

Commodity Futures Trading Commission  
CEA CASES

**NAME:** SECRETARY OF AGRICULTURE V. CLYDE B. VEDDER

**DOCKET NUMBER:** 10

**DATE:** FEBRUARY 11, 1939

**DOCUMENT TYPE:** DECISION AND ORDER

DEPARTMENT OF AGRICULTURE

WASHINGTON

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

C. E. A. DOCKET NO. 10.

Secretary of Agriculture, Complainant, v. Clyde B. Vedder, Respondent.

Proceedings, Findings of Fact, Conclusions, and Order

Proceedings

On October 26, 1938, complaint was issued by the Secretary of Agriculture, pursuant to the provisions of the Commodity Exchange Act (7 U.S.C., 1934 ed., and Supp. III, Secs. 1-17a), against Clyde B. Vedder, respondent. In the complaint it was alleged that respondent is an individual, doing business as Clyde Vedder and Company, registered with the Secretary of Agriculture as futures commission merchant under the act for the period ending December 31, 1938, that during 1937 and the first three months of 1938 he engaged as futures commission merchant without segregating the funds of customers as required by the act, and that his failure to segregate resulted in shortages of various amounts in segregated funds on various dates. Respondent was notified to appear at a hearing in Washington on November 16, 1938, before a referee, to show cause why an order should not be made revoking his registration and directing all contract markets to refuse him trading privileges.

The complaint was served upon respondent by registered mail. The referee notified respondent that he might avoid the hearing by admitting the facts alleged, and suggested that, if he did not wish to admit the facts and did not wish to come to Washington, he should by letter ask adjournment to a time and place convenient to him. To allow further time for respondent to reply, the hearing was postponed to November 25, 1938, and respondent was notified. Before that date, respondent by telegram asked that his registration be revoked and stated that a letter followed. The letter had not been received on November 25, 1938, and the hearing was again postponed. The letter was received later. On January 5, 1939, the referee wrote to respondent, advising him that, as his registration expired December 31, 1938, it would not be revoked, but that the hearing would be held on January 25, 1939, at which time evidence would be received, upon which action might be taken with respect to denying him trading privileges. Respondent did not reply.

The hearing was held at the time and place of which respondent had been advised, before Jack W. Bain, the referee. Respondent did not appear.

Charles W. Bucy, Office of the Solicitor, Department of Agriculture, appeared for the Government. All communications between the referee and respondent were put in evidence. Douglas B. Bagnell and John J. Bachmann, officials of the Commodity Exchange Administration, identified the report of R. F. Shortell, Principal Accountant, Commodity Exchange Administration, an official record

prepared under the direction and supervision of Mr. Bachmann, and their testimony, together with the report, supported the allegations of the complaint. Mr. Bachmann testified that respondent had not registered as futures commission merchant for the period subsequent to December 31, 1938, when his last registration expired.

Findings of Fact

1. Clyde B. Vedder, an individual doing business as Clyde Vedder and Company, whose address is 6253 Hollywood Boulevard, Hollywood, California, registered with the Secretary of Agriculture as futures commission merchant for the period ending December 31, 1938 but did not register for the period subsequent thereto.

2. During 1937 and January, February, and March 1938, respondent engaged, in Hollywood, California, as futures commission merchant, in soliciting and accepting orders for the purchase and sale of commodities named in the Commodity Exchange Act for future delivery on and subject to the rules of contract markets, accepting money in connection with such solicitation and acceptance of orders, without segregating the funds of customers as required by the act.

3. Respondent's failure to segregate resulted in shortages in customers' segregated funds of \$ 18,800.79 on June 30, 1937, of \$ 4,670.78 on November 30, 1937, and of various other amount on other dates during the period concerned.

Conclusions

The record shows that respondent violated the act in failing to treat and deal with the funds of his customers as the act requires. It is concluded, therefore, that his trading privileges on contract markets should be denied, but as the period for which he registered as futures commission merchant has expired, his registration need not be revoked.

Order

IT IS HEREBY ORDERED that all contract markets, until further notice by the Secretary of Agriculture, refuse all trading privileges to Clyde B. Vedder.

IT IS FURTHER ORDERED that a copy hereof be sent by registered mail to the respondent, and a copy to each contract market.

SEAL

IN WITNESS WHEREOF, the Secretary of Agriculture has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed hereto in the City of Washington, District of Columbia, on this 11th day of February, 1939.

(Signed) M. L. Wilson

Acting Secretary of Agriculture.

**LOAD-DATE:** June 11, 2008

