

Commodity Futures Trading Commission
CEA CASES

NAME: NATIONAL FELT WORKS, INC., N. N. GOLDMAN, AND G. J. GOLDMAN

DOCKET NUMBER: STIPULATION 19

DATE: APRIL 29, 1953

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: National Felt Works, Inc., N. N. Goldman, and G. J. Goldman

Stipulation of Compliance under the Commodity Exchange Act No. 19

WHEREAS, the Secretary of Agriculture has reason to believe that the National Felt Works, Inc., N. N. Goldman, and G. J. Goldman have violated the Commodity Exchange Act (7 U.S.C. 1-17a) and the rules and regulations thereunder (17 CFR, Part 6) by virtue of certain transactions involving the purchase and sale of commodities for future delivery on contract markets, and

WHEREAS, no complaint with respect to such violations has been issued, and

WHEREAS, the said National Felt Works, Inc., N. N. Goldman, and G. J. Goldman desire to enter into a stipulation pursuant to the provisions of section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(a)).

NOW, THEREFORE, the said National Felt Works, Inc., N. N. Goldman, and G. J. Goldman hereby stipulate and agree that the following facts are true:

1. National Felt Works, Inc., is a corporation organized under the laws of the State of Illinois, and has an office and place of business at 1130 North Cherry Avenue, Chicago, Illinois.

2. N. N. Goldman and G. J. Goldman are president and treasurer, respectively, of the said National Felt Works, Inc., and, in their capacity as officers of the said corporation, controlled and were responsible for the execution of the futures transactions for its account, as hereinafter described.

3. Between September 1952 and February 1953, both inclusive, the said National Felt Works, Inc., traded in cotton futures on the New York Cotton Exchange by means of accounts carried in the corporate name. During November and December 1952, both inclusive, the said N. N. Goldman also traded in cotton futures in the New York Cotton Exchange by means of personal accounts carried in his own name.

4. At all times material to this stipulation, the New York Cotton Exchange was a board of trade which was duly designated as a contract market under the Commodity Exchange Act.

5. During the period from September 17, 1952 to February 17, 1953, both inclusive, the long open contract position of the National Felt Works, Inc., in March 1953 cotton futures on the New York Cotton Exchange ranged between 6,400 and 7,600 bales. By reason of the fact that such position was in excess of 5,000 bales, the said corporation was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held for its account during such period, in all cotton futures on all boards of trade, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 6i) and sections 3.10, 3.11, 3.12, and 3.21 of the

rules and regulations thereunder (17 CFR 3.10, 3.11, 3.12, 3.21). During the said period, the following purchases and sales of March 1953 cotton futures were executed on the New York Cotton Exchange for the said corporation:

Data	Bought Bales	Sold Bales
September 17, 1952	1,500	
September 18, 1952	200	
September 19, 1952	500	
September 24, 1952	200	
November 7, 1952	500	
December 17, 1952		300
December 16, 1952		500
February 9, 1953		400

The said National Felt Works, Inc., failed to report to the Commodity Exchange Authority with respect to such purchases and sales and the resulting open contract positions, and with respect to transactions and open contracts in other cotton futures bought and sold by the said corporation during the above period, as required by the aforementioned sections of the Commodity Exchange Act and regulations.

6. The long open contract position of the said corporation in March 1953 cotton futures described in paragraph 5 was distributed among three accounts, each in the name of the National Felt Works, Inc., carried on the books of Orvis Brothers, Irving Weis and Company, and E. F. Hutton and Company, registered futures commission merchants. The open contract position in each account was less than 5,000 bales, but when the three accounts were combined and the total open contract position

in March 1953 cotton futures was calculated, such calculation showed that such position was in excess of 5,000 bales during the period set forth above.

7. During the period from November 21, 1952 to December 17, 1952, both inclusive, the long open contract position in the personal accounts of the said N. N. Goldman in March 1953 cotton futures on the New York Cotton Exchange ranged between 5,300 and 6,000 bales. By reason of the fact that such position was in excess of 5,000 bales, the said N. N. Goldman was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held for his account during such period, in all cotton futures on all boards of trade, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 6i) and sections 3.10, 3.11, 3.12, and 3.21 of the rules and regulations thereunder (17 CFR 3.10, 3.11, 3.12, 3.21). During the said period, the following purchases and sales of March 1953 cotton futures were executed on the New York Cotton Exchange for the account of the said N. N. Goldman:

Data	Bought Bales	Sold Bales
November 21, 1952	1,000	
November 24, 1952	600	
December 4, 1952	200	
December 17, 1952		2,000

The said N. N. Goldman failed to report to the Commodity Exchange Authority with respect to such purchases and sales and the resulting

open contract positions, and with respect to transactions and open contracts in other cotton futures bought and sold for his account during the above period, as required by the aforementioned sections of the Commodity Exchange Act and regulations.

8. The long open contract position of the said N. N. Goldman in March 1953 cotton futures described in paragraph 7 was distributed between two accounts, carried on the books of Irving Weis and Company, and Merrill Lynch, Pierce, Fenner and Beane, registered futures commission merchants. The open contract position in each account was less than 5,000 bales, but when both accounts were combined and the total open contract position in March 1953 cotton futures was calculated, such calculation showed that such position was in excess of 5,000 bales during the period set forth above.

9. On various occasions prior to September 1952, the Commodity Exchange Authority found it necessary to communicate with the said N. N. Goldman and G. J. Goldman and call their attention to the reporting requirements of the Commodity Exchange Act and regulations, as applied to futures trading for the account of the said corporation and for their personal accounts. The said National Felt Works, Inc., N. N. Goldman, and G. J. Goldman were therefore fully informed of their obligations under the act and the regulations to file reports whenever their trades or positions in the futures market placed them in reporting status, and the failure to file reports with respect to the transactions described

above constituted wilful violations of section 4i of the Commodity Exchange Act and sections 3.10, 3.11, 3.12 and 3.21 of the rules and regulations thereunder.

In addition to admitting the foregoing facts, the said National Felt Works, Inc., N. N. Goldman, and G. J. Goldman hereby agree to discontinue all such acts and practices and all other acts and practices which are in violation of the Commodity Exchange Act or the rules and regulations thereunder, and do further specifically agree that this stipulation shall be admissible as evidence of acts and practices in violation of section 4i of the Commodity Exchange Act (7 U.S.C. 6i) in any subsequent proceeding brought against the National Felt Works, Inc., N. N. Goldman, or G. J. Goldman, under the provisions of the said act.

Done at New York, New York this 29th day of April, 1953.

National Felt Works, Inc.

By /s/ N. N. Goldman President

By /s/ Geo. J. Goldman Treasurer

/s/ N. N. Goldman

N. N. Goldman

/s/ G. J. Goldman

G. J. Goldman

Witnessed by:

/s/ Robert J. Gross

LOAD-DATE: June 16, 2008

