

Commodity Futures Trading Commission
CEA CASES

NAME: FELIX ENDICO

CITATION: 26 Agric. Dec. 705

DOCKET NUMBER: 146

DATE: JULY 20, 1967

DOCUMENT TYPE: DECISION AND ORDER

(No. 11,305)

In re FELIX ENDICO. CEA Docket No. 146. Decided July 20, 1967.

Trading limits -- Suspension of registration -- Stipulation

Respondent's registration as a floor broker is suspended for a period of 15 days and the contract markets are directed to refuse trading privileges to respondent for a like period for exceeding trading and position limits in potato futures.

Mr. Earl L. Saunders for Commodity Exchange Authority.

Respondent *pro se*.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. Chapter 1), hereinafter referred to as the Act. The respondent, a member of the New York Mercantile Exchange and a registered floor broker under the Act, is charged with exceeding the maximum speculative trading limits in potato futures, in violation of the Act and the regulations issued thereunder.

No hearing has been held with respect to this proceeding. On July 18, 1967, the respondent submitted a stipulation under § 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he admits the facts hereinafter set forth under "Findings of Fact", waives hearing on the charges in the complaint, and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. The respondent, Felix Endico, an individual, whose address is 272 Weyman Avenue, New Rochelle, New York, is now, and was at all times material herein, a member of the New York Mercantile Exchange and a registered floor broker under the Commodity Exchange Act.

2. The New York Mercantile Exchange, hereinafter referred to as the exchange, is now, and was at all times material herein a duly designated contract market under the Commodity Exchange Act. The trades involved herein were speculative trades in potato futures which the respondent made on the exchange for his own account. Trading in potato futures on the exchange was conducted, at all times material herein, in contract units consisting of one carlot of 50,000 pounds of Maine-grown Irish potatoes.

3. On December 21, 1966, the respondent sold 177 carlots of May 1967 potato futures.

4. On February 14, 1967, the respondent purchased 169 carlots of April 1967 potato futures.

5. On April 29, 1966, the respondent entered into a stipulation pursuant to section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(a)), in which stipulation the respondent: (1) admitted that on March 23, 1966, he made speculative purchases of May 1966 potato futures, and on April 18, 1966, he made speculative sales of May 1966 potato futures, in an amount on each of such days in excess of 150 carlots, the maximum amount permitted during one business day under the order of the Commodity Exchange Commission establishing limits on positions and daily trading in potato futures (17 CFR 150.10); (2) agreed that he would "desist from such acts in the future"; and (3) agreed that the stipulation would be "admissible as evidence of such acts in any future proceeding based upon acts or practices in addition" to those referred to in the stipulation.

CONCLUSIONS

Section 4a of the Act (7 U.S.C. 6a) empowers the Commodity Exchange Commission to "fix such limits on the amount of trading under contracts of sale of . . . [a] commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the Commission finds is necessary

to diminish, eliminate, or prevent" burdens on interstate commerce caused by excessive speculation. Pursuant to this section, a limit on the maximum speculative purchases and on the maximum speculative sales of potatoes that any one person may make on or subject to the rules of any one contract market during any one business day is established as 150 carlots in the April future and as 150 carlots in the May future (17 CFR 150.10). Findings of Fact 3 and 4 establish that the respondent made speculative purchases in the April potato future and speculative sales in the May potato future on the exchange which in each such future were in excess of the maximum permissible quantity of 150 carlots, in violation of section 4a of the Act and section 150.10 of the regulations issued by the Commodity Exchange Commission.

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the proposed stipulation and order, and that they believe that the proposed sanction is adequate and that the prompt entry, without further proceedings, of the order to which the respondent has consented will constitute a satisfactory disposition of this case as against the respondent, serve the public interest, and effectuate the purposes of the Act. The complainant recommends, therefore, that the stipulation and waiver submitted by the respondent be accepted and that the proposed order be issued. It is so concluded.

ORDER

Effective August 21, 1967, the registration of the respondent, Felix Endico, as a floor broker under the Act is suspended for a period of 15 days, and effective on the same date all contract markets shall refuse all trading privileges to the respondent for a period of 15 days, such refusal to apply to all trading done and all positions held by the respondent, directly or indirectly.

A copy of this decision and order shall be served on the respondent and on each contract market.

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