

Commodity Futures Trading Commission
CEA CASES

NAME: SECRETARY OF AGRICULTURE V. H. H. HEARD

DOCKET NUMBER: 9

DATE: OCTOBER 10, 1938

DOCUMENT TYPE: DECISION AND ORDER

DEPARTMENT OF AGRICULTURE

WASHINGTON

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

C. E. A. DOCKET NO. 9

Secretary of Agriculture, Complainant, v. H. H. Heard, Respondent.

Proceedings, Findings of Fact, Conclusions, and Order.

Proceedings

On August 31, 1938, complaint was issued by the Acting Secretary of Agriculture, pursuant to the provisions of the Commodity Exchange Act (7 U. S. C. and Supp. III, Secs. 1-17a), against H. H. Heard, respondent. In the complaint it was alleged that respondent is an individual registered with the Secretary of Agriculture as futures commission merchant under the act for the period ending December 31, 1938, that from January 1, 1938, to June 23, 1938, he engaged as futures commission merchant without segregating the funds of customers as required by the act, and that his failure to segregate resulted in shortages of various amounts in segregated funds on various dates. Respondent was notified to appear at a hearing in Washington on September 10, 1938, before a referee, to show cause why an order should not be made revoking his registration and directing all contract markets to refuse him trading privileges.

The complaint was served upon respondent by registered mail. There after, the hearing was postponed to September 22, 1938, and respondent was notified of the postponement. Before that date, respondent in writing admitted the facts alleged, waived formal hearing stated that he had closed out his business to the entire satisfaction of all customers stated that the violations were unintentional and due to unfamiliarity with requirement and asked that the notice to contract markets be withheld. By asking that notice be withheld, respondent probably intended to request that contract markets not be required to refuse respondent all trading privileges thereon.

In view of respondent's waiver, no formal hearing was held.

Findings of Fact

The Secretary of Agriculture finds.

1. H. H. Heard, respondent, an individual whose address is Florence, South Carolina, registered with Secretary as future commission merchant

for the period ending December 31, 1938, and such registration has not herebefore been suspended or revoked.

2. Continuously from January 1, 1938, to June 23, 1938, respondent engaged as futures commission merchant in soliciting and accepting orders for the purchase

and sale of commodities named in the Commodity Exchange Act for future delivery on and subject to the rules of contract markets, accepting money in connection with such solicitation and acceptance of orders, without segregating the funds of customers as required by the act.

3. Respondent's failure to segregate resulted in shortages in customers' segregated funds of \$ 2,150.21 on February 28, 1938, \$ 2,010.23 on March 31, 1938, \$ 146.29 on April 30, 1938, \$ 177.72 on May 31, 1938, and various other amounts on other dates during the period concerned.

Conclusions

The record shows that respondent violated the act. It is deemed necessary, therefore, to revoke his registration, but as it is indicated that commodity customers have been paid in full and that respondent has discontinued his commodity futures business, it is not deemed necessary to deny him trading privileges on contract markets.

Order

IT IS HEREBY ORDERED that the registration of H. H. Heard as futures commission merchant for the period ending December 31, 1938, be, and it is hereby, revoked.

IT IS FURTHER ORDERED that a copy hereof be sent by registered mail to the respondent, and a copy to each contract market.

(SEAL)

IN WITNESS WHEREOF, the Secretary of Agriculture has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed hereto in the city of Washington, District of Columbia, this 10th day of October 1938.

H. A. WALLACE

Secretary of Agriculture.

LOAD-DATE: June 11, 2008

