

Commodity Futures Trading Commission  
CEA CASES

**NAME:** J. H. KENT, THE KENT CO., AND EDWARD C. EPPERSON

**DOCKET NUMBER:** 137

**DATE:** MAY 4, 1966

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: J. H. Kent, The Kent Co., and Edward C. Epperson, Respondents

CEA Docket No. 137

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

There is reason to believe that the respondents, J. H. Kent, The Kent Co., and Edward C. Epperson, have violated the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), and the rules and regulations issued thereunder (17 CFR, Part I), 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

Respondent J. H. Kent is an individual whose mailing address is Post Office Box 157, Greenville, Mississippi. He was at all times material herein the managing partner in a partnership doing business under the firm name of The Kent Co., whose mailing address is the same as that of respondent J. H. Kent. At all such times respondent J. H. Kent managed and controlled the said firm's trading in commodity futures.

II

Respondent Edward C. Epperson is an individual whose mailing address is Post Office Box 157, Greenville, Mississippi. He was at all times material herein an employee of respondent The Kent Co.

III

The Board of Trade of the City of Chicago was at all times material herein a duly designated contract market under the Commodity Exchange Act. All trades and positions hereinafter referred to were in commodity futures on the Board of Trade of the City of Chicago.

IV

During the period from November 22, 1965, through February 28, 1966, the respondents had an expressed or implied agreement or understanding among themselves that: (1) respondents The Kent Co. and Edward C. Epperson would make trades and hold speculative positions in grain futures on the Chicago Board of Trade; (2) respondent J. H. Kent would finance the trading activities of respondent Edward C. Epperson with money belonging to respondent The Kent Co.; and (3) the trading done and positions held by respondent Edward C. Epperson and respondent The Kent Co. would follow a trading plan determined by respondent J. H. Kent.

V

Acting pursuant to or in accordance with the agreement or understanding referred to in paragraph IV above, respondents The Kent Co. and Edward C. Epperson: (1) during the period from December 20, 1965, through February 28, 1966, held net long speculative positions in the May 1966 wheat future which, combined, amounted to 2,150,000 bushels; (2) during the period December 20, 1965, through February 28, 1966, held net long speculative positions

in various wheat futures which, combined, ranged from 3,400,000 bushels to 4,000,000 bushels; (3) on January 11, 1966, made aggregate speculative sales of 2,850,000 bushels in the August 1966 soybean future; (4) on January 11, 1966, made aggregate speculative purchases of 2,850,000 bushels in the September 1966 soybean future; (5) during the period from January 11 through February 28, 1966, held net short speculative positions in the August 1966 soybean future which, combined, ranged from 2,950,000 bushels to 4,000,000 bushels; and (6) during the period from January 11 through February 28, 1966, held net long speculative positions in the September 1966 soybean future which, combined, ranged from 2,950,000 bushels to 3,500,000 bushels.

## VI

By reason of the facts described in this complaint, the respondents traded in wheat and soybeans for future delivery on a contract market in amounts which resulted in positions in excess of the maximum permissible limit of 2,000,000 bushels in each such commodity, and exceeded the maximum permissible limit of 2,000,000 bushels on the daily amount of speculative trading in soybeans for future delivery, in willful violation of section 4a of the Commodity Exchange Act (7 U.S.C. 6a), and the orders of the Commodity Exchange Commission establishing limits on positions and trading in wheat and soybeans for future delivery (17 CFR 150.1, 150.4).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondents. The respondents 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 five 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 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 respondents are hereby notified that unless hearing is waived, a hearing will be held at 10:00 am., local time, on the 14th day of June 1966, in Greenville, Mississippi, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondents will have the right to appear and show cause, if any there be, why an order should not be made directing that all contract markets refuse all trading privileges to each respondent for such period of time as may be determined.

It is ordered that this complaint and notice of hearing be served on the respondents at least twenty (20) days prior to the date set for hearing.

Done at Washington, D.C.

May 4, 1966

[SEE SIGNATURE IN ORIGINAL]

Assistant Secretary

**LOAD-DATE:** June 12, 2008

