

Commodity Futures Trading Commission
CEA CASES

NAME: WILLARD E. PLATT, GEORGE F. FREY, JR., OLIVER M. HIBBERD, PATRICK M. SHEA, HENRY C. GATLIN, F & G COMMODITIES, AND RALPH N. PETERS & CO.

CITATION: 25 Agric. Dec. 463

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(No. 10,498)

In re WILLARD E. PLATT, GEORGE F. FREY, JR., OLIVER M. HIBBERD, PATRICK M. SHEA, HENRY C. GATLIN, F & G COMMODITIES, AND RALPH N. PETERS & Co. CEA Docket No. 112. Decided April 11, 1966.

Stipulation as to Patrick M. Shea -- False reports and records -- Suspension of registration -- Denial of trading privileges

The registration of Patrick M. Shea as a floor broker is suspended for 10 days and his trading privileges on the contract markets are denied for a like period for his activities in causing false records to be entered and false reports to be made in connection with the execution of futures transactions and deceiving the person from whom the orders for such transactions had been received and in failing to keep full and complete records of his futures transactions.

Mr. Earl L. Saunders for Commodity Exchange Authority.

Cusack & Cusack, of Chicago, Ill., for respondent Patrick M. Shea.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), instituted by a complaint and notice of hearing issued under section 6 (b) of the act (7 U.S.C. 9) by the Assistant Secretary of Agriculture.

Respondent Patrick M. Shea is one of seven respondents named in the complaint. The complaint charges that respondent Shea, a registered floor broker under the Commodity Exchange Act and a member of the Chicago Board of Trade, caused false records to be entered and made false reports in connection with the execution of commodity futures transactions and deceived the person from

whom the orders for such transactions had been received, in willful violation of section 4b of the Commodity Exchange Act (7 U.S.C. 6b), and that he failed to keep full and complete records of futures transactions, in willful violation of section 4g of the act (7 U.S.C. 6g) and section 1.35 of the regulations thereunder (17 CFR 1.35).

An oral hearing was held with respect to respondent Shea and respondent Oliver M. Hibberd in Chicago, Illinois, on October 13 and 14, 1965. n1 Subsequent to the completion of the hearing, respondent Shea filed a stipulation in which he withdraws his answer previously filed, admits the facts hereinafter set forth, waives any further proceedings in the matter including issuance of a referee's report, and consents to the entry of the order contained herein.

n1 Prior to the hearing, the proceeding insofar as it related to respondents Frey, Platt, Gatlin and Ralph N. Peters & Co. was terminated by the entry of consent orders (24 Agric. Dec. 93, 97, 102, 105 (24 A.D. 93, 97, 102, 105)). The case against respondent F & G Commodities is being handled as a default.

FINDINGS OF FACT

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

2. Respondent Patrick M. Shea, an individual whose business address in 141 West Jackson Boulevard, Chicago, Illinois, is now and was at all times material herein a registered floor broker under the Commodity Exchange Act and a member of the Chicago Board of Trade.

3. The transactions referred to herein relate to contracts for the purchase or sale of May 1963 soybean oil futures on the Chicago Board of Trade. Such contracts could have been used for (a) hedging transactions in interstate commerce in soybean oil or the products or byproducts thereof, or (b) determining the price basis of transactions in interstate commerce in soybean oil, or (c) delivering soybean oil sold, shipped, or received in interstate commerce for the fulfillment of such futures contracts. A soybean oil futures contract on the Chicago Board of Trade calls for the delivery of one tank car of 60,000 pounds of soybean oil.

4. On December 18, 1962, on the floor of the Chicago Board of Trade, respondent Shea, acting in his capacity as floor broker for Hayden, Stone & Co. Incorporated, entered into a transaction

with another floor broker, Oliver M. Hibberd, whereby respondent Shea sold and Hibberd purchased 17 cars of May 1963 soybean oil futures at a price of 8.94 cents per pound. With respect to such transaction, respondent Shea recorded on his trading card the name "Staley" as the name of the opposite clearing member and indicated thereon that Oliver M. Hibberd was the opposite executing floor broker. Thereafter, on December 18, 1962, respondent Shea altered the entries on his trading card pertaining to the 17 car transaction between him and Oliver M. Hibberd so as to purport to show that F & G Commodities was the name of the opposite clearing member with whom such transaction was made and that another floor broker, Willard E. Platt, was the opposite executing floor broker in such transaction. At the time respondent Shea so altered his trading card, he knew that the 17-car transaction had not been made with F & G Commodities as opposite clearing member or with Willard E. Platt as opposite executing floor broker.

5. After altering his trading card as described in finding 4 above, respondent Shea delivered such card to his principal, Hayden, Stone & Co. Incorporated. In accordance with the usual course of business, Hayden, Stone & Co. Incorporated maintained such card as a part of its records and as a record of respondent Shea. Based on the information contained on such card, Hayden, Stone & Co. Incorporated showed in its records that the transaction referred to in finding 4 above had been made with F & G Commodities as opposite clearing member, when, in truth and in fact, such was not the case.

CONCLUSIONS

The facts admitted by respondent Shea in his stipulation have been adopted as the findings of fact herein. Such facts demonstrate that the said respondent wilfully violated sections 4b and 4g of the Commodity Exchange Act (7 U.S.C. 6b, 6g) and section 1.35 of the regulations thereunder (17 CFR 1.35), as charged in the complaint.

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the stipulation and waiver

submitted by respondent Shea and the terms of the order to which he proposes to consent. The administrative officials believe that the proposed sanctions would be adequate and that the prompt entry of such an order will constitute a satisfactory disposition of this case as to respondent Shea, serve

the public interest, and effectuate the purposes of the Commodity Exchange Act. The complainant recommends, therefore, that the stipulation and waiver be accepted and the proposed order be issued. It is so concluded.

ORDER

The registration of respondent Patrick M. Shea as a floor broker is hereby suspended for a period of ten (10) days, effective on the thirtieth day after the date of entry of this order, and all contract markets shall refuse all trading privileges to the said Patrick M. Shea for the said period of ten days, such refusal to apply to all trading done and positions held by him whether for his own account or for any account owned or controlled by him, directly or indirectly.

A copy of this decision and order shall be served upon each of the parties and upon each contract market.

LOAD-DATE: June 8, 2008

