

Commodity Futures Trading Commission  
CEA CASES

**NAME:** ROY D. SIMMONS

**DOCKET NUMBER:** 149

**DATE:** NOVEMBER 1, 1967

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Roy D. Simmons, Respondent

CEA Docket No. 149

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

There is reason to believe that the respondent, Roy D. Simmons, has violated the provisions of the Commodity Exchange Act (7 U.S.C. et seq.), and the rules and regulations made pursuant to its requirements (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 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 to this complaint, a member of the New York Mercantile Exchange and a registered floor broker under the Commodity Exchange Act.

II

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

III

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:

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

IV

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 overtraded

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.

V

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.

VI

By reason of the facts set forth in this complaint, the respondent knowingly and willfully violated section 4a of the Commodity

Exchange Act (7 U.S.C. 6a) and the order of the Commodity Exchange Commission establishing limits on position and daily trading in potatoes for future delivery (17 CFR 150.10).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondent. 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 the allegations of this complaint and a waiver of hearing. The filing of an answer in which all the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless hearing is waived, a hearing will be held at 10:00 a.m., local time, on December 13, 1967, 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 order should not be made suspending or revoking the registration of the respondent as a floor broker, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined.

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.

November 1, 1967

[SEE SIGNATURE IN ORIGINAL]

Assistant Secretary

George L. Mehren

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

