

Commodity Futures Trading Commission
CEA CASES

NAME: WILLIAM E. HENNER

CITATION: 31 Agric. Dec. 382

DOCKET NUMBER: 181

DATE: MARCH 27, 1972

DOCUMENT TYPE: DECISION AND ORDER

(No. 14,457)

In re WILLIAM E. HENNER. CEA Docket No. 181. Decided March 27, 1972.

Consent order

Respondent is ordered to cease and desist from making trades on or subject to the rules of a contract market other than by open and competitive methods.

Richard W Davis for Commodity Exchange Authority.

Harry H. Fortes, Chicago, Ill., for respondent.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. Chapter 1, 1970), instituted by a complaint and notice of hearing issued on August 24, 1971 under section 6(c) of the said Act (7 U.S.C. 13b). The respondent is

charged with violating sections 4b, 4c and 4g of the said Act (7 U.S.C. 6b, 6c and 6g) and sections 1.35 and 1.38 of the regulations thereunder (17 CFR 1.35 and 1.38).

No hearing has been held in this proceeding. On March 22, 1972, the respondent filed a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he (1) withdrew the answer previously filed by him, (2) admits the facts hereinafter set forth in paragraphs 1 through 3 of the Findings of Fact, (3) admits, for the purposes of this proceeding and for such purposes only, the remaining facts set forth in the Findings of Fact, and (4) waives the report of the Referee and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. The respondent, William E. Henner, an individual, whose business address is 141 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act and a member of the Chicago Mercantile Exchange, hereinafter referred to as the exchange.

2. The exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act.

3. The transactions referred to in this complaint relate to the purchase and sale of July 1969 pork belly futures contracts on the exchange. Such contracts could have been used for hedging transactions in interstate commerce in pork bellies or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in pork bellies, or for delivering pork bellies sold, shipped, or received in interstate commerce.

4. On February 14, 1969, the respondent, acting as floor trader for his own account on the exchange, sold two July 1969 pork belly futures contracts to Alan L. Freeman, who was acting in the capacity of floor broker for the account of a customer. Thereafter, on the same day, in order to aid the said Freeman to fill a customer's sell order, the respondent entered into a non-competitive arrangement with Freeman whereby the respondent gave to Freeman one of such sales which the respondent had previously made for his own account to Freeman.

CONCLUSIONS

By reason of the facts set forth in the Findings of Fact, it is concluded that the respondent has made a trade on or subject to the rules of a contract market otherwise than by open and competitive methods, in violation of section 1.38 of the regulations under the Commodity Exchange Act (17 CFR 1.38). The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the stipulation and the terms of the proposed order and they believe that the entry of such an order without further proceedings would constitute a satisfactory disposition of this case, serve the public interest and effectuate the purposes of the Commodity Exchange Act. The complainant, therefore, recommends that the stipulation be accepted and the proposed order be issued, terminating this proceeding. It is concluded that the complainant's recommendation should be adopted.

ORDER

Effective immediately, respondent William E. Henner shall cease and desist from making trades on or subject to the rules of a contract market otherwise than by open and competitive methods.

A copy of this Decision and Order shall be served on each of the parties and on each contract market.

LOAD-DATE: June 9, 2008

