

Commodity Futures Trading Commission  
CEA CASES

**NAME:** FRANCIS R. REARDON AND F. J. REARDON, INC.

**DOCKET NUMBER:** 218

**DATE:** DECEMBER 4, 1973

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Francis R. Reardon and F. J. Reardon, Inc., Respondents

CEA Docket NO. 218

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents have wilfully violated the provisions of the Commodity Exchange Act (7 U.S.C. Chapter 1) and in accordance with the provisions of sections 6(b) and 6(c) of the said Act (7 U.S.C. 9 and 13b), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Francis R. Reardon, an individual whose business address is c/o F. J. Reardon, Inc., 15 East Street, Cambridge, Massachusetts 02141, is now and was at all times material herein a registered floor broker under the Commodity Exchange Act and a member of the New York Mercantile Exchange. He is now and was at all times material herein President of respondent F. J. Reardon, Inc., whose business address is the same as that of the individual respondent. The corporate respondent is now and was at all times material herein a registered futures commission merchant under the Commodity Exchange Act and a clearinghouse member of the New York Mercantile Exchange.

II

The New York Mercantile Exchange is now and was at all times material herein a duly designated contract market under the Commodity Exchange Act.

III

The futures transactions referred to herein were for May 1973, Maine potato futures contracts traded on the New York Mercantile Exchange. Each of such contracts called for the delivery of 50,000 pounds of Maine-grown Irish potatoes and could have been used for (a) hedging transactions in interstate commerce in potatoes or the products or byproducts thereof, (b) determining the price basis of transactions in interstate commerce in potatoes, and (c) delivering potatoes sold, shipped, or received in interstate commerce for the fulfillment of such futures contracts.

IV

On September 13, 1972, the respondents allocated to the corporate firm's house account 20 contracts of May 1973 Maine Potato futures contracts bought at the lowest price of the day on the Exchange, notwithstanding that the respondents then held unfilled buy orders from their customers, which could have been executed at such price but were subsequently executed at a higher price.

V

By reason of the facts alleged in this complaint, the respondents wilfully violated section 4b of the Commodity Exchange Act (7 U.S.C. 6b).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents 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 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 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 respondents are hereby notified that unless a hearing is waived, a hearing will be held in Boston, Massachusetts, at a place therein and date to be specified later, before an Administrative Law Judge 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 appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) prohibiting the respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined, (2) directing that the respondents shall cease and desist from violating the Commodity Exchange Act in the manner alleged

herein, and (3) suspending or revoking the registration of the individual respondent as floor broker and the registration of the corporate respondent as futures commission merchant.

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.

December 4 1975

[SEE SIGNATURE IN ORIGINAL]

CLAYTON YEUTTER

Assistant Secretary

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

