

Commodity Futures Trading Commission
CEA CASES

NAME: ROY D. SIMMONS

CITATION: 27 Agric. Dec. 48

DOCKET NUMBER: 149

DATE: JANUARY 24, 1968

DOCUMENT TYPE: DECISION AND ORDER

(No. 11,580)

In re ROY D. SIMMONS. CEA Docket No. 149. Decided January 24, 1968.

**Position limit -- Denial of trading privileges -- Suspension of registration
-- Stipulation**

Respondent consented to the issuance of an order suspending his registration as a floor broker under the act for a period of 15 days and directing all contract markets to refuse all trading privileges to him during such period for his violations of the act in exceeding the maximum speculative position limit in potato futures on the New York Mercantile Exchange.

Earl L. Saunders for Commodity Exchange Authority.

Max Chill, of Max and Herman Chill, Chicago, Ill., for respondent.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is a proceeding under the Commodity Exchange Act (7 U.S.C. Chapter 1), in which the respondent, a trader in commodity futures and a registered floor broker under the act, is charged with exceeding the maximum speculative position limit in potato futures in violation of section 4a of the act (7 U.S.C. 6a) and the order of the Commodity Exchange Commission (17 CFR 150.10).

No hearing has been held with respect to this proceeding. On January 23, 1968, the respondent submitted a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he withdraws his answer previously filed, admits, for the purposes of this proceeding and for such purposes only, the facts hereinafter set forth, waives hearing on the charges, and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. Respondent Roy D. Simmons, an individual whose business address is Room 2118, 141 West Jackson Boulevard, Chicago,

Illinois, is now, and was at all times material herein, a member of the New York Mercantile Exchange and a registered floor broker under the Commodity Exchange Act.

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

3. On the dates specified in the table below, the respondent made speculative transactions and held or controlled net short speculative positions in the May 1968 potato future on the exchange as follows:

Transactions	Net Short
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Date 1967	Purchases (In Carlots)	Sales	Speculative Position (In Carlots)
September 11		24	151
12		--	151
13		10	161
14		--	161
15		10	171
18		10	181
19	41		140

4. On February 17, 1967, the respondent bought 30 and sold 60 carlots of May 1967 potato futures on the exchange, resulting in his having a net short speculative position of 160 carlots of such futures. In a letter dated February 23, 1967, to the Chicago office of the Commodity Exchange Authority, the respondent stated, "I am sorry to report that on February 17, 1967, I over traded the May option of potatoes by ten (10) cars." In a letter dated March 1, 1967, the Acting Administrator of the Commodity Exchange Authority wrote to the respondent as follows:

Our Chicago office reported that you held a short speculative position of 160 carlots in the May potato future on February 17, 1967, which was in excess of the limit. You acknowledged this in your letter to Mr. Harper of February 23. Also, you reduced this position to within the limit on February 20.

We know that you are well aware of the speculative limits in force on regulated commodities. Therefore, you should take every precaution to avoid trading or holding positions in excess of the limits.

Holding speculative positions or trading in excess of the limits in any regulated commodity on which limits have been established by the Commodity Exchange Commission is a

violation of the Commodity Exchange Act. Any further violation could result in action intended to deny you trading privileges on all contract markets.

5. On July 30, 1962, a complaint was issued in CEA Docket No. 108, charging that the respondent exceeded the speculative limits on daily trading and positions in eggs for future delivery on the Chicago Mercantile Exchange during the period from January 2 through January 11, 1962, and that the respondent filed false reports covering his trading and positions. On August 30, 1962, in respect to such charges, the respondent submitted a stipulation in which he admitted the factual allegations in the complaint and consented to an order suspending his registration as a floor broker for a period of 30 days and directing all contract markets to refuse all trading privileges to him for a period co-extensive with the suspension of his floor broker registration. Such an order was issued by the Judicial Officer on August 31, 1962.

CONCLUSIONS

The facts admitted by the respondent are identical to the facts alleged against him in the complaint, and these have been adopted as the Findings of Fact in this proceeding. By reason of these findings, it is concluded that, as charged in the complaint, the respondent traded in May 1968 potato futures on the exchange in amounts which resulted in net positions in excess of the maximum permissible quantity of 150 carlots, in wilful violation of section 4a of the Commodity Exchange Act, and the order of the Commodity Exchange Commission establishing limits on positions and trading in potato futures (7 U.S.C. 6a; 17 CFR 150.10).

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the proposed stipulation and order, and that they believe that the proposed sanctions are adequate and that the prompt entry, without further proceedings, of the order to which the respondent has consented will constitute a satisfactory disposition of this case, serve the public interest, and effectuate the purposes of the Commodity Exchange Act. The

complainant, therefore, recommends that the stipulation and waiver submitted by the respondent be accepted and that the proposed order be issued. It is so concluded.

ORDER

Effective on the thirtieth day after the date of issuance of this order, the registration of respondent Roy D. Simmons as floor broker under the Commodity Exchange Act is suspended for a period of fifteen (15) days and all contract markets shall refuse all trading privileges to respondent Roy D. Simmons during this period, such refusal to apply to all trading done and all positions held by him, directly or indirectly.

A copy of this Decision and Order shall be served upon each of the parties and upon each contract market.

LOAD-DATE: June 8, 2008

