

Commodity Futures Trading Commission
CEA CASES

NAME: CHARLES E. RITTEN, J. PETER RITTEN AND LOUIS N. RITTEN & CO.

CITATION: 24 Agric. Dec. 2

DOCKET NUMBER: 118

DATE: JANUARY 8, 1965

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(No. 9563)

In re CHARLES E. RITTEN, J. PETER RITTEN AND LOUIS N. RITTEN & CO. CEA Docket No. 118. Decided January 8, 1965.

Reconsideration -- Petition for dismissed

The facts admitted by respondents in the order of July 16, 1964, constituted wash and fictitious sales in violation of section 4c(A) of the act and bucketing of customers' orders in violation of section 4b(D) of the act and the petition for reconsideration thereof is dismissed.

Decision by Thomas J. Flavin, Judicial Officer

ORDER

In this disciplinary proceeding under the Commodity Exchange Act (7 U.S.C. Chap. 1) a decision and order were entered on July 16, 1964 (23 Agric. Dec. 747 (23 A.D. 747)) pursuant to respondents' waiver of hearing, stipulation of facts and consent to the entry of the order entered.

On July 29, 1964, respondents filed a petition for reconsideration of the decision and order. The petition contends that the decision should have concluded only that respondents violated section 1.38 of the regulations (17 CFR 1.38) under the act prohibiting noncompetitive trading and should not have also concluded, as it did, that respondents violated sections 4b(D) and 4c(A) of the act.

Complainant filed a motion to dismiss the petition because of mootness since respondents sought no stay of the order entered which has gone into effect. Respondents filed an answer to complainant's motion to dismiss. Complainant's motion to dismiss the petition because of mootness was not granted and complainant filed an answer to respondents' petition. Respondents filed a reply to complainant's answer.

The facts admitted in Findings of Fact 7, 9 and 10 set out numerous transactions in each of which respondents bought and sold for the same account the same quantity of the same future

at the same price for the sole purpose of giving business to other members of the Minneapolis Grain Exchange. These transactions constituted wash and fictitious sales prohibited by section 4c (A) of the act. *In re Jean Goldwurm, et al.* 7 Agric. Dec. 265 (7 A.D. 265) (1948).

Moreover, respondents admitted the facts in Findings of Fact 6 and 8 relating transactions in which respondent Louis N. Ritten & Co. appears on the opposite side of transactions for customers of Louis N. Ritten & Co., although no such transactions actually took place but were merely "carded". Consequently these admitted facts show that customers' orders were "bucketed" in violation of section 4b(D) of the act. See *In re Julian M. Marks, et al.*, 22 Agric. Dec.

761, 774 (22 A.D. 761, 774) (1963); *Campbell, Trading in Futures*, 26 Geo. Wash. L. Rev. 215, 232 (January 1958).

The petition is dismissed.

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