

Commodity Futures Trading Commission
CEA CASES

NAME: GOFFE & CARKENER, INC., A. VINCENT BLACKFORD, AND DWIGHT H. WILLIAMS

DOCKET NUMBER: 188

DATE: DECEMBER 17, 1971

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Goffe & Carkener, Inc., A. Vincent Blackford, and Dwight H. Williams,
Respondents

CEA Docket No. 188

Complaint and Notice of Hearing

There is reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Goffe & Carkener, Inc., a corporation organized and existing under the laws of the State of Missouri, with offices at 4800 Main Street, Kansas City, Missouri 64112, is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act.

II

Respondents A. Vincent Blackford and Dwight H. Williams, individuals whose business address is the same as that of the corporate respondent, are now, and were at all times material herein, president and secretary-treasurer, respectively, of the corporate respondent and responsible for the management, direction and control of the respondent corporation.

III

(a) At all times material herein, the respondent corporation, in the regular course of its business, carried accounts of customers who were trading in commodities for future delivery covered by the Commodity Exchange Act. Such accounts, the trading therein, and the handling and disposition of funds in connection therewith, were subject to the provisions of the Commodity Exchange Act and the rules and regulations issued thereunder. At all such times, the respondent corporation held in segregated accounts in banks, or other depositories, money and securities in varying amounts, which belonged to such customers and which the respondent corporation had received from such customers to margin and secure their trades and contracts.

(b) On July 12, 1971, the respondent corporation obligated certain of the aforesaid securities to the Mid-Continent National Bank of Kansas City, to secure a loan of \$ 100,000.00 made to the respondent corporation. At the time the respondent corporation so used such securities, the respondent corporation had made no loan of its own funds to its customers on such securities, and had entered into no specific written agreement with its customers authorizing such use.

IV

The respondents submitted to the Commodity Exchange Authority a financial report which purported to show the required financial

information as of the opening of business on July 1, 1971. The respondents willfully made material false statements in such report, which purported to represent the financial condition of the respondent corporation as of the opening of business on July 1, 1971, by stating:

(a) On line 2 of the statement of liabilities that the respondent corporation had money borrowed, secured by commodity customers' collateral, of \$ 100,000, when, in fact, such assets were not obtained until July 12, 1971.

(b) On line 17 of the statement of assets that the respondent corporation had investments in and advances and loans to business affiliates of \$ 148,930.13, when, in fact, such assets were not in excess of \$ 50,000.00.

(c) On line 2 of the statement of assets that the respondent corporation had general funds cash in banks and on hand of \$ 72,736.09, when, in fact, such assets were not in excess of \$ 48,000.00.

(d) On line 10 of the statement of assets that the respondent corporation had other secured receivables due within 12 months of \$ 111,260.00, when, in fact, the respondent corporation had no such other secured receivables.

V

By reason of the facts alleged in this complaint, the respondents willfully violated sections 4d and 6(b) of the Commodity Exchange

Act (7 U.S.C. 6d and 9) and sections 1.20 and 1.30 of the regulations thereunder (17 CFR 1.20 and 1.30).

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, 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 with an original and four 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 purposes 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 the 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 at 10:00 a.m., local time, on February 16, 1972, in Kansas City, Missouri, at a place therein to be specified later, before a referee 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 the respondent corporation as 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.

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

Done at Washington, D. C.

December 17, 1971.

[SEE SIGNATURE IN ORIGINAL]

J. Phil Campbell

Under Secretary

LOAD-DATE: June 16, 2008

