

Commodity Futures Trading Commission
CEA CASES

NAME: STUART GIMBEL and GROW INVESTMENTS

CITATION: 34 Agric. Dec. 60

DOCKET NUMBER: 228

DATE: JANUARY 8, 1975

DOCUMENT TYPE: DECISION AND ORDER

(No. 16,212)

In re STUART GIMBEL and GROW INVESTMENTS. CEA Docket No. 228. Decided January 8, 1975.

**Floor broker -- excessive speculative trading in shell egg futures --
Reporting requirements -- failure to comply with -- Attempting to conceal
certain trades -- Reports -- false and incorrect -- Sanctions**

The stipulation of respondents has been accepted and the order herein is issued against them for wilful violations of the Act and regulations in exceeding the speculative daily trading limits, attempting to conceal certain trades, filing of false reports and failing to comply with the reporting requirements of the Act. Respondents are ordered to cease and desist from such violations, and the registration of respondent Stuart Gimbel as a floor broker under the Act is revoked. Said respondent is denied trading privileges on all contract markets for a period of one year as set forth in the order herein. And the registration of respondent Grow Investments as a commission merchant under the Act is suspended for a period of six (6) months. This respondent is denied trading privileges on all contract markets during the period of such suspension as set forth in the order herein.

Herbert R. Bader, for complainant.

Harry Fortes, Chicago, Ill., for respondents.

Decision by John A. Campbell, Administrative Law Judge.

DECISION AND ORDER

This is an administrative proceeding under the Commodity Exchange Act, "the Act" (7 U.S.C. § 1 *et seq.*), instituted by a complaint and notice of hearing, alleging that the respondent Stuart Gimbel, a registered floor broker under the Act and a member of the Chicago Mercantile Exchange, violated both the speculative daily trading limit in shell egg futures and the

reporting requirement under the Act. Such acts were alleged to have been wilful and in violation of sections 4a, 4g, 4i and 6(b) of the Act (7 U.S.C. §§ 6a, 6g, 6i and 9) and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the regulations thereunder (17 CFR §§ 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03). Respondent Grow Investments was alleged to have aided and abetted respondent Gimbel in such violations by allowing him to attempt to conceal certain trades in question in the partnership house account and in the Jeffrey Greengoss account, which was carried by Grow Investments and under section 13 of the Act (7 U.S.C. § 13c). Grow Investments is responsible for such violations as a principal.

Prior to hearing the respondents agreed to a stipulation under section 0.4(b) of the Rules of Practice (17 CFR 0.4(b)) in which they (1) admit the facts hereunder as set forth in paragraphs 1 through 10 of the findings of fact, (2)

waive oral hearing on the charges in the complaint issued herein and consent to the entry, without further proceedings, of a Decision and Order containing (1) the facts admitted in such stipulation as the findings of fact, (2) conclusions of law based on such findings, and (3) the Order contained herein.

FINDINGS OF FACT

(1) Respondent Stuart Gimbel, an individual whose business address is 222 S. Riverside Plaza, Chicago, Illinois 60606, is now and has been since December 29, 1969, a registered floor broker under the Commodity Exchange Act ("the Act"), and a member of the Chicago Mercantile Exchange;

(2) Respondent Grow Investments, a partnership whose address is the same as that of the individual respondent, is now and has been since July 29, 1970, a registered futures commission merchant under the Act and is now and has been since January 4, 1970, a clearing member of the Chicago Mercantile Exchange. Respondent Gimbel is now and was at all times material herein a partner of respondent Grow Investments;

(3) At all times material herein the Chicago Mercantile Exchange was a duly designated contract market for shell egg futures under the Act;

(4) At all times material herein the speculative daily trading limit in shell egg futures as fixed by the Commodity Exchange Commission was one hundred and fifty (150) carlots in any one future or all futures combined;

(5) On December 3, 1969 and December 5, 1969 respondent Gimbel, trading for his personal accounts at Woodstock, Inc., and Time Trading Company, made speculative purchases of 163 and 161 carlots and speculative sales of 141 and 144 carlots, respectively, in shell egg futures, in all futures combined, on or subject to the rules of the Chicago Mercantile Exchange, as follows:

Date	Contracts placed into Stuart Gimbel account at Woodstock Inc.		Contracts placed into Stuart Gimbel account at Time Trading Company		Total contracts placed into the Gimbel accounts	
	Bought	Sold	Bought	Sold	Bought	Sold
December 3, 1969	18	--	145	141	163	141
December 5, 1969	2	1	159	143	161	144

