

Commodity Futures Trading Commission  
CEA CASES

**NAME:** PATRICK C. DONOVAN

**DOCKET NUMBER:** 204

**DATE:** DECEMBER 1, 1972

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Patrick C. Donovan, Respondent

CEA Docket No. 204

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act, as amended (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

The respondent, Patrick C. Donovan, is an individual who at all times material herein did business as United Commodity Traders. Throughout 1969, the respondent was a registered futures commission merchant under the Commodity Exchange Act, but is no longer a registrant under the Act. The respondent's last known address is 175 Glen Garry Avenue, Town of Mt. Royal, Montreal 304, Quebec, Canada.

II

While engaged as futures commission merchant, the respondent received money from his customers to margin their trades in commodities for future delivery, and subsequent thereto converted portions of such funds to the respondent's own use, as follows:

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Date Received (1969)	Customer	Amount Received	Amount Converted
March 12	Robert M. Lansford	\$ 1,000.00	\$ 359.00
September 23	Fred K. Werhane	\$ 10,000.00	\$ 6,987.00
February and June	Merritt Wassom	\$ 15,000.00	\$ 1,789.55
February 20	Leonard Mueller and Wayne Mitchell	\$ 1,500.00	\$ 258.30

III

The trades in commodities for future delivery referred to above could have been used for (a) hedging transactions in such commodities or the products or by-products thereof, or (b) determining the price basis of transactions in interstate commerce in such commodities, or (c) delivering such commodities sold, shipped or received in interstate commerce for the fulfillment thereof.

IV

By reason of the facts alleged in this complaint, the respondent wilfully violated sections 4b, 4d and 9 of the Commodity Exchange Act, as amended (7 U.S.C. 6b, 6d and 13), and section 1.20 of the regulations thereunder.

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 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 respondent is hereby notified that unless hearing is waived, a hearing will be held in Chicago, Illinois at a place therein and date 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, and (2) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D.C. December 1, 1972.

[SEE SIGNATURE IN ORIGINAL]

Philip C. Olsson

Deputy Assistant

Secretary

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

