

Commodity Futures Trading Commission
CEA CASES

NAME: STUART GIMBEL, AND GROW INVESTMENTS

DOCKET NUMBER: 228

DATE: MAY 31, 1974

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Stuart Gimbel, and Grow Investments, Respondents

CEA Docket No. 228

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents, Stuart Gimbel and Grow Investments, have violated the Commodity Exchange Act as amended, (7 U.S.C. 1 et seq.), hereinafter the "Act", and the regulations made pursuant thereto. In accordance with the provisions of sections 6(b) and 6(c) of the Act (7 U.S.C. 9 and 13b), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

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 Act, and a member of the Chicago Mercantile Exchange.

II

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 a partner of Respondent Grow Investments.

III

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

IV

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 in all futures combined.

V

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:

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VI

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 no. 00060) and into the account of Jeffrey Greengoss, then a partner of respondent Grow Investments (account no. 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

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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

VII

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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VIII

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

IX

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

X

By reason of the facts described in this complaint respondent Gimbel willfully 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, 15.03, 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 aided and abetted respondent Gimbel in such violations by allowing him to attempt to conceal certain of the trades in question in the partnership house account and in the Jeffrey Greegoss account, which was carried by respondent Grow Investments, and under section 13 of the Act (7 U.S.C. §13c) Grow Investments is responsible for such violations as a principal.

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents 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 and 0.28). The respondents 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, 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 purpose 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 this complaint are admitted, likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing will be held in Chicago, Illinois, at a place therein and a date to be specified later, before an Administrative Law Judge designated to conduct such hearing. At such hearing, the respondents 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, (1) suspending or revoking the registration of respondent Stuart Gimbel as a registered floor broker and respondent Grow Investments as a registered

futures commission merchant, (2) prohibiting the respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined and (3) directing that the respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D.C.

May 31, 1974

[SEE SIGNATURE IN ORIGINAL]

RICHARD L. FELTNER

Assistant Secretary

LOAD-DATE: June 16, 2008