(6) During the periods January 13, 1970 through January 30, 1970 and March 17, 1970 through March 19, 1970, respondent Gimbel, placing his trades into his account (account number 00060) and into the account of Jeffrey Greengoss, then a partner of respondent Grow Investments, (account number 00080), at Grow Investments, exceeded the speculative daily trading limit in shell egg futures on or subject to the rules of the Chicago Mercantile Exchange, as follows:

ALL FUTURES COMBINED

Date	Contracts placed into the Stuart Gimbel (account No. 00060)		Contracts placed into the Jeffrey Greengoss account (account No. 00080)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold
January 13, 1970	151	113	93	92	244	205
January 14, 1970	155	112	99	95	254	207
January 15, 1970	137	140	158	158	295	298
January 16, 1970	87	148	121	121	208	269
January 19, 1970	164	139	93	93	257	232
January 20, 1970	140	142	108	90	248	232
January 21, 1970	127	125	77	72	204	197
January 22, 1970	134	144	141	142	275	286
January 23, 1970	162	140	23	34	185	174

Date	Contracts placed into the Stuart Gimbel (account No. 0060)		Contracts placed into the Jeffrey Greengoss account (account No. 00080)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold
January 26, 1970	51	140	124	124	175	264
January 28, 1970	138	134	97	90	235	224
January 30, 1970	142	130	37	37	179	167
March 17, 1970	141	165	147	146	288	311
March 18, 1970	112	130	90	132	202	262
March 19, 1970	72	94	75	75	147	169

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Date	Contracts placed into the Stuart Gimbel (account No. 0060)		Contracts placed into the Jeffrey Greengoss account (account No. 00080)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold
	FEBRUARY, 1970		FUTURE			
January 15, 1970	116	116	86	86	202	202
January 16, 1970	48	88	111	111	159	199
January 19, 1970	96	93	73	73	169	166
January 20, 1970	96	92	64	64	160	156
January 22, 1970	35	35	125	113	160	148
	MARCH, 1970		FUTURE			
March 17, 1970	139	143	146	146	285	289
March 18, 1970	100	101	66	87	166	188

(7) During the period June 6, 1972 through November 17, 1972, respondent Gimbel, exceeded the speculative daily trading limits in all futures combined, in shell egg futures, on or subject to the rules of the Chicago Mercantile Exchange, as follows:

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Date	Contracts placed into the Stuart Gimbel account at Grow Investments (account No. 00060)		Contracts placed into the Stuart Gimbel account at King and King (account No. 40010)		Contracts placed into the Grow Investments house account (account No. 100)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold
June 6, 1972	152	141	-	-	-	-	152	141
June 8, 1972	144	154	-	-	-	15	144	169
June 22, 1972	154	140	-	-	-	-	154	140
July 11, 1972	150	120	-	-	10	-	160	120
July 14, 1972	150	146	-	-	5	2	155	148
July 17, 1972	141	136	13	-	-	7	154	143
July 20, 1972	142	145	13	-	-	-	155	145
July 28, 1972	150	148	-	13	-	-	150	161
July 31, 1972	153	144	13	-	-	-	166	144
August 1, 1972	141	147	-	-	10	-	151	147
August 3, 1972	148	150	-	-	-	10	148	160
August 4, 1972	150	153	-	-	-	-	150	153
August 8, 1972	154	143	-	-	10	10	164	153

Date	Contracts placed into the Stuart Gimbel account at Grow Investments (account No. 00060)		Contracts placed into the Stuart Gimbel account at King and King (account No. 40010)		Contracts placed into the Grow Investments house account (account No. 100)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold
August 17, 1972	141	146	-	13	-	-	141	159
August 24, 1972	150	151	-	-	-	-	150	151
August 28, 1972	145	157	-	-	15	20	160	177
August 31, 1972	149	143	-	-	-	10	149	153
Sept. 7, 1972	136	149	-	-	-	17	136	166
Sept. 8, 1972	148	142	-	5	12	10	160	157
Sept. 12, 1972	146	152	-	-	10	-	156	152
Sept. 15, 1972	166	162	-	-	-	-	166	162
Sept. 19, 1972	152	137	-	-	-	-	152	137
Sept. 20, 1972	127	156	-	-	-	-	127	156
Sept. 21, 1972	151	152	-	-	-	-	151	152
Sept. 22, 1972	153	144	-	-	-	-	153	144
Oct. 19, 1972	153	148	-	-	-	5	153	153

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Date	Contracts placed into the Stuart Gimbel account at Grow Investments (account No. 00060)		Contracts placed into the Stuart Gimbel account at King and King (account No. 40010)		Contracts placed into the Grow Investments house account (account No. 100)		Total contracts	
	Bought	Sold	Bought	Sold	Bought	Sold	Bought	Sold
Oct. 23, 1972	139	149	-	-	11	10	150	159
Oct. 24, 1972	146	139	-	-	10	11	156	150
Oct. 25, 1972	132	138	-	-	15	15	147	153
Oct. 27, 1972	139	142	-	-	15	15	154	157
Nov. 17, 1972	151	147	-	10	-	-	151	157

(8) On the dates listed below respondent Gimbel owned or controlled 25 contracts in a single shell egg future and was thereby required to file series 503 report forms, albeit, during this period Mr. Gimbel failed to file such reports.

