office trades or more bookkeeping entries and thus were fictitious in nature.

(5) On May 3, 1951, N. P. Olson, a customer of Gerstenberg and Company, entered an order to buy on the Board of Trade 5,000 bushels, in job lots, of May corn. This order was purportedly executed at a price of \$ 1.77 7/8 per bushel by a trade between Leo J. Prindiville and Raymond A. Gerstenberg, wherein the latter was selling for his own account through another member firm of the Board of Trade, namely Schwoer and Company. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the seller in respect to the buying order of his customer without having the prior consent of said customer.

(6) On May 15, 1951, W. H. Mueller, a customer of Gerstenberg and Company, entered an order to sell on the Board of Trade 5,000 bushels of May oats. This order was purportedly executed at a price of 87 1/4 cents per bushel by a trade between Leo J. Prindiville and Raymond A. Gerstenberg, wherein the latter was buying for his own account through the firm of Schwoer and Company. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the buyer in respect to the selling order of his customer without having the prior consent of the customer.

(7) On June 20, 1961, A. L. Book, a customer of Gerstenberg and Company, entered an order to buy on the Board of Trade 15,000 bushels of July oats. This order was purportedly executed at a price of 78 3/8 cents per bushel by a trade between Leo J. Prindiville and Raymond A. Gerstenberg, wherein the latter was selling for his own account through the firm of Schwoer and Company. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the seller in respect to the buying order of his customer without having the prior consent of said customer.

(8) On July 2, 1951, J. H. Strever, a customer of Gerstenberg and Company, entered an order to buy on the Board of Trade 5,000 bushels of July oats. This order was purportedly executed at 74 cents per bushel by a trade between Leo J. Prindiville and

Raymond A. Gerstenberg, wherein the latter was selling for his own account through the firm of Schwoer and Company. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the seller in respect to the buying order of his customer without having the prior consent of said customer

(9) On July 2, 1951, D. Wolf, a customer of Gerstenberg and Company, entered an order to sell 5,000 bushels of September oats. This order was purportedly executed at 76 3/4 cents per bushel by a trade between Leo J. Prindiville and Raymond A. Gerstenberg, wherein the latter was buying for his own account through the firm of Schwoer and Company. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the buyer in respect to the selling order of his customer without having the prior consent of said customer.

(10) On May 21, 1951, the aforementioned customer, A. L. Book, entered with Gerstenberg and Company an order to buy on the Board of Trade 20,000 bushels of May oats. This order was purportedly executed at a price of 79 7/8 cents per bushel for 15,000 bushels, and 80 cents per bushel for 5,000 bushels by trading between a floor broker, namely J. P. Lamy, and Raymond A. Gerstenberg, wherein the latter was selling for his own account through the firm of Schwoer and Company. This order was given to J. F. Lamy by Raymond A. Gerstenberg. Thus, in the making of these contracts, Raymond A. Gerstenberg knowingly and wilfully became the seller in respect to the buying order of his customer without having the prior consent of said customer.

(11) On June 20, 1951, the aforementioned customer, J. H. Strever, entered with Gerstenberg and Company an order to sell on the Board of Trade 10,000 bushels of July oats. This order was purportedly executed at 78 cents per bushel by a trade between the aforementioned J. F. Lamy and Raymond A. Gerstenberg, wherein the latter was buying for his own account through the firm of Schwoer and Company. This order was given to J. F. Lamy by Raymond A. Gerstenberg. Thus, in the making of this contract, Raymond A. Gerstenberg knowingly and wilfully became the buyer in respect to the selling order of his customer without having the prior consent of said customer.

In addition to admitting the facts set forth above, Gerstenberg and Company, Raymond A. Gerstenberg, and Leo J. Prindiville hereby agree to discontinue all acts and practices which are in violation of the Commodity Exchange Act, and specifically agree that this stipulation shall be admissible in any subsequent proceedings brought against said Gerstenberg and Company, Raymond A. Gerstenberg, and Leo J. Prindiville in connection with any violations of the Commodity Exchange Act and regulations thereunder.

Done at Chicago, Illinois,  
this 25 day of June 1962.

Witnessed by /s/ Arthur W. Mayo

/s/ A. R. Grosstephan  
/s/ Gerstenberg & Co.  
Gerstenberg and Company  
BY /s/ R. A. Gerstenberg  
/s/ Raymond A. Gerstenberg  
Raymond A. Gerstenberg  
/s/ Leo J. Prindiville  
Leo J. Prindiville

**LOAD-DATE:** June 16, 2008

