

Commodity Futures Trading Commission  
CEA CASES

**NAME:** REUBEN EARL MCGUIGAN, ALIAS E. L. MCGUIGAN, ALIAS LOUIS J. BURNSTEIN,  
DOING BUSINESS AS INTERNATIONAL MARKET FORECAST BUREAU

**DOCKET NUMBER:** 37

**DATE:** JANUARY 3, 1946

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re Reuben Earl McGuigan, alias E. L. McGuigan, alias Louis J. Burnstein,  
doing business as International Market Forecast Bureau, Respondent

CE-A Docket No. 37

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

There being reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. Secs. 1-17a), and the rules and regulations promulgated pursuant thereto, this complaint is issued alleging the following:

1.

The respondent, Reuben Earl McGuigan, is an individual using the several names above mentioned and doing business at 15 Moore Street, New York, New York, under the name of International Market Forecast Bureau. During all periods mentioned in this complaint the respondent advertised and represented himself to be in the business of selling market advice to traders in commodities for future delivery, particularly grains and cotton.

2.

The respondent, during the times and, by means of the actions set forth herein, attempted to manipulate the price of commodities for future delivery on or subject to the rules of boards of trade in violation of Section 6(b) of the Commodity Exchange Act.

3.

The respondent, during the times, and by means of the actions set forth herein, manipulated the price of commodities for future delivery on or subject to the rules of boards of trade in violation of Section 6(b) of the Commodity Exchange Act.

4.

During the period from August 1, 1945, to and including December 5, 1945, the respondent sent large numbers of telegrams, letters, and circulars to persons and firms throughout the United States advising purchases and sales of commodities for future delivery. Collect telegrams were sent not only to subscribers to respondent's forecasting service, who numbered less than 250, but also were sent unsolicited to many firms and individuals who were not subscribers to the service.

5.

During the period from June 14, 1945, to December 5, 1945, the respondent traded for his own account under the name of Edith Adelson through the firm of Irving Weis and Company, New York, New York, in grain and cotton for future

delivery in the following aggregate amounts and with financial results as follows:

Grain futures purchased	2, 420,000 bushels
Grain futures sold	2,460,000 bushels
Cotton futures purchased	51,900 bales
Cotton futures sold	51,900 bales

Net profit on above transactions, June 14, 1945, to December 5, 1945	\$ 30,625.75
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6.

The telegrams, letters, and circulars sent and disseminated as described in paragraph 4 above were primarily for the purpose of manipulating the price of commodities to the benefit of the respondent in his speculative trading operations.

7.

The respondent, between August 1, 1945, and December 5, 1945, on numerous occasions, assumed a market position for his own account in commodities for future delivery, immediately after which he sent out large numbers of telegrams advising purchases or sales which would tend to influence prices in favor of the market position previously assumed by the respondent. After assuming such market position and after having sent the telegrams mentioned, the respondent on frequent occasions made transactions opposite those advised in the telegrams.

8.

By the means set out in paragraph 7 above, the respondent took advantage of price movements caused by transactions made pursuant to his advice.

9.

The respondent attempted by various means to conceal the fact that he was trading in commodity futures for his own account in that:

(a) The respondent informed representatives of the United States Department of Agriculture on September 5, 1945, that he did not trade in commodity futures for his own account while, as a matter of fact, he was

on that date an active trader for his own account in the name of Edith Adelson, on the books of Irving Weis and Company, and had been an active trader in such account since at least June 14, 1945.

(b) The respondent's account was carried in the name of Edith Adelson, which is the maiden name of the respondent's wife. The respondent forged the name of Edith Adelson to a Power of Attorney dated June 1, 1945, set out in Schedule A attached hereto, giving the respondent authority to make purchases and sales, but not giving authority for withdrawal of funds from the account.

(c) On November 15, 1945, the respondent closed the account in the name of Edith Adelson and withdrew therefrom the credit balance of \$ 19,500. On the following day, November 16, 1945, the respondent opened a new account on the books of Irving Weis and Company in the name of Louis J. Burnstein and deposited therein the sum of \$ 19,500. Instructions covering this deposit were made in the handwriting of the respondent on a Western Union telegram blank, set out in Schedule B attached hereto, over the forged signature of Edith Adelson.

(d) On November 20, 1945, the respondent executed in his own handwriting a "Customer's Card", set out in Schedule C attached hereto, on a form provided by Irving Weis and Company. The respondent dated this card July 20, 1939, signed thereto the name of Louis J. Burnstein and entered thereon the nonexistent address of 140 St. Pauls Place, Brooklyn, New York.

(e) On November 23, 1945, the account carried in the name of Louis J. Burnstein was closed by the issuance of a check by Irving Weis and Company

in the amount of \$ 17,162.75, payable to the order of Louis J. Burnstein. The respondent presented this check for deposit in an account carried in the name of Edith Adelson at the Lawyers Trust Company, 14th Street and 8th Avenue, New York, New York, and the Lawyers Trust Company refused to accept it in view of the fact that the endorser, Louis J. Burnstein, was unknown to them. On November 27, 1945, the respondent opened an account on the books of Irving Weis and Company in the name of Reuben McGuigan and deposited therein the sum of \$ 18,000, included in which was the above described check for \$ 17,162.75.

(f) The respondent continued to trade in commodity futures under the name of Reuben McGuigan from the date of the opening of the account, November 27, 1945, to and including December 5, 1945.

(g) In withdrawing funds from his account carried in the name of Edith Adelson on the books of Irving Weis and Company, respondent arranged with Irving Weis and Company to have checks drawn to the order of Edith Adelson as set out in Schedule D hereto, which checks respondent endorsed with the name "Edith Adelson", below which, in a number of instances, a partner of Irving Weis and Company executed an endorsement reading "Please pay cash to bearer", thus making the checks readily negotiable by respondent.

Therefore, the respondent is hereby notified to be and appear at a hearing to be held at 10:00 a.m., Eastern Standard Time, on the 13th day of February, 1946, in Room 600-60 Beaver Street, New York, New York,

before a referee to be designated by the Secretary of Agriculture, to conduct such hearing, and then and there show cause, if any there be, why an order should not be made directing that, until further notice of the secretary of Agriculture, all contract markets refuse all trading privileges to the respondent.

The respondent will have 20 days after the receipt of this notice of hearing in which to file with the Secretary of Agriculture an answer in triplicate, fully and completely stating the nature of the defense and admitting or denying specifically in detail each material and relevant allegation of this complaint. Any allegations that are 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 by delivery of a true copy hereof to him by an employee of the Department of Agriculture or by registered mail at least 20 days prior to the date herein set for hearing.

Done at Washington, D. C., this 3rd day of January, 1946

/s/ Clinton P. Anderson  
Secretary of Agriculture

Letter from Irving Weis & Co.

Letter from Irving Weis & Co.

Customer Card for Louis J. Burnstein

Checks from a Public National Bank and Trust Company Account

**LOAD-DATE:** June 11, 2008

