

Commodity Futures Trading Commission
CEA CASES

NAME: BENEDICT K. GOODMAN

DOCKET NUMBER: 81

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DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Benedict K. Goodman, Respondent

CEA Docket No. 81

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

There is reason to believe that the respondent, Benedict K. Goodman, has violated the provisions of the Commodity Exchange Act (7 U.S.C. 1952 ed., Chapter 1), and the rules and regulations made pursuant to its requirements (17 CFR, Part 1), and in accordance with the provisions of section 6(b) of the said act (7 U.S.C. 1952 ed., § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Benedict K. Goodman is an individual whose address is 636 Church Street, Evanston, Illinois. At all times material to this complaint he was a member of the Board of Trade of the City of Chicago.

II

The Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, is now and was at all times material herein a duly designated contract market under the Commodity Exchange Act.

III

From December 31, 1957, through February 21, 1958, the respondent held total speculative net long positions in the March 1958 rye future on the Chicago Board of Trade which ranged between 580,000 and 700,000 bushels, and total speculative net long positions in all rye futures combined on the Chicago Board of Trade which ranged between 730,000 and 1,085,000 bushels. By reason thereof, the respondent traded in rye for future delivery on a contract market in amounts which resulted in positions in excess of the maximum permissible quantity of 500,000 bushels, in violation of section 4a of the Commodity Exchange Act (7 U.S.C. 1952 ed., § 6a), and the order of the Commodity Exchange Commission establishing limits on positions and trading in rye for future delivery (17 CFR 150.3).

IV

By reason of the fact that the positions in rye futures held by the respondent from December 31, 1957, through February 21, 1958, exceeded 200,000 bushels in a single future, as described in paragraph III, the respondent was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all positions held for his account in all rye futures on all boards of trade during such period, as provided in section 4i of the Commodity Exchange Act and sections 2.10, 2.11, 2.12, and 2.21

of the rules and regulations thereunder (7 U.S.C. 1952 ed., § 6i; 17 CFR 2.10, 2.11, 2.12, 2.21). On January 22, 23, 24, 28, February 4, 5, 10, 12, 17 and 19, 1958, the respondent bought or sold rye futures on the Chicago Board of Trade and failed or refused to report such purchases and sales and the resulting positions to the Commodity Exchange Authority, in violation of the aforesaid sections of the Commodity Exchange Act and the regulations.

V

During February 1956, the respondent held speculative positions in rye futures on the Chicago Board of Trade which exceeded the maximum permissible limit, and after notification by the Commodity Exchange Authority, brought himself into compliance by reducing such

positions. At or about the same time, the Commodity Exchange Authority furnished the respondent with written information as to the requirements in this regard, and notified him that the holding of positions in rye futures in excess of 500,000 bushels constituted a violation of the Commodity Exchange Act. During the past twenty years, the respondent has been in reporting status and has filed reports with respect to his trading in rye futures on numerous occasions. The respondent was, therefore, aware of his obligations under the act and the regulations with respect to speculative limits and reporting requirements. In furtherance of and in an attempt to conceal his deliberate and willful violations of the act the respondent carried positions through various futures commission merchants but allowed no position through any one futures commission merchant to exceed 195, 000 bushels, just below the level of 200,000 bushels at which the futures commission merchant would have been required to report to the Commodity Exchange Authority.

Therefore, the said respondent, Benedict K. Goodman, is hereby notified to be and appear at a hearing to be held at 10:00 a.m. local time, on the 10th day of June, 1958, in Room 1200, Chicago Board of Trade Building, 141 West Jackson Boulevard, Chicago, Illinois, 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 that all contract markets 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 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

14th day of April, 1958.

/s/ Don Paarlberg

Don Paarlberg

Assistant Secretary

LOAD-DATE: June 12, 2008

