

Commodity Futures Trading Commission  
CEA CASES

**NAME:** DAVID G. HENNER

**DOCKET NUMBER:** 161

**DATE:** MAY 28, 1969

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: David G. Henner, Respondent

CEA Docket No. 161

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. Chapter 1, 1964 ed., as amended, Supp. IV, 1969), and in accordance with the provisions of sections 6(b) and 6(c) of the said act (7 U.S.C. 9 and 13b, Supp. IV, 1969), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent David G. Henner, an individual whose business address is 110 North Franklin Street, Chicago, Illinois 60606, is now, and was at all times material herein, a member of the Chicago Mercantile Exchange and a registered floor broker under the Commodity Exchange Act.

II

The Chicago Mercantile Exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act. The futures transactions referred to in this complaint relate to the November 1968 shell egg future on the Chicago Mercantile Exchange.

III

During the closing period of trading in the November 1968 shell egg future on June 25, 1968, the trading was conducted by means of "board trading". Shortly before the end of such closing period, there were the following offers posted on the "offer board": 600 cases at 40.20 cents per dozen; 600 cases at 40.25 cents per dozen; 600 cases at 40.50 cents per dozen; 1800 cases at 40.75 cents per dozen; 600 cases at 41 cents per dozen; and 600 cases at 41.30 cents per dozen. During the final seconds of such closing period, the respondent, acting for his own account, "bought the board", i.e., he simultaneously accepted all of the posted offers referred to above. The respondent then bid 41.85 cents per dozen for another 600 cases of shell eggs for future delivery. This bid was accepted by another floor broker within the one-minute period after the close of trading, during which the exchange rules permitted the acceptance of a bid made during the closing period of trading at a price higher than the price of the last trade.

IV

In making the transactions described in paragraph III, the respondent acted for the purpose and with the intent of causing prices in the November 1968 shell egg future which were distorted and did cause such prices. By reason thereof, the respondent attempted to manipulate and did manipulate the price of a commodity for future delivery on or subject to the rules of a board of trade, in

wilful violation of sections 6(b), 6(c) and 9(b) of the Commodity Exchange Act (7 U.S.C. 9, 13b and 13(b), Supp. IV, 1969).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22, and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, 0.28). 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 purpose of this proceeding. Failure to file an answer will constitute an admission of all 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 this complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless a hearing is waived, a hearing will be held at 10:00 a.m., local time, on July 23, 1969, in Chicago, Illinois, 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 appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that

all contract markets refuse all trading privileges to the respondent for such period of time as may be determined, (2) directing that the respondent shall cease and desist from violating the Commodity Exchange Act in the manner alleged herein, and (3) suspending or revoking the registration of the respondent as floor broker.

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.

May 28, 1969

[SEE SIGNATURE IN ORIGINAL]

Richard Lyng

Assistant Secretary

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

