

Commodity Futures Trading Commission  
CEA CASES

**NAME:** MERRILL LYNCH, PIERCE, FENNER AND BEANE, AND WILLIAM MAHER

**DOCKET NUMBER:** STIPULATION 29

**DATE:** SEPTEMBER 13, 1955

**DOCUMENT TYPE:** STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: Merrill Lynch, Pierce, Fenner and Beane, and William Maher

Stipulation of Compliance under the Commodity Exchange Act No. 29

WHEREAS, the Secretary of Agriculture has reason to believe that Merrill Lynch, Pierce, Fenner and Beane, a partnership, and William Maher have violated the Commodity Exchange Act (7 U.S.C. 1-17a) and the rules and regulations thereunder (17 CFR, Chapter 1) by virtue of certain transactions involving the purchase and sale of soybean 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 a prospective respondent whereby the latter admits the material facts and agrees to discontinue the acts or practices which are intended to be set up as violative of the statute, and

WHEREAS, the said Merrill Lynch, Pierce, Fenner and Beane and

William Maher are desirous of disposing of this matter by entering into such a stipulation,

NOW, THEREFORE, the said Merrill Lynch, Pierce, Fenner and Beane and William Maher hereby stipulate and represent that the following facts are true:

1. Merrill Lynch, Pierce, Fenner and Beane, hereinafter called Merrill Lynch, is now and was at all times mentioned herein a partnership with an office and place of business at 141 West Jackson Boulevard; Chicago, Illinois. At all such times the said partnership was a registered futures commission merchant under the Commodity Exchange Act, and exercised membership trading privileges and clearing privileges on the Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, a duly designated contract market.

2. William Maher, an individual whose address is 141 West Jackson Boulevard, Chicago, Illinois, is now and was at all times mentioned herein an employee of the said firm of Merrill Lynch.

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 contract

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. Regulation 1832A of the Chicago Board of Trade prohibits trading in soybean futures during the last seven days of a delivery month. Pursuant to the said regulation, trading in July 1955 soybean futures terminated at the close of business on July 20, 1955.

5. On July 21, 1955, William Maher, acting on behalf of the said firm of Merrill Lynch, purchased 50,000 bushels of July 1955 soybean futures by direct and private negotiation with the seller, for which action Merrill Lynch accepts full responsibility. Such transaction was not within any of the exceptions specified in section 1.38 of the rules and regulations under the Commodity Exchange Act (17 CFR, 1954, Supp., 1.38), and was in violation of the said section and Act.

In addition to admitting the foregoing facts, the said firm of Merrill Lynch and William Maher hereby agree to discontinue all such acts and practices and refrain from all other acts and practices which are in violation of the Commodity Exchange Act or the rules and regulations thereunder, and further specifically agree that this stipulation shall be admissible as evidence of acts and practices in violation of

the Commodity Exchange Act and the rules and regulations thereunder in any subsequent proceeding brought against the said firm of Merrill Lynch and William Maher, or either of them, under the provisions of the said Act.

Done at Chicago, Illinois  
this 13 day of Sept., 1955  
/s/ Merrill Lynch, Pierce, Fenner & Beane  
Merrill Lynch, Pierce, Fenner and Beane  
by /s/ Russell T. Stern, Partner  
/s/ William E. Maher  
William Maher

Witnessed by:

/s/ Mary S. Onnen  
/s/ Mary S. Onnen

**LOAD-DATE:** June 16, 2008