Dates That Respondent Gimbel Failed

To File a 503 Report

December 5, 1969

June 23, 1972

July 6, 1972

July 10, 1972

July 11, 1972

August 7, 1972

August 8, 1972

August 9, 1972

August 14, 1972
August 15, 1972
August 16, 1972
September 1, 1972
November 17, 1972

(9) On the dates listed below respondent Gimbel owned or controlled 25 contracts in a single shell egg future and was thereby required to file series 503 report forms. On these dates respondent Gimbel filed such reports but such reports were false and inaccurate.

*Dates That Stuart Gimbel Filed A
False or Inaccurate 503 Report*

January 14, 1970
January 15, 1970
January 16, 1970
January 23, 1970
January 26, 1970
January 28, 1970
January 29, 1970
March 17, 1970
March 18, 1970
March 19, 1970
June 9, 1972
June 14, 1972
June 15, 1972
June 16, 1972
July 18, 1972
August 10, 1972
August 11, 1972

(10) At all times material herein, respondent Grow Investments, aided and abetted respondent Gimbel in such violations, as alleged above, by allowing him to attempt to

conceal certain of the trades in question in the partnership house account and in the Jeffrey Greengoss account, which was carried by respondent Grow Investments.

CONCLUSIONS

By reason of the facts described above respondent Gimbel wilfully violated sections 4a, 4g, 4i and 6(b) of the Act (7 U.S.C. §§ 6a, 6g, 6i and 9) and sections 15.01, 15.02, 15.08, 18.00, 18.01 and 18.03 of the regulations thereunder (17 CFR §§ 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03) and respondent Grow Investments by aiding and abetting respondent Gimbel in such violations is responsible for such violations as a principal under section 13 of the Act (7 U.S.C. § 13c).

ORDER

1. Effective upon the date of service of this order the respondents, Stuart Gimbel and Grow Investments, shall cease and desist from (1) exceeding the speculative trading or position limits fixed by the Orders of the Commodity Exchange Commission, (2) wilfully making any false or misleading statements of a material fact in any report filed under the Commodity Exchange Act, and (3) failing to file any report which is due under the Commodity Exchange Act.

2. Effective upon the twentieth day after the date of entry of this order:

(a) The registration of respondent Stuart Gimbel as floor broker is hereby revoked, and

(b) Respondent Stuart Gimbel is prohibited from trading on or subject to the rules of any contract market for a period of one year, and all contract markets shall refuse all trading privileges to respondent Gimbel during this period. Such prohibition and refusal shall apply to all such trading done and positions held directly by the respondent, Stuart Gimbel, either for his own account or as the agent or representative of any other person or firm, and also to all such trading done through, and to all positions held indirectly by persons or firms owned wholly or in substantial amount by said respondent, or in any way subject to his discretion or control, wholly or substantially.

3. Effective upon the twentieth day after the date of entry of this order:

(a) The registration of respondent Grow Investments as

futures commission merchant is hereby suspended for a period of six (6) months, and

(b) Respondent Grow Investments is prohibited from trading on or subject to the rules of any contract market for a period of six (6) months, and all contract markets shall refuse all trading privileges to respondent Grow Investments during this period. Such prohibition and refusal shall apply to all such trading done and positions held directly by the respondent Grow Investments, either for its account or as the agent or representative of any other person or firm, and also to all such trading done through, and to all positions held indirectly by persons or firms owned wholly or in substantial amount by said respondent, or in any way subject to its discretion or control, wholly or substantially.

4. The prohibition from trading and suspension of registration set forth in paragraph 3 above shall not become effective unless respondent Grow Investments shall have violated the Commodity Exchange Act or the regulations issued thereunder within one year from the date of issuance of this Order by reason of facts other than those constituting the basis for the charges brought in this proceeding. In the event such subsequent violation should be found to have occurred after complaint and notice of hearing in accordance with the Act and the regulations thereunder a supplemental Order may be issued in this proceeding, without further notice, making effective the prohibition and suspension set forth in paragraph 3 above. Such Order shall be in addition to any sanction which may be imposed as a result of such subsequent violation.

A copy of this Decision and Order shall be served on each of the respondents and on each contract market.

LOAD-DATE: June 16, 2008

