

Commodity Futures Trading Commission  
CEA CASES

**NAME:** DAVID PETER BAKAS

**DOCKET NUMBER:** 224; 75-5

**DATE:** MARCH 27, 1974

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**NOTE:** LATER BECAME CFTC DOCKET # 75-5

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: David Peter Bakas, Respondent

CEA Docket No. 224

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent, David Peter Bakas, has violated the Commodity Exchange Act (7 U.S.C, 1 et seq.) and the regulations made pursuant thereto. This complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent, David Peter Bakas, an individual also doing business as Bakas Trading Company, Inc., whose business address is 1316 North Dearborn Parkway, Chicago, Illinois 60610, was during the period from June 2, 1972 through September 25, 1973, a member of the MidAmerica Commodity Exchange, Chicago, Illinois. During the period July 6, 1973 through December 31, 1973, respondent was registered as a floor broker under the Commodity Exchange Act. The MidAmerica Commodity Exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act. Prior to November 22, 1972, the official name of the exchange was the Chicago Open Board of Trade.

II

From on or about June 1, 1972 through on or about June 14, 1973, respondent solicited and accepted orders for the purchase or sale of commodities for future delivery on or subject to the rules of the MidAmerica

Commodity Exchange, and in connection with such solicitation and acceptance of orders, accepted money to margin, guarantee, or secure trades, without having registered as a futures commission merchant under the Commodity Exchange Act. The approximate dates such funds were received and the amounts so received are as follows:

| Customer          | Date     | Amount    |
|-------------------|----------|-----------|
| Derrill Bakas     | 3/26/73  | \$ 500.00 |
| Henry Blenner     | 4/72     | 2,000.00  |
|                   | 6/72     | 2,000.00  |
| Lambros Chrysikos | unknown  | 1,000.00  |
| Ronald Crawford   | 12/16/72 | 500.00    |
| Sam Cypert        | 3/31/73  | 500.00    |
| Alberto Flores    | 6/1/73   | 1,000.00  |
| John Flowers      | 4/25/73  | 500.00    |
| Edward Fox        | 11/5/72  | 500.00    |
| Thomas Fox        | 9/5/72   | 1,000.00  |

| Customer               | Date    | Amount   |
|------------------------|---------|----------|
| David Howard           | 9/2/72  | 500.00   |
| Sheldon Irgang         | 5/4/73  | 500.00   |
| John Larsen            | 9/1/72  | 1,000.00 |
| Richard Olson          | 2/16/73 | 1,000.00 |
| Alfred Sorenson        | 9/16/72 | 500.00   |
| Ron Stawicki           | 4/26/73 | 850.00   |
| Bruce Wackelin         | 4/29/73 | 600.00   |
| Donald Wurtz           | 4/23/73 | 500.00   |
| Chester and Pat Ziebka | 2/23/73 | 500.00   |
| Gary Zimmer            | 12/4/72 | 500.00   |

## III

During the period from on or about June 15, 1972 through on or about September 28, 1973, while engaged as futures commission merchant, respondent converted to his own use and failed to hold in separate account, the money received by him to margin or secure the trades or contracts of his customers, as detailed in paragraph II above. In truth and in fact, such funds were used by respondent to trade in his personal commodities account and no transactions were made for such customers.

## IV

During the period from on or about June 1, 1972 through on or about September 28, 1973, respondent knowingly made false and deceptive statements to the customers listed in paragraph III above concerning:

- (a) Activity in customers' accounts although no accounts were opened in such customers' names.
- (b) Specific trades purportedly made for customers although no trades were in fact made for such customers.
- (c) Profits realized from activity in customers' accounts.

## V

The transactions in commodities for future delivery referred to herein, if executed, could have been used for (a) hedging transactions in interstate commerce in such commodities or the products or by-products thereof, or (b) determining the price basis of transactions in interstate commerce in such commodities, or (c) delivering any such commodities sold, shipped, or received in interstate commerce for the fulfillment of such futures contracts.

## VI

By reason of the facts alleged in this Complaint, the respondent willfully violated sections 4b, 4d, and 9 of the Commodity Exchange Act (7 U.S.C. 6b, 6d, and 13), and section 1.20 of the regulations issued thereunder (17 CFR 1.20).

WHEREFORE, it is hereby ordered that this Complaint and Notice of Hearing be served upon the respondent 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 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 purposes 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

will 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 in Chicago, Illinois, at a place therein and date to be specified later, before an Administrative Law Judge 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 appropriate order should not be issued in accordance with Commodity Exchange Act, (1) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined, and (2) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D.C.

March 27 1974

[SEE SIGNATURE IN ORIGINAL]

CLAYTON YEUTTER

Assistant Secretary

**LOAD-DATE:** August 6, 2008

