

Commodity Futures Trading Commission  
CEA CASES

**NAME:** SECRETARY OF AGRICULTURE V. GEORGE P. HARBISON

**DOCKET NUMBER:** 30

**DATE:** JUNE 18, 1941

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

C. E. A. Docket No. 30

Secretary of Agriculture, Complainant, v. George P. Harbison, Respondent.

Complaint and Notice of Hearing under Section 6(b) of the Commodity Exchange Act.

There being reason to believe that the respondent has violated the Commodity Exchange Act (7 U. S. C. and Supp. V, secs. 1-17a), and the rules and regulations promulgated pursuant thereto, this complaint is issued alleging the following:

1.

George P. Harbison is an individual trading and doing business at Duluth, Minnesota.

2.

Harbison Grain Company is a sole proprietorship owned and operated by George P. Harbison at Duluth, Minnesota.

3.

George P. Harbison is registered as a floor broker under his own name and as a futures commission merchant under the name of Harbison Grain Company, with the Secretary of Agriculture under

the Commodity Exchange Act and has been so registered for the past two years.

4.

The respondent is and was at all times mentioned in this complaint a clearing member of the Duluth Board of Trade, a contract market designated by the Secretary of Agriculture under the Commodity Exchange Act.

5.

The respondent, during the month of March 1941, while acting as a floor broker, executed for the account of Farmers Union Grain Terminal Association orders for the purchase and sale of durum wheat for future delivery on and subject to the rules of the Duluth Board of Trade, involving contracts for 222,000 bushels of durum wheat.

6.

The respondent, with respect to the executions referred to in paragraph 5, became the seller with respect to buying orders, and the buyer with respect to selling orders, of his customer, without the consent of his customer, as to 21 purchase orders involving 51,000 bushels and 17 sales orders involving 34,000 bushels. (For example, on March 1, the respondent purchased for the account of

his customer 1,000 bushels of May durum wheat for future delivery at 79-1/4 cents which he sold for his own account and cleared on the records of Harbison Grain Company.) These transactions are set forth in detail on a tabulation marked "Exhibit 'A'" attached

hereto and made a part hereof.

7.

The contracts for the future delivery of durum wheat referred to in paragraphs 5 and 6 were, or could have been, used for hedging any transaction in interstate commerce in such commodity, or determining the price basis of such transaction.

8.

The respondent, by reason of the facts alleged in paragraphs 4 to 7, inclusive, hereof, violated section 4b(D) of the Commodity Exchange Act (7 U. S. C., Supp. V, section 6b(D)).

THEREFORE, the respondent is hereby notified, unless a hearing is waived, to be and appear before a referee appointed by the Secretary of Agriculture at a hearing to be held at 10 a. m. on July 10, 1941, in the United States Post Office Building, Duluth, Minnesota, or at such other times and places as may be determined by the referee, and then and there show cause, if any there be, why an order should not be made directing that all contract markets, until further notice of the Secretary of Agriculture, refuse all trading privileges to the respondent, and suspending or revoking the floor broker and futures commission merchant registrations of the respondent.

IT IS ORDERED that the respondent shall, within fifteen days after receipt of this complaint, file an answer with the hearing clerk, Office of the Solicitor, United States Department of Agriculture, Washington, D. C., as follows:

(a) If the respondent desires to contest the proceeding, the answer shall contain a statement of the facts which constitute the ground of defense and shall admit, deny, or explain each of the facts alleged in the complaint, unless the respondent is without knowledge as to any alleged fact, in which case the answer shall so state.

(b) If the respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that the respondent admits all the material allegations of the complaint to be true, and such answer shall be deemed to waive a hearing thereon and to authorize the Secretary of Agriculture, without hearing and without further evidence or other intervening procedure, to issue an order directing that all contract markets refuse all trading privileges to the respondent for such time as may be fixed by the order and suspending or revoking the respondent's registrations as a floor broker and futures commission merchant. (c) If the respondent desires to waive hearing on the charges set forth in the complaint, but desires to contest the proceeding on the ground that the facts alleged do not constitute a violation of the Commodity

Exchange Act, or do not warrant disciplinary action by the Secretary of Agriculture, the answer may consist of a statement that the respondent admits all the material allegations of the complaint to be true and that he waives hearing, but desires to be given an opportunity to submit argument in support of his contention. In such case, the respondent shall be served with a tentative order containing findings of fact, conclusion, and order, to which he shall be given an opportunity to file exceptions and briefs in support thereof, and, upon request, to make oral argument.

Failure of the respondent to file an answer within the time above provided, and failure to appear at the time and place fixed for hearing, shall be deemed to authorize, without further hearing, notice to the respondent or other formal procedure, the admission and consideration, as part of the record, of reports of employees of the Department of Agriculture and other documents upon which the complaint is based, and the issuance of an order based on such record.

IT IS FURTHER ORDERED that this complaint and notice of hearing be served on the named respondent by delivery of a true and correct copy hereof to the respondent, by an employee of the

## EXHIBIT "A"

TRANSACTIONS IN DURUM WHEAT FUTURES ON THE DULUTH BOARD OF TRADE IN CONNECTION WITH WHICH GEORGE P. HARBISON BECAME BUYER IN RESPECT TO SELLING ORDERS AND SELLER IN RESPECT TO BUYING ORDERS EXECUTED BY HIM ACTING AS FLOOR BROKER FOR FARMERS UNION GRAIN TERMINAL ASSOCIATION.

1941 Date	Quantity (in thousand of bushels)		Future	Price (cents)
	Bought	Sold		
March				
1	1		May	79 1/4
3	1			78 3/4
"	3			79 1/8
"	1			79 3/8
"		1		79
4	1			79 3/8
"	1			79 1/2
6	6			79 1/2
"	1			79 3/8
"		1		79 3/8
"		1		79
"		3		79 1/2
"		1		79 3/8
7		5		79 1/4
"		2		78 7/8
"		2		78 3/4
8	3			80
"	9			83
"		3		78 7/8
"		2		80
11	2			81 3/8
12	1			81 5/8
"	4			81 3/4
13	3			82
14		3		81
"		2		81
18	2			83 3/8
"		1		83 3/8
24	2			82 1/2
"	1			82 5/8
"	3			83 1/8
"		1		82 1/2
"		2		85
26	4		July	83 3/4
27	1		May	85 1/4
"	1			85 3/8
"		1		85 1/2
28		3		
Total	51	34		

Department of Agriculture or by registered mail.

(SEAL)

Done at Washington, D. C., this 18th day of June 1941. Witness my hand and the seal of the Department of Agriculture.

/s/ Paul H. Appleby

Under Secretary of Agriculture

**LOAD-DATE:** June 11, 2008

