

Commodity Futures Trading Commission
CEA CASES

NAME: LAIRD, BISSELL & MEEDS INC.

DOCKET NUMBER: 207

DATE: FEBRUARY 1, 1973

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Laird, Bissell & Meeds, Inc., Respondent

CEA Docket No. 207

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. Chapter 1), and the regulations made pursuant thereto, and this complaint and notice of hearing is issued alleging the following:

I

Laird, Bissell & Meeds, Inc., a Delaware corporation, with its principal office and place of business at the Dupont Building, Wilmington, Delaware 19899, is now and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act.

II

At all times material herein the respondent, Laird, Bissell & Meeds, Inc., was obligated to prepare and maintain a daily computation and record setting forth the amount of money, securities, and property of its customers required to be held, and held in segregated accounts in accordance with the requirements of section 4d(2) of the Commodity Exchange Act (7 U.S.C. 6d) and section 1.32 of the regulations issued thereunder (17 CFR 1.32).

III

On July 31, 1972, the daily computation and record which was prepared and kept by the respondent, Laird, Bissell & Meeds, Inc., to meet the requirements of section 4d(2) of the Commodity Exchange Act (7 U.S.C. 6d) and section 1.32 of the regulations (7 CFR 1.32) contained numerous errors which resulted in a material misstatement of the amount of customers' money required to be held, and held, in segregation. On the said date, the computation of the amount of customers' money, securities, and property required to be held in segregated accounts was understated by approximately \$ 80,000 and the amount of such money, securities and property held in segregated accounts was understated by approximately \$ 91,000. Similar deficiencies in the records of the respondent, Laird, Bissell & Meeds, Inc., were called to the respondent's attention in writing by representatives of the Commodity Exchange Authority on January 4, March 31, and June 14, 1972.

IV

Examination of the records of the respondent, Laird, Bissell & Meeds, Inc., revealed that as of July 31, 1972, the respondent had failed to apply offsetting purchases and sales against previously held short or long speculative positions in the accounts of certain customers. The particular accounts involved were numbered: Account Nos. 41-2010; 41-2011; 41-3278; 41-3279; 41-6061; 41-6062; 41-1300; 41-1301; 41-2010; 41-2011; 41-3278; and 41-3279.

A similar failure to close out offsetting long and short speculative positions in the account of a customer was called to the attention of the respondent in writing by representatives of the Commodity Exchange Authority on January 4, 1972.

V

By reason of the facts alleged in this complaint, the respondent, Laird, Bissell & Meeds, Inc., violated section 4d(2) of the Commodity Exchange Act (7 U.S.C. 6d) and sections 1.32, 1.35 and 1.46 of the regulations thereunder (17 CFR 1.32, 1.35, 1.46).

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 New York, New York, 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.

February 1, 1973.

[SEE SIGNATURE IN ORIGINAL]

CLAYTON YEUTTER

Assistant Secretary

LOAD-DATE: June 16, 2008

