

Commodity Futures Trading Commission  
CEA CASES

**NAME:** ARTHUR GERBER, AND GERBER INVESTMENT CO., INC.

**DOCKET NUMBER:** 150

**DATE:** JANUARY 4, 1968

**DOCUMENT TYPE:** AMENDED COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Arthur Gerber, and Gerber Investment Co., Inc., Respondents

CEA Docket No. 150

Amended Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondents named herein have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.), hereinafter called the act, and the regulations made pursuant thereto (17 CFR, Part 15, and in accordance with the provisions of section 6(b) of the act (7 U.S.C. 9) and section 0.5(c) of the rules of practice under the act (17 CFR 0.5(c)), this amended complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Arthur Gerber is an individual whose business address is 230 North Michigan Avenue, Chicago, Illinois.

II

Respondent Gerber Investment Co., Inc., an Illinois corporation with its office and place of business at 230 North Michigan Avenue, Chicago, Illinois, is registered as a futures commission merchant under the act and has been so registered since November 29, 1967.

At all times material herein, respondent Arthur Gerber was in complete control of the respondent corporation, initiated and carried out the acts, dealings, and transactions of the corporation, and used the corporation as an instrument to conduct his own business.

III

At all times during the period from October 26 through December 8, 1967, inclusive, the respondents, acting in the capacity of futures commission merchant under the act, carried accounts for customers who traded in commodity futures subject to the provisions of the act and regulations thereunder, and had received funds belonging to such customers, representing deposits of margin by and trading profits accruing to such customers. During the same period, the respondents failed and refused to segregate and to account separately for the funds belonging to their customers, deposited such funds in the respondents' general bank account, used customers' funds for the respondents' own benefit, and failed and refused to prepare and maintain a daily record setting forth the amount of customers' money and equities required to be kept in segregation in accordance with the provisions of section 4d of the act (7 U.S.C. 6d).

IV

On December 19, 1967, representatives of the Commodity Exchange Authority, namely, Robert P. Piccirillo and Ronald S. Szatko, visited

the respondents' office and requested the respondents to produce for inspection their records regarding the commodity futures transactions of their customers, in order that a determination might be made with respect to whether the funds of such customers were being properly handled in accordance with the provisions of section 4d of the act (7 U.S.C. 6d) and the regulations supplementary thereto, but the respondents refused and are now refusing to produce such records.

V

By reason of the facts described in this amended complaint, the respondents wilfully violated sections 4d and 4g of the act (7 U.S.C. 6d and 6g) and sections 1.20, 1.21, 1.31, 1.32 and 1.35 of the regulations issued under the act (17 CFR 1.20, 1.21, 1.31, 1.32 and 1.35).

WHEREFORE, it is hereby ordered that this amended complaint and notice of hearing be served upon the said respondents. The respondents will have twenty (20) days after the receipt of this amended complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, 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 allegation of this amended 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 amended complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing will be held at 10:00 a.m., local time, on February 7, 1968, in Chicago, Illinois, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondents will have the right to appear and show cause, if any there be, why an order should not be made suspending or revoking the registration of respondent Gerber Investment Co., Inc., as futures commission merchant, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined.

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

Done at Washington, D. C.

January 4, 1968

George L. Mehren

Assistant Secretary

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



