

Commodity Futures Trading Commission  
CEA CASES

**NAME:** BARAD-SHAFF SALES CO., INC., AND ALEXANDER BARAD

**DOCKET NUMBER:** STIPULATION 18

**DATE:** MAY 6, 1953

**DOCUMENT TYPE:** STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Barad-Shaff Sales Co., Inc., and Alexander Barad

Stipulation of Compliance under the Commodity Exchange Act No.18

WHEREAS, the Secretary of Agriculture has reason to believe that the Barad-Shaff Sales Company, Inc., and Alexander Barad have violated the Commodity Exchange Act (7 U.S.C. 1-17a) and the rules and regulations thereunder (17 CFR, Part 5) by virtue of certain transactions involving the purchase and sale of commodities for future delivery on contract markets, and

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

WHEREAS, the said Barad-Shaff Sales Company, Inc., and Alexander Barad desire to enter into a stipulation pursuant to the provisions of section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(a)),

NOW, THEREFORE, the said Barad-Shaff Sales Company, Inc., and Alexander Barad hereby stipulate and agree that the following facts are true:

1. Barad-Shaff Sales Company, Inc. is a corporation organized under the laws of the State of New York, and has an office and place; of business at 90 West Broadway, New York 7, New York.

2. Alexander Barad is president of the Barad-Shaff Sales Company, Inc. At all times material to this stipulation, the said Alexander Barad was a member of the Chicago Mercantile Exchange, such membership being registered for the benefit of the said Barad-Shaff Sales Company, Inc. The said Alexander Barad, in his capacity as an of floor of the said corporation, controlled and was responsible for execution of the futures transactions hereinafter described.

3. At all times material to this stipulation, the Chicago Mercantile Exchange was a board of trade which was duly designated as a contract market under the Commodity Exchange Act.

4. During the period from December 4, 1952 to December 8, 1952, both inclusive, the short open contract position of the said Barad-Shaff Sales Company, Inc. in December 1952 egg futures on the Chicago Mercantile Exchange ranged between 26 and 28 car lots. During the period from January 23, 1953 to February 13, 1953, both inclusive, the short open contract position of the said corporation in October 1963 egg futures on the Chicago Mercantile Exchange ranged between 26 and 29 oar lots. By reason of the fact that such positions were equal to or in excess of 26 car lots, the said corporation was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions hold for its account during such periods, in all egg futures on all boards of trade, as provided in section 41 of the Commodity Exchange Act (7 U.S.C. 6i) and sections 5.10, 5.11, 5.18,

and 5.21 of the rules and regulations thereunder (17 CFR 5.10, 5.11, 5.12, and 5.21). During the said periods, the following purchases and sales of egg futures were executed on the Chicago Mercantile Exchange for the account of the said corporation:

Date	Future	Bought		Sold	
		Car Lots	Car Lots	Car Lots	Car Lots
Dec. 4, 1952	December 1952			5	
Dec. 5, 1952	December 1952	2			
Dec. 8, 1952	December 1952	2			
Jan. 23, 1953	October 1953			3	
Jan. 26, 1953	October 1953			2	
Jan. 29, 1953	October 1953			2	

The said Barad-Shaff Sales Company, Inc. failed to report to the Commodity Exchange Authority with respect to such purchases and sales and the resulting open contract positions, and with respect to transactions and open contracts in other egg futures during the above periods, as required by the aforementioned sections of the Commodity Exchange Act and regulations.

5. The short open contract position of the said corporation in December 1952 egg futures described in paragraph 4 was distributed among three accounts, each in the name of the Barad-Shaff Sales Company, Inc., carried on the books of Bache and Company, Fahnestock and Company, and Great Western Food Distributors, Inc., registered futures commission merchants. The open contract position of the said corporation in October 1953 egg futures described in paragraph 4 was distributed between the accounts carried by Bache and Company and Fahnestock and Company. In each account,

the open contract position in each future was less than 25 car lots, but when the three accounts were combined and the total open contract position in each future was calculated, such calculation showed that the said corporation had open contract positions in the December 1952 and October 1953 egg futures a equal to or in excess of 25 car lots during the respective periods set forth above.

6. By letter dated September 29, 1948, the Commodity Exchange Authority informed the Barad-Shaff Sales Company, Inc., of the reporting requirements under the Commodity Exchange Act and regulations. On August 23, 1950 and November 1, 1951, officials of the Commodity Exchange Authority found it necessary to communicate with the said Alexander Barad because of his failure to submit reports concerning reportable transactions and positions in egg futures on contract markets. By letter dated November 30, 1951, the said Alexander Barad was notified by the Commodity Exchange Authority that continued failure or refusal to comply with the reporting requirements would lead to the institution of formal proceedings which might result in the denial of trading privileged on contract markets. The said Barad-Shaff Sales Company, Inc., and Alexander Barad were therefore fully informed of their obligations under the act and the regulations to file reports whenever their trades or positions in the futures market placed them in reporting statue and the failure to file reports with respect to the transactions

described above constituted willful violations of section 4i of the Commodity Exchange Act and sections 5.10, 5.11, 5.12 and 5.21 of the rules and regulations thereunder.

In addition to admitting the foregoing facts, the said Barad-Shaff Sales Company, Inc. and Alexander Barad hereby agree to discontinue all such acts and practices and all other acts and practices which are in violation of the Commodity Exchange Act or the rules and regulations thereunder, and do further specifically agree that this stipulation shall be admissible as evidence of acts and practices in violation of section 4i of the Commodity Exchange Act (7 U.S.C.

6i) in any subsequent proceeding brought against the Barad-Shaff Sales Company, Inc., or Alexander Barad under the provisions of the said act.

Done at New York, New York

this 6th day of May, 1953.

/s/ BARAD SHAFF SALES COMPANY

Barad-Shaff Sales Company, Inc.

By /s/ Alexander Barad, President

/s/ Alexander Barad

Alexander Barad

Witnessed by:

/s/ Alfred Halper

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

