

Commodity Futures Trading Commission  
CEA CASES

**NAME:** WALKER & CO.

**DOCKET NUMBER:** 201

**DATE:** SEPTEMBER 11, 1972

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: Walker & Co., Respondent

CEA Docket No. 201

Complaint and Notice of Hearing Under the Commodity Exchange Act

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

I

Respondent Walker & Co., a partnership with offices at 470 Atlantic Avenue, Boston, Massachusetts, is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act.

II

(a) At all times material herein, the respondent, in the regular course of its business as futures commission merchant, carried accounts of customers who traded in commodity futures on contract markets subject to the provisions of the Commodity Exchange Act and the regulations thereunder. Such accounts, the trading therein, and the handling and disposition of funds in connection therewith, were subject to the provisions of the said Act and regulations.

At all such times, the respondent had to its credit with banks or other depositories, money and securities in varying amounts, held in segregated accounts and identified as customers' funds, representing deposits of margin by and trading profits accruing to such customers.

(b) Examination of the records of the respondent by the Commodity Exchange Authority disclosed as shown in the tabulation below, (1) that during the period from March 31 through May 26, 1971, the respondent was under segregated on eight days in amounts within the range of \$ 10,524.27 on April 1 to \$ 158,236.54 on May 26 - that is, the total amount of customers' funds held in segregation as described above was insufficient, by the aforesaid sums, to pay all credits and equities due to such customers; and (2) that on nine days during that period the daily computation and record that was prepared and kept by the respondent to meet the requirements of section 1.32 of the regulations under the Commodity Exchange Act (17 CFR 1.32) contained errors which resulted in gross misstatements of the respondent's segregated condition:

Date	Respondent's	
	Segregation Record (Undersegregation) Oversegregation	Per CEA Examination (Undersegregation) Oversegregation
March 31	(39,676.42)	(11,309.35)
April 1	(48,871.02)	(10,524.27)

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Date	Respondent's	
	Segregation Record (Undersegregation) Oversegregation	Per CEA Examination (Undersegregation) Oversegregation
April 26	(53,475.04)	(24,782.78)
April 27	(51,119.99)	(22,344.61)
April 28	(49,870.43)	(21,343.84)
April 29	(174,059.03)	(145,545.21)
May 5	(3,445.64)	23,689.21
May 25	(197,550.49)	(145,493.80)
May 26	115,874.89	(158,236.54)

### III

By reason of the facts alleged in this complaint, the respondent violated sections 4d and 4g of the Commodity Exchange Act (7 U.S.C. 6d, 6g), and sections 1.20, 1.21, 1.22, 1.32 and 1.35 of the regulations thereunder (17 CFR 1.20, 1.21, 1.22, 1.23, 1.32, 1.35).

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 of 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 in Boston, Massachusetts, at a place therein and date 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 appropriate order should not be issued in accordance with the Commodity Exchange Act directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D. C.

September 11, 1972.

[SEE SIGNATURE IN ORIGINAL]

Philip C. Olsson

Deputy Assistant

Secretary

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

