

Commodity Futures Trading Commission
CEA CASES

NAME: GARNAC GRAIN COMPANY, INC.

DOCKET NUMBER: STIPULATION 144

DATE: JULY 26, 1973

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Garnac Grain Company, Inc.

Stipulation of Compliance Under the Commodity Exchange Act No. 144

The Secretary of Agriculture has reason to believe that Garnac Grain Company, Inc., has violated the provisions of the Commodity Exchange Act (7 U.S.C., Chapter 1), and the regulations thereunder.

No complaint with respect to such violations has been issued and the said Garnac Grain Company, Inc., is desirous of disposing of the matter by entering into a stipulation of compliance as authorized by Section 0.4(a) of the rules of practice under the Commodity Exchange Act (17 CFR, Part 0);

(1) Garnac Grain Company, Inc., is now, and was at all times material [ILLEGIBLE TEXT], a registered futures commission merchant and grain merchandiser with its principal office and place of business at 1 Whitehall Street, New York, New York 10004.

(2) At all times material herein the firm held reportable positions in regulated commodity futures and was required to file CEA Form 204 reports showing cash grain inventories, purchase commitments, and sales commitments as required under Section 41 of the Commodity Exchange Act and Sections 19.01 and 19.10 of the regulations under the Commodity Exchange Act.

(3) From July 7, 1972, through November 17, 1972, Inclusive, Garnac Grain Company, Inc., held or controlled reportable positions in wheat futures contracts on the Board of Trade of the City of Chicago, a designated [ILLEGIBLE TEXT] market under the Commodity Exchange Act. On 20 weekly dates during

the above-specified period, the firm filed CEA Form 204 reports covering its cash positions in wheat which were incorrect in amounts ranging up to in excess of 37 million bushels as set forth in the attached schedule.

The Commodity Exchange Authority by its draft Stipulation served by it on or about July 17, 1973, advises Garnac Grain Co., Inc., that the cash grain positions in wheat reported to the Commodity Exchange Authority during the period July 7, 1972, through November 17, 1972, were grossly incorrect.

Garnac Grain Co., Inc., insists that the errors contained in the Reports covering the period July 7, 1972, through November 17, 1972, were inadvertent and unintentional.

The said Garnac Grain Co., Inc., agrees to desist from such acts and practices in the future. It further understands and agrees 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 here which may be brought by the Secretary of Agriculture against it under the provisions of the said Act. It also understands 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.

Done at Kansas City, Missouri

this 26th day of July, 1973

Witnessed by:

[SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

Garnac Grain Co., Inc.

By: [SEE SIGNATURE IN ORIGINAL]

H. R. Schmid

Executive Vice President

Comparison of information shown on original 204 reports submitted for the period of July 7, 1972 through November 17, 1972 with information shown on corrected reports submitted on December 4, 1972

Wheat

(In bushels 000)

Date as of	Per original 204 reports		Per corrected 204 reports submitted December 4, 1972		Difference (amount of error)	
	Long (2)	Short (3)	Long (4)	Short (5)	Long (6)	Short (7)
(1) 1972						
July 7	13,923	15,067	7,803	9,729	+ 6,120	+ 5,338
14	13,640	12,205	7,936	9,669	+ 5,704	+ 2,536
21	16,837	23,831	8,193	16,838	+ 8,644	+ 6,993
28	16,268	22,812	7,400	15,460	+ 8,868	+ 7,352
Aug. 4	13,546	22,164	10,349	28,760	+ 3,197	- 6,596
11	29,648	35,635	23,455	27,729	+ 6,193	+ 7,906
18	53,434	41,973	32,692	51,880	+ 20,742	- 9,907
25	56,365	42,731	36,423	72,022	+ 19,942	- 29,291
Sept. 1	68,789	85,078	46,158	74,912	+ 22,631	+ 10,166
8	87,503	102,929	57,825	83,269	+ 29,678	+ 19,660
15	89,201	103,553	67,310	85,149	+ 21,891	+ 18,404
22	93,083	107,954	72,210	85,602	+ 20,873	+ 22,352
29	110,827	113,646	72,505	85,343	+ 38,322	+ 28,303
Oct. 6	110,048	113,586	72,649	84,769	+ 37,399	+ 28,817
13	109,686	107,362	72,375	84,053	+ 37,311	+ 23,309
20	108,433	109,021	71,462	81,091	+ 36,971	+ 27,930
27	103,104	105,440	70,145	80,885	+ 32,959	+ 24,555
Nov. 3	103,021	112,090	73,315	84,033	+ 29,706	+ 28,057
10	110,568	117,751	73,063	83,078	+ 37,505	+ 34,673
17	118,084	117,697	80,788	82,696	+ 37,296	+ 35,003

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