

Commodity Futures Trading Commission
CEA CASES

NAME: JACK C. FLORA

DOCKET NUMBER: 174

DATE: JULY 8, 1970

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Jack C. Flora, Respondent

CEA Docket No. 174

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent, Jack C. Flora, has violated 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 Commodity Exchange 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, Jack C. Flora, an individual whose address is 1360 Shadow Lane, Fullerton, California 92631, was at all times material herein up to on or about March 17, 1970, an agent or employee of Simeral Commodities, Inc., which at all such times, was a registered futures commission merchant under the Commodity Exchange Act, trading in commodity futures on contract markets for the accounts of customers.

II

At all times material herein, N. E. Hess was a customer of Simeral Commodities, Inc., and the said firm held sums of money for him, representing deposits of margin by and trading profits accruing to him.

III

On March 2, 1970, the respondent, acting without the knowledge or consent of N. E. Hess, caused Simeral Commodities, Inc., to draw a check (numbered 1290) on the firm's segregated bank account for customers' funds, to the order of N. E. Hess in the sum of \$ 6,000.00, and to debit such check to said Hess' account at Simeral Commodities, Inc. Thereafter, the respondent forged the endorsement of N. E. Hess on such check, negotiated it, and used the proceeds for the respondent's own use and benefit.

IV

By reason of the facts set forth in this complaint, the respondent wilfully violated sections 4d and 9 of the Commodity Exchange Act (7 U.S.C. 6d, 13, Supp. IV, 1969), and sections 1.20 and 1.21 of the regulations thereunder (17 CFR 1.20, 1.21).

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-five (25) 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 waiver of hearing. The filing of 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 August 26, 1970, in Los Angeles, California, at the 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, and (2) directing that the respondent shall cease and desist from violating the Commodity Exchange Act in the manner alleged herein.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty-five (25) days prior to the date set for hearing.

Done at Washington, D. C.

July 8, 1970

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

