

Commodity Futures Trading Commission
CEA CASES

NAME: NATHAN BARASH

DOCKET NUMBER: STIPULATION 8

DATE: OCTOBER 22, 1948

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Nathan Barash

Stipulation of Compliance under the Commodity Exchange Act No. 8

WHEREAS, the Secretary of Agriculture has reason to believe that Nathan Barash, registered as a futures commission merchant under the Commodity Exchange Act, as amended, (hereinafter called the Act), has violated Sec. 4d(2) of the Act by virtue of failure to properly treat and deal with money which he received to margin commodity contracts of customers, and

WHEREAS, no complaint with respect to such violations has been issued, and

WHEREAS, the said Nathan Barash desires to enter into a stipulation of compliance pursuant to the provisions of Section 0.4 (a) of the Rules of Practice under the Act,

NOW, THEREFORE, the said Nathan Barash admits that the following facts are true:

(1) During the period from January 1, 1948, through June 30, 1948, Nathan Barash acting as a futures commission merchant received money from customers for the purpose of margining and guaranteeing the trades of such customers in commodity futures and failed to treat and deal with such money as belonging to such customers.

(2) The said Nathan Barash commingled the funds referred to in (1) above with his own funds and used such funds to secure or extend credit to other customers whose accounts were in deficit.

(3) The principal account which was financed by funds belonging to other customers was the account of the wife of Nathan Barash, carried in her maiden name "Nattie Einhern." This account operated in deficit throughout substantially the whole period from January through June 1948. The deficit figures in the account as of each month-end being as follows:

January 31, 1948 - \$ 1,222.00

February 28, 1945 - 2,144.73

March 31, 1948 - 3,297.25

April 30, 1948 - 4,397.00

May 29, 1948 - 5,460.00

June 30, 1948 - 6,569.00

(4) During the period from January through June 1948, the said Nathan Barash frequently took funds which had been received by him to margin commodity transactions of his customers and used such funds for personal purposes, without keeping an accurate accounting of such withdrawals or making proper entries on his records to reflect the facts.

(5) As a result of the improper handling of customers' funds, described in paragraph (1) to (4) above, the amount of money in segregation to numerous occasions during the period from January through June 1948 was insufficient to cover the

amount deposited by [ILLEGIBLE TEXT] to commodity customers. The deficit in such [ILLEGIBLE TEXT] funds and [ILLEGIBLE TEXT] aggregated not less than the [ILLEGIBLE TEXT] shown below, on the dates indicated:

February 28, 1948 - \$ 2,171.95

March 31, 1948 - 2,047.18

April 30, 1948 - 708.23

In addition to admitting the foregoing facts, the said Nathan Barash does hereby agree to discontinue all such acts and practices, and all other acts and practices which are in violation of the Commodity Exchange Act, as amended; does specifically agree to treat and deal with customers' margin funds and funds according to customers in the manner required by Sec. 4d(2) of the Act; and does further specifically agree to keep and maintain the books and records relating to such customers' funds in the form and manner prescribed by the regulations promulgated pursuant to the Commodity Exchange Act. The said Nathan Barash further agrees that this stipulation shall be admissible as evidence of acts and practices in violation of the Commodity Exchange Act, as amended, in any subsequent proceeding brought against the said Nathan Barash under the provisions of the said Act.

Done at Chicago, Illinois,
this 22 day of October 1948.

/s/ Nathan Barash
Nathan Barash

Witnessed by /s/ Albert C. Christian
/s/ A. R. Grosstophan

LOAD-DATE: June 16, 2008

