

Commodity Futures Trading Commission
CEA CASES

NAME: DOUGLAS STEEN

DOCKET NUMBER: 104

DATE: OCTOBER 26, 1961

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Douglas Steen, Respondent

CEA Docket No. 104

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

There is reason to believe that Douglas Steen, herein-after referred to as the respondent, has violated the Commodity Exchange Act (7 U.S.C. 1958 ed., Chapter 1), hereinafter referred to as the act, and in accordance with the provisions of section 6(b) of the act (7 U.S.C. § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent is an individual whose address is 3465 Valley Meadow Road, Sherman Oaks, California. At all times material to this complaint, the respondent was a member of the Board of Trade of the City of Chicago and the Chicago Mercantile Exchange, both duly designated contract markets under the act.

II

At all times material to this complaint, the respondent engaged in directing trading in commodity futures for, and controlled, a commodity futures account of one Carl H. Hopkins, which account was carried with Goodbody & Company, a registered futures commission merchant. With respect to such account, the respondent had an agreement with Carl H. Hopkins whereby the respondent was entitled to a share of profits resulting from certain trading conducted by respondent for such account. Under an arrangement with Goodbody & Company, pursuant to the rules of the Board of Trade of the City of Chicago and the Chicago Mercantile Exchange, the respondent was entitled to and received a share of the commissions earned by Goodbody & Company on transactions for said account.

III

Said Carl H. Hopkins died November 10, 1960. Prior to the transactions hereinafter referred to, the respondent was notified of the death of Carl H. Hopkins by a letter from his widow. Subsequently, on November 21, 1960, the respondent, notwithstanding such notification, caused the sale of December 1960 egg futures on the Chicago Mercantile Exchange and

January and March 1961 soybean meal futures on the Board of Trade of the City of Chicago for said account, establishing new short positions in such futures for such account on the said exchanges. These sales subsequently were closed out at prices which resulted in a net loss of approximately \$ 2,457.00.

IV

The transactions in commodity futures heretofore referred to in paragraph III above were capable of being used for hedging transactions in interstate commerce in eggs and soybean meal or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in such commodities, or for delivering such commodities sold, shipped, or received in interstate commerce.

V

By reason of the acts described in paragraph III, the respondent, in connection with the making of contracts for future delivery on behalf of a person, attempted to cheat or defraud and did cheat or defraud such person in violation of section 4b of the act (7 U.S.C. § 6b).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent. The respondent will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., an answer in triplicate, wholly and completely stating the nature of the defense and admitting or denying, specifically and in detail, each material and relevant 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 material allegations of this complaint and a waiver of hearing. The respondent is hereby notified that unless hearing is waived, either expressly or by failure to file an answer and request a hearing, a hearing will be held at 10:00 a.m., local time, on the 12th day of December 1961, in New York, New York, 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 directing all contract markets to 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.

October 26, 1961

/s/ John P. Duncan, Jr.

John P. Duncan, Jr.

Assistant Secretary

LOAD-DATE: June 12, 2008

