

Commodity Futures Trading Commission
CEA CASES

NAME: RICHARD D. LUPORI, AND ALAN R. COYNE

DOCKET NUMBER: 221

DATE: DECEMBER 21, 1973

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Richard D. Lupori, and Alan R. Coyne, Respondents

CEA Docket No. 221

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents, Richard D. Lupori and Alan R. Coyne, have violated the Commodity Exchange Act as amended, (7 U.S.C. 1 et seq.), hereinafter the "Act", and the regulations made pursuant thereto. In accordance with the provisions of sections 6(b) and 6(c) of the Act (7 U.S.C. 9 and 13b), this Complaint and Notice of Hearing is issued stating the charges in that respect as follows:

I

Respondent Richard D. Lupori, an individual whose business address is Room 1350, 144 West Jackson Boulevard, Chicago, Illinois 60604, is now and was at all times material herein a registered floor broker under the Act and a member of the Chicago Board of Trade.

II

Respondent Alan R. Coyne, an individual whose business address is Room 1350, 144 West Jackson Boulevard, Chicago, Illinois 60604, is now and was at all times material herein a registered floor broker under the Act and a member of the Chicago Board of Trade.

III

At all times material herein respondents were employed by and carried their personal trading accounts with Kelly Grain Company of Chicago, Illinois, a registered futures commission merchant under the Act and a clearing member of the Chicago Board of Trade.

IV

The transactions referred to in this complaint relate to contracts for the purchase or sale of July 1972 soybean futures on the Chicago Board of Trade, a duly designated contract market under the Act. The soybean contracts resulting from the execution of the orders hereinafter described were capable of being used for hedging transactions in interstate commerce in such commodity or the products or byproducts thereof, or determining the price basis of any such transaction in interstate commerce in such commodity, or delivering any such commodity sold, shipped or received in interstate commerce.

V

In May of 1972 respondent Lupori, in his capacity as floor broker, had received for execution orders to sell and orders to buy July 1972 soybean futures for the accounts of various customers. Respondent Coyne accommodated respondent Lupori by executing these transactions, as listed below, in a

noncompetitive manner with respondent Lupori, which resulted in respondent Lupori's crossing these customer's orders.

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VI

In May of 1972 respondent Lupori, in his capacity as floor broker, had received for execution orders to sell and orders to buy July 1972 soybean futures for the accounts of various customers. Respondent Coyne accommodated respondent Lupori by executing the transactions, listed below, in a noncompetitive manner with respondent Lupori, which resulted in respondent Lupori's taking the opposite side of customers' orders for his (Lupori's) own account, without the prior consent of such customers. An error occurred in the processing of a table at this point in the document. Please refer to the table in the online document.

VII

On May 18 and 19, 1972, respondent Lupori gave to respondent Coyne orders for the sale of July 1972 soybean futures to be made for respondent Lupori's account. Thereafter respondent Lupori acting for customers bought from respondent Coyne July 1972 soybean futures, as listed below, with the result that respondent Lupori was able to take the opposite side of his customers' orders without the prior consent of such customers. An error occurred in the processing of a table at this point in the document. Please refer to the table in the online document.

VIII

On May 17 and 22, 1972, respondent Lupori prepared and turned in trading cards, to various futures commission merchants, purporting to show that he had executed the transactions in July 1972 soybean futures, as listed below, for the customers of such futures commission merchants, whereas, in fact, no such transactions actually had taken place, but, rather, respondent Lupori merely "carded" such transactions and took the opposite side thereof into his own account.

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Date	Quantity		Price	Customer	Opposite Broker and Customer
	Bought	Sold			
(1)	(2)	(3)	(4)	(5)	(6)
5-17-72	5		3.61-1/8	Continental 16311	Lupori
5-17-72	5		3.61-1/8	duPont 48845869-21	Lupori
5-22-72	10		3.58	Continental 28408	Lupori

IX

On May 17 and 22, 1972, respondent Lupori prepared and turned in several trading cards, to various futures commission merchants, which cards were endorsed by respondent Lupori to show the initials "AL" for the opposite executing floor broker, whereas, in fact, there was no such opposite executing floor broker, and respondent Lupori merely "carded" such transaction.

X

During May of 1972, respondents failed to note on various trading cards the time of execution of verbal orders they gave to each other for their personal accounts.

XI

By reason of the facts described in this complaint respondents wilfully violated sections 4b and 4c of the Act (7 U.S.C. 6b and 6c), and sections 1.35, 1.38 and 1.39 of the regulations thereunder (17 CFR 1.35, 1.38 and 1.39).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents and this proceeding shall be

governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28). The respondents will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D.C. 20250, an answer with an original and three copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this 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 this 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 in Chicago, Illinois, at a place therein and date to be specified later, before an Administrative Law Judge 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 appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) suspending or revoking the registration of the respondents as floor brokers, (2) prohibiting the respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined and (3) directing that the

respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D.C.

December 21 1973

[SEE SIGNATURE IN ORIGINAL]

CLAYTON YEUTTER

Assistant Secretary

LOAD-DATE: June 12, 2008

