

Commodity Futures Trading Commission
CEA CASES

NAME: VERUS C. STECK

DOCKET NUMBER: STIPULATION 45

DATE: NOVEMBER 16, 1959

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Verus C. Steck

Stipulation of Compliance under the Commodity Exchange Act No 45

WHEREAS, the Secretary of Agriculture has reason to believe that Verus C. Steck has violated the provisions of the Commodity Exchange Act (7 U.S.C., 1952 ed., Chapter 1) and the rules and regulations of the Secretary of Agriculture promulgated thereunder by virtue of certain transactions involving the purchase and sale of rye futures, and

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

WHEREAS, section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(a)) provides that at any time prior to the issuance of a complaint in any proceeding, the Secretary of Agriculture may, in his discretion, enter into a stipulation with prospective respondents whereby the latter admit the material facts and agree to discontinue the acts or practices which are intended to be set up as violative of the act, and

WHEREAS, the said Verus C. Stock is desirous of disposing of this matter by entering into such a stipulation,

NOW, THEREFORE, the said Verus C. Steck hereby stipulates and represents that the following facts are true:

1. Verus C. Steck is a member of the Chicago Board of Trade and is employed as a telephone man by D. R. Comenso & Co.

2. Section 4c of the Commodity Exchange Act (7 U.S.C., 1952 ed., § 6c) provides in part as follows:

It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof --

(A) if such transaction is, is of the character of, or is commonly known to the trade as, a "wash sale", "cross trade", or "accomodation trade", or is a fictitious sale;

3. Section 1.38 of the rules and regulations under the Commodity Exchange Act (17 CFR, 1954 Supp., 1.38) provides as follows:

All purchases and sales of any commodity for future delivery on or subject to the rules of a contract market shall be executed openly and competitively as to price by open outcry or posting of bids and offers or by other equally open and competitive methods, in the trading pit or ring or similar place provided by the contrast market, during the regular hours prescribed by the contract market for

trading in such commodity: Provided, however, That this requirement shall not apply to such transactions as are executed in accordance with written rules of the contract market which have been submitted to and not disapproved by the Secretary of Agriculture, specifically providing for the noncompetitive execution of such transactions.

4. On five dates Verus C. Steck, acting for his own account, made the following transactions in rye futures traded on the Chicago Board of Trade.

Bought				Sold		
Quantity	Future	Price	Date	Quantity	Future	Price
10	Dec.	131	Nov. 7, 1958	10	Dec.	131
10	March	131 3/4	Nov. 7, 1958	10	March	131 3/4
10	Dec.	131 3/4	Dec. 5, 1958	10	Dec.	131 3/4
10	March	131 3/8	Dec. 5, 1958	10	March	131 3/8
5	March	132 1/2	Jan. 2, 1959	5	March	132 1/2
5	March	135 1/8	Jan. 30, 1959	5	March	135 1/8
5	May	134	Feb. 13, 1959	5	May	134

The above transactions were "wash sales" made in violation of section 4c(A) of the Commodity Exchange Act (7 U.S.C., 1952 ed., § 6c(A)) and were not made openly and competitively in the trading pit but by prearrangement, and were in violation of section 1.38 of the rules and regulations under the Commodity Exchange Act (17 CFR, 1954 Supp., 1.38).

In addition to admitting the foregoing facts, the said Verus C. Steck hereby agrees to discontinue all such acts and practices and to refrain from all other acts and practices which are in violation of the Commodity Exchange Act or the rules and regulations thereunder, and further understands that the stipulation shall be admissible as evidence of acts and practices in violation of the rules and regulations

under the Commodity Exchange Act in any proceeding based upon transactions in addition to those referred to in paragraph 4 hereof which may hereafter be brought by the Secretary of Agriculture against the said Verus C. Steck under the provisions of the said act.

Date: Nov 16th 1959

[SEE SIGNATURE IN ORIGINAL]

Verus C. Steck

Witnessed by:

[SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

LOAD-DATE: June 16, 2008

