

Commodity Futures Trading Commission
CEA CASES

NAME: GENERAL COMMERCE CORPORATION

DOCKET NUMBER: 76

DATE: MARCH 13, 1957

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: General Commerce Corporation, Respondent

CEA Docket No. 76

Complaint and Notice of Hearing under section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, General Commerce Corporation, has violated the provisions of the Commodity Exchange Act (7 U.S.C. 1952 ed., Chapter 1), and the rules and regulations of the Secretary of Agriculture made pursuant thereto (17 CFR, Part 1). In accordance with the provisions of section 6(b) of the Commodity Exchange Act (7 U.S.C. 1952 ed., § 9), this complaint and notice of hearing is issued alleging as follows:

I

Respondent General Commerce Corporation was at all times material to this complaint, and is now, a corporation with an office and place of business at 571 Central Avenue, Newark, New Jersey.

II

The Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, has been at all times material to this complaint, and is now, a duly designated contract market under the Commodity Exchange Act.

III

On each day during the periods from October 25 through December 11, 1956, from December 17 through December 19, 1956, and from January 17 through January 21, 1957, the net long or net short open contract position of the respondent corporation in lard futures on the Chicago Board of Trade ranged from 1,040,000 pounds to 1,640,000 pounds in a single future. By reason of the fact that such quantities were equal to or in excess of the quantities set forth for reporting purposes in section 9.21 of the rules and regulations under the Commodity Exchange Act (17 CFR, 9.21), 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 in all lard futures on all boards of trade (exchanges) during the said periods, and with respect to all such transactions by reason of which the said respondent's position was reduced below reporting levels, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 1952 ed., § 6i) and sections 9.10, 9.11, 9.12, and 9.21 of the rules and regulations thereunder (17 CFR, 9.10, 9.11, 9.12, and 9.21).

IV

On seven (7) business days within the periods specified in paragraph III, while the respondent corporation was in reporting status as therein described, and on three (3) additional business days immediately

thereafter when its position was reduced below reporting levels, transactions in lard futures on the Chicago Board of Trade were executed for its account, but the said respondent failed and refused to report to the Commodity Exchange Authority with respect to such transactions, as required under the aforesaid provisions of the Commodity Exchange Act and the rules and regulations.

V

Between September 14, 1956, and December 11, 1956, the Commodity Exchange Authority found it necessary to communicate with the respondent corporation nine times because of its failure to transmit reports. On December 11, 1956, the Administrator of the Commodity Exchange Authority addressed a letter to the respondent corporation calling attention to its delinquencies in submitting reports, informing it that such delinquencies were a continuing violation of the law, and warning it that continuing failure in this regard could result in the institution of administrative proceedings directed toward the denial of trading privileges on contract markets. The respondent was, therefore, aware of its obligations under the act and the rules and regulations with respect to the filing of reports, and that failure to submit reports, as required, constituted a knowing and wilful violation of section 4i of the Commodity Exchange Act and sections 9.10, 9.11, 9.12, and 9.21 of the rules and regulations thereunder.

Therefore, the said respondent, General Commerce Corporation, is hereby notified to be and appear at a hearing to be held at 10:00 a.m. local time, on the 30th day of April 1957, in Room 202, 44 Beaver Street,

New York, New York, before a referee designated to conduct such hearing, and then and there show cause, if any there be, why an order should not be made directing all contract markets to refuse all trading privileges to the respondent for such period of time as may be determined. The respondent will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., an answer, with an original and five copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each material and relevant allegation of this complaint. Allegations that are not answered will be deemed admitted for the purpose of this proceeding.

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

Done at Washington, D. C., this

13th day of March 1957.

/s/ Earl L. Butz

Earl L. Butz

Assistant Secretary

LOAD-DATE: June 12, 2008

