

Commodity Futures Trading Commission
CEA CASES

NAME: ALEXANDER K. RUXTON

CITATION: 18 Agric. Dec. 103

DOCKET NUMBER: 85

DATE: FEBRUARY 26, 1959

DOCUMENT TYPE: DECISION AND ORDER

(No. 5787)

In re ALEXANDER K. RUXTON. CEA Docket No. 85. Decided February 26, 1959.

Denial of Trading Privileges -- Consent Order

Respondent admitted the jurisdictional facts, waived oral hearing, and consented to the issuance of an order directing all contract markets to refuse him trading privileges through October 5, 1959.

Mr. Benj. M. Holstein, for Commodity Exchange Authority. *Mr. James J. Coughlin*, of Chicago, Illinois, for respondent.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is a disciplinary proceeding under the Commodity Exchange Act (7 U.S.C. 1952 ed., Chapter 1), instituted by a complaint and notice of hearing issued under section 6(b) of the act (7 U.S.C. 1952 ed., § 9) by the Assistant Secretary of Agriculture on July 11, 1958.

The complaint describes certain transactions in wheat futures executed by the respondent on the Chicago Board of Trade in April 1957, while acting as floor broker pursuant to orders received from various principals, and charges that the respondent took the opposite side of certain of such orders without the prior knowledge or consent of the principals (Complaint, paragraphs III, IV); that he executed other orders by means of "cross trades" or "accommodation trades" (Complaint, paragraph V); and that he filled an order to purchase on behalf of one principal by offsetting the same against a similar order to sell on behalf of another principal (Complaint, paragraph VI). It is charged that the respondent thereby violated sections 4b(D) and 4c(A) of the Commodity Exchange Act (7 U.S.C. 1952 ed., §§ 6b(D), 6c(A)), which specifically prohibit transactions of the type described; and that he failed to execute futures trades openly and competitively by open outcry in the trading pit of the Chicago Board of Trade, in wilful violation of section 1.38 of the rules and regulations (17 CFR 1.38).

No hearing has been held. On February 20, 1959, the respondent withdrew the answer which he had previously filed and submitted a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he admits the facts hereinafter set forth, waives hearing, and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. The respondent, Alexander K. Ruxton, an individual whose business address is Room 1480, Board of Trade Building, 141 West Jackson Boulevard, Chicago 4, Illinois, is now and was at all times material herein a member of the Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, a duly designated contract market under the Commodity Exchange Act.

2. During the calendar years 1957 and 1958, the respondent was a registered floor broker under the Commodity Exchange Act. The respondent did not apply for registration as a floor broker under the act for the calendar year 1959, and is not presently so registered.

3. During the period from April 22, 1957, through April 26, 1957, the respondent, in his capacity as a registered floor broker, executed transactions in wheat futures on the Chicago Board of Trade. Such transactions were capable of being used for hedging

transactions in interstate commerce in wheat or the products or byproducts thereof, or determining the price basis of transactions in interstate commerce in wheat, or delivering wheat sold, shipped, or received in interstate commerce.

CONCLUSIONS

The rules of practice under the Commodity Exchange Act provide that the Secretary, in his discretion, may allow a respondent to consent to an order at any time prior to hearing, provided the respondent submits for filing in the record "a stipulation or statement in which he admits at least those facts necessary to the Secretary's jurisdiction and agrees that an order may be entered against him" (17 CFR 0.4(b)). The facts admitted by the respondent have been adopted as the findings of fact in this proceeding. Such facts are sufficient to subject the respondent to the jurisdiction of the Secretary of Agriculture.

The complainant has filed a recommendation which recites that it has carefully considered the stipulation and waiver submitted by the respondent, and the terms of the order to which he proposes to consent. It is the opinion of the complainant that the proposed sanction would be adequate, and that the prompt entry of such an order without further proceedings would constitute a satisfactory disposition of this case, serve the public interest, and effect the purposes of the Commodity Exchange Act. The complainant recommends that the stipulation and waiver be accepted and that the proposed order be issued terminating the proceeding. It is so concluded.

ORDER

Effective ten days after the date of entry of this order all contract markets are hereby directed to refuse all trading privileges to Alexander K. Ruxton for the period from such effective date through October 5, 1959, such refusal to apply to all trading done and positions held by the respondent, directly or indirectly, either for his own account or for the account of any other person.

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

LOAD-DATE: June 8, 2008

