

Commodity Futures Trading Commission
CEA CASES

NAME: HYMAN I. HENNER

DOCKET NUMBER: STIPULATION 7

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UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Hyman I. Henner

Stipulation of Compliance Under the Commodity Exchange Act No. 7

WHEREAS, the Secretary of Agriculture has reason to believe that Hyman I. Henner, registered as a floor broker under the Commodity Exchange Act, as amended, (hereinafter called the Act), has violated Sections 4b(D), 4c(A), and 6(b) of the Act by virtue of a certain transaction or transactions involving 70 carlots of November 1946 egg futures purchased on the Chicago Mercantile Exchange on July 5, 1946, by one Jacob Friedman pursuant to an agreement or understanding between the said Hyman I. Henner and the said Jacob Friedman, and

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

WHEREAS, the said Hyman I. Henner desires to enter into a stipulation of compliance pursuant to the provisions of Section 0.4 (a) of the Rules of Practice under the Act.

NOW, THEREFORE, the said Hyman I. Henner admits that the following facts are true:

1. The Chicago Mercantile Exchange was at the times hereinafter mentioned and is now duly designated as a contract market under the provisions of the Act.

2. Hyman I. Henner was at the times hereinafter mentioned and is now a member of the Chicago Mercantile Exchange and a registered floor broker under the provisions of the Act.

3. Jacob Friedman was, at the times hereinafter mentioned, a registered floor broker normally trading for Becker, Stone and Company, as shown by the records of the Chicago Mercantile Exchange.

4. The November 1946 egg futures contracts with respect to which Jacob Friedman became the buyer, as hereinafter set forth, were contracts for the sale of a commodity for future delivery made on and subject to the rules of the Chicago Mercantile Exchange, and such contracts were or could have been used for (a) hedging a transaction in interstate commerce in eggs or the products or byproducts thereof, or (b) determining the price basis of a transaction in interstate commerce in eggs.

5. On July 5, 1945, the said Hyman I. Henner, acting as floor broker for Uhlmann Grain Company, Harris, Upham and Company and Bache and Company, had in his possession orders to buy November egg futures in the amount of at least 70 carlots, including 30 carlots at prices ranging from 42.00 cents per dozen up to 43.50 cents per dozen, and including 26 carlots at prices ranging from 41.60 cents per dozen up to 41.75 cents

per dozen. At the same time, the said Hyman I. Henner, acting as floor broker for Uhlmann Grain Company, Harris, Upham and Company, Bache and Company, and Swift and Company had in his possession orders to sell November egg futures in the amount of at least 70 carlots, included in which were stop loss orders at 42.75, 42.50, 42.10, 41.75, 41.50, and 41.00 cents per dozen, respectively.

6. On July 5, 1946, prior to the opening of trading on the Chicago Mercantile Exchange, the said Hyman I. Kenner, having in his possession the orders described in paragraph 5 above, instructed the said Jacob Friedman to purchase for the account of the said Hyman I. Henner up to 70 carlots of November egg futures at the price of 41.00 cents per dozen. No written buying orders covering such purchase or purchases were delivered to Jacob Friedman by Hyman I. Henner, but were retained in the possession of the said Hyman I. Henner.

7. Pursuant to the instructions described in paragraph 6 above the said Jacob Friedman, on July 5, 1946, bid 41.00 for November eggs but found no takers until the said Hyman I. Henner accepted the bid and sold 70 carlots to the said Jacob Friedman at the price of 41.00 cents per dozen, such transaction being the only one made during that day at the price of 41.00 cents per dozen.

8. On July 3, 1946, the price of November eggs closed at 43.00 cents per dozen and, under the regulations of the Chicago Mercantile Exchange then in effect, the lowest price at which November eggs could be traded on July 5, 1946, was 2 cents below the previous day's close, namely, 41.00 cents per dozen.

9. On July 5, 1946, prior to the purchase and sale between the said Jacob Friedman and the said Hyman I. Henner as described in paragraph 7 above, there were sales of November egg futures at 41.75 cents, 41.50 cents, and 41.25 cents made on the floor of the Chicago Mercantile Exchange.

10. On July 5, 1946, for a period of five minutes immediately following the purchase and sale between the said Jacob Friedman and the said Hyman I. Henner as described in paragraph 7 above, there were sales of November egg futures at prices from 41.10 to 41.50 cents per dozen made on the floor of the Chicago Mercantile Exchange. The closing price of November egg futures on that day was 42.25.

11. The said transaction of 70 carlots of November egg futures was subsequently distributed by the said Hyman I. Henner among the purchase and sale orders held by him and described

in paragraph 5 above, in the following manner:

	Sold	
a/c Bache and Company	12 carlots	by Hyman I. Henner
a/c Harris, Upham and Company	4 carlots	by Hyman I. Henner
a/c swift and Company	23 carlots	by Hyman I. Henner
a/c Uhlmann Grain Company	31 carlots	by Hyman I. Henner
	Bought	
a/c Bache and Company	15 carlots	by Jacob Friedman for Hyman I. Henner
a/c Harris, Upham and Company	5 carlots	by Jacob Friedman for Hyman I. Henner
a/c Uhlman Grain Company	50 carlots	by Jacob Friedman for Hyman I. Henner

12. The transaction described in paragraph 6 and 7 above, whereby the said Jacob Friedman purchased 70 carlots of November eggs from the said Hyman I. Henner, such purchase being made for the account of the said Hyman I. Henner, constituted a sale by the said Hyman I. Henner to himself and was a fictitious sale.

13. The said transaction and the distribution thereof among the purchase and sale orders hold by the said Hyman I. Henner, as described in paragraph 11, constituted the filling of orders by offset against the orders of other persons.

14. The instructions given by the said Hyman I. Henner to Jacob Friedman to purchase November egg futures at 41.00 cents per dozen, and the consequent execution of the transaction

in accordance with such instructions as above described, was a manipulation of the price of a commodity for future delivery on or subject to the rules of a board of trade.

In addition to admitting the foregoing facts, the said Hyman I. Henner does hereby agree to discontinue all such acts and practices, and all other acts and practices which are in violation of the Commodity Exchange Act, as amended, and does further specifically agree that this stipulation shall be admissible as evidence of acts and practices in violation of sections 4b(D), 4c(A) and 6(b) of the Commodity Exchange Act, as amended, in any subsequent proceeding brought against the said Hyman I. Henner under the provisions of the said Act.

Done at Chicago, Illinois, this 14th day of January 1947.

/s/ Hyman I. Henner

Hyman I. Henner

Witnessed by /s/ O. W. Olson

/s/ E. P. Dowey

LOAD-DATE: June 16, 2008

