

Commodity Futures Trading Commission
CEA CASES

NAME: JOSEPH E. SIEGEL, AND THE SIEGEL TRADING COMPANY, INC.

DOCKET NUMBER: STIPULATION 138

DATE: JUNE 28, 1972

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Joseph E. Siegel, and The Siegel Trading Company, Inc.

Stipulation of Compliance under the Commodity Exchange Act No. 138

The Secretary of Agriculture has reason to believe that Joseph E. Siegel has violated undertakings made to the Commodity Exchange Authority concerning the conduct of the business of The Siegel Trading Company, Inc. as a futures commission merchant under the Commodity Exchange Act.

No complaint with respect to such violations has been issued and Joseph E. Siegel and The Siegel Trading Company, Inc. are desirous of disposing of the matter by entering into a stipulation of compliance pursuant to section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR, Part 0). Therefore, Joseph E. Siegel and The Siegel Trading Company, Inc. stipulate the following facts are true:

(1) The Siegel Trading Company, Inc., a corporation with its principal office at 100 North LaSalle Street, Chicago, Illinois, 60602, is now and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act.

(2) Joseph E. Siegel, an individual whose business address is the same as that of the corporation, is now and was at all times material herein, president of The Siegel Trading Company, Inc.

(3) In CEA Docket No. 159, on February 3, 1970, Joseph E. Siegel and The Siegel Trading Company, Inc. filed a stipulation in which they represented that The Siegel Trading Company, Inc. had set up and would continue to maintain an internal management system which would result in due diligence being used in the selection, training, and supervision of the firm's officers and employees involved in the handling of accounts of customers trading in commodity futures.

(4) On August 27, 1970, the Administrator of the Commodity Exchange Authority wrote to Joseph E. Siegel, stating in part, "It has come to our attention that Mr. Jack W. Savage who is in the position of sales manager with The Siegel Trading Company, Inc. has been convicted . . . on each of three counts of securities fraud and one count of mail fraud [prior to his employment by The Siegel Trading Company, Inc.] . . . [We] believe that his continued employment as sales manager of your organization, or in any other capacity where

he would have direct or indirect access to the funds and futures trading of regulated commodity customers, would constitute grounds for concluding that The Siegel Trading Company, Inc. is improperly safeguarding its customers' interests"

(5) In a letter dated September 23, 1970, Joseph E. Siegel wrote the Administrator of the Commodity Exchange Authority, in part, as follows: ". . .

Kindly be advised that Mr. Jack W. Savage is no longer employed by our Company as Sales Manager and that all of his activities as a salesman have likewise been suspended. In accordance with Mr. Savage's suspension, he is denied all direct or indirect access to the funds and futures trading of regulated commodities customers . . . You may be assured by this letter that until otherwise notified by the Department, Mr. Savage will remain suspended from the handling of any customer funds and/or futures trading of regulated customers of The Siegel Trading Company, Inc."

(6) During the period from on or about September 23, 1970, until October 1971, Jack W. Savage, in various instances, acted in a capacity at The Siegel Trading Company, Inc. in which he handled futures trading accounts of regulated commodity

customers. Joseph E. Siegel knew of such activities by Jack W. Savage, and failed to take adequate corrective steps to stop such activities.

The Commodity Exchange Authority has advised Joseph E. Siegel and The Siegel Trading Company, Inc. that the activities as described above were in violation of undertakings made by them in the stipulation entered into in CEA Docket No. 159 and the undertaking entered into by Joseph E. Siegel in his letter to the Administrator of September 23, 1970.

Joseph E. Siegel and The Siegel Trading Company, Inc. agree:

(1) That Joseph E. Siegel, for a period of one year beginning September 1, 1972, will not, directly or indirectly, in any capacity whatsoever:

(a) Be associated with The Siegel Trading Company, Inc. or with any other futures commission merchant;

(b) cause, aid, abet, counsel, command, induce or procure any act or omission by The Siegel Trading Company, Inc. or any other futures commission merchant; and

(c) maintain an office or conduct business from or adjoining any office of The Siegel Trading Company, Inc. or of any other futures commission merchant.

Provided, however, that during such period Joseph E. Siegel may execute transactions for his own account or have transactions executed by others for his own account, and may have such transactions carried by a futures commission merchant other than The Siegel Trading Company, Inc. Provided, further, that during such period Joseph E. Siegel may execute transactions for his own account on the market conducted by the International Monetary Market of the Chicago Mercantile Exchange and report the execution of such transactions to Alvin C. Winograd for clearance by The Siegel Trading Company, Inc.

(2) That this stipulation is admissible as evidence of such acts and practices in any future proceeding based upon acts or practices in addition to those referred to herein which may be brought by the Secretary of Agriculture against either of them under the provisions of the said Act.

(3) That if after opportunity for hearing in accordance with the provisions of section 6(b) of the said Act, Joseph E. Siegel or The Siegel Trading Company, Inc. is found to have violated

the agreement set forth herein, such violation will constitute an admission that Joseph E. Siegel is unfit to be associated with any futures commission merchant in any capacity and that The Siegel Trading Company, Inc. is unfit to act as futures commission merchant, and that good cause exists under section 8a of the said Act for so finding.

Joseph E. Siegel and The Siegel Trading Company, Inc. also understand that it is the practice of the Commodity Exchange Authority to issue press releases on stipulations of compliance and to make them a matter of public record.

Date: 6/28/72

The Siegel Trading Company, Inc.

By: [SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

Joseph E. Siegel

LOAD-DATE: June 16, 2008

