

Commodity Futures Trading Commission
CEA CASES

NAME: ROCCO G. CANCELLARE

DOCKET NUMBER: 169

DATE: MARCH 9, 1970

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Rocco G. Cancellare, Respondent

CEA Docket No. 169

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent, Rocco G. Cancellare, has violated the provisions of the Commodity Exchange Act (7 U.S.C. Chapter 1, 1964 ed., as amended, Supp. IV, 1969), and in accordance with the provisions of sections 6(b) and 6(c) of the said Act (7 U.S.C. 9 and 13b, Supp. IV, 1969), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent, an individual whose business address is c/o New York Cotton Exchange, Inc., 37 Wall Street, New York, New York, is now and was at all times material herein a member of the Citrus Associates of the New York Cotton Exchange, Inc., and a registered floor broker under the Commodity Exchange Act.

II

The Citrus Associates of the New York Cotton Exchange, Inc., hereinafter called the exchange, is now and was at all times material herein a duly designated contract market under the Commodity Exchange Act.

III

The futures transactions referred to herein relate to the purchase of frozen concentrated orange juice futures contracts on the Citrus Associates of the New York Cotton Exchange, Inc., each of which contracts called for the delivery of 15,000 pounds of frozen concentrated orange juice. Such contracts could have been used for hedging transactions in interstate commerce in frozen concentrated orange juice, or for determining the price basis of transactions in interstate commerce in frozen concentrated orange juice, or for delivering frozen concentrated orange juice sold, shipped, or received in interstate commerce.

IV

During the period from December 17 through December 23, 1968, the quantities of the frozen concentrated orange juice futures, hereinafter referred to, available for purchase on the exchange were insufficient to meet the demand for the purchase of such futures at the maximum price permitted for each such future under the rules of the exchange. During such period, trading in such futures was conducted under a system wherein the exchange allocated sell orders to each floor broker seeking to buy such futures. On each day within such period, the respondent, in his capacity as floor broker, had accepted and had in his possession for execution on behalf of his principals, registered futures commission merchants, market orders to buy quantities of frozen

concentrated orange juice futures, and the respondent made purchases of such futures in the quantities permitted by the sell orders allocated to the respondent by the exchange. However, instead of allocating all such purchases to the orders which he had received from his principals, the respondent, acting for his own advantage and without the knowledge or consent of his principals, allocated such purchases between his own account and his customers' accounts. The dates, the principals for whom the respondent acted, the futures purchased, and their allocation were as follows:

| Date | Principal | Futures | Allocation (Number of Contracts) | |
|-------------|-------------------------|---------|-------------------------------------|-----------------|
| | | | To Respondent | To Principal |
| 1968 | | | | |
| December 17 | Goodbody & Co. | July | 4 | 4 |
| December 18 | Goodbody & Co. | July | 1 | 4 |
| December 18 | Arnold D. Kamen & Co. | July | 1 | 1 |
| December 19 | Goodbody & Co. | May | 1 | 1 |
| December 19 | Francis I. DuPont & Co. | July | 1 | 2 |
| December 19 | Harris Upham & Co. | July | 2 | 2 |
| December 20 | Goodbody & Co. | May | 3 | 3 |
| December 23 | Goodbody & Co. | May | 1 | 1 |

V

By reason of the facts set forth in this complaint, the respondent attempted to deceive, cheat or defraud, and did deceive, cheat and defraud persons in violation of section 4b of the Commodity Exchange Act (7 U.S.C. 6b, Supp. IV 1969).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent 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, 0.28). The respondent 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 with an original and three copies, 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 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 respondent is hereby notified that unless a hearing is waived, a hearing will be held at 10:00 a.m., local time, on May 12, 1970, in New York, New York, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondent 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) prohibiting the respondent from trading

on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined, (2) directing that the respondent shall cease and desist from violating the Commodity Exchange Act in the manner alleged herein, and (3) suspending or revoking the registration of the respondent as floor broker.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

March 9, 1970

[SEE SIGNATURE IN ORIGINAL]

Richard Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

