

Commodity Futures Trading Commission
CEA CASES

NAME: RICHARD J. SENNOTT AND AUGUST COMENZO

CITATION: 25 Agric. Dec. 18

DOCKET NUMBER: 133

DATE: JANUARY 26, 1966

DOCUMENT TYPE: DECISION AND ORDER

(No. 10,312)

In re RICHARD J. SENNOTT AND AUGUST COMENZO. CEA Docket No. 133. Decided January 26, 1966.

Stipulation as to Richard J. Sennott -- Noncompetitive and offsetting transactions -- Suspension of registration and trading privileges

The registration and trading privileges of Richard J. Sennott are suspended for a period of 15 days for his activities involving noncompetitive and offsetting transactions on the Chicago Board of Trade.

Mr. Earl L. Saunders for Commodity Exchange Authority. *Mayer, Friedlich, Spiess, Tierney, Brown & Platt*, of Chicago, Ill., for respondent Richard J. Sennott.

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 by the Assistant Secretary of Agriculture.

The complaint names as respondents two individuals, Richard J. Sennott and August Comenzo. At the time of the violations charged, both respondents were registered floor brokers under the Commodity Exchange Act and members of the Chicago Board of Trade. The proceeding is concerned with transactions in soybean oil or soybean meal futures on the Chicago Board of Trade during the period July 11, 1963, through October 27, 1964. The complaint charges that in making certain of such transactions respondent Sennott offset customers' orders and entered into noncompetitive trades, thereby wilfully violating section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and section 1.38 of the regulations issued under the act (17 CFR 1.38). Respondent Comenzo is charged with making accommodation trades and wash sales, and entering into noncompetitive trades, thereby wilfully violating section 4c(A) of the act (7 U.S.C. 6c (A)) and section 1.38 of the regulations.

No hearing has been held with respect to either respondent. On January 20, 1966, respondent Richard J. Sennott 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 on the charges, and consents to the entry of the order contained herein.

FINDINGS OF FACT

1. Respondent Richard J. Sennott, an individual whose address is 141 West Jackson Boulevard, Chicago, Illinois, is now and was at all times material herein a member of the Board of Trade of the City of Chicago and a registered floor broker under the Commodity Exchange Act. At all times material herein, respondent Sennott was authorized to trade on a discretionary basis in commodity

futures for the trading account of Honeymead Trading Corporation, a clearing member of the Board of Trade of the City of Chicago.

2. Respondent August Comenzo was at all times material herein a registered floor broker under the Commodity Exchange Act. He was at all times material herein a member of the Board of Trade of the City of Chicago.

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

4. The transactions referred to in the complaint relate to contracts for the purchase or sale of soybean oil or soybean meal futures on the Chicago Board of Trade. Such contracts could have been used for (a) hedging transactions in interstate commerce in soybean oil or soybean meal or the products or byproducts thereof, or (b) determining the price basis of transactions in interstate commerce in soybean oil or soybean meal, or (c) delivering soybean oil or soybean meal 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 60,000 pounds of soybean oil and a soybean meal futures contract on the Chicago Board of Trade calls for the delivery of 100 tons of soybean meal.

5. In each of the transactions listed below, respondent Richard J. Sennott, acting as floor broker, filled a purchase order for his principal, a clearing member of the Chicago Board of Trade, by entering into a trade with respondent August Comenzo. In each of such transactions, respondent Comenzo, acting as floor broker pursuant to an order which he received from respondent Sennott, took the sale side of such transaction for the trading account of Honeymead Trading Corporation at the price bid by respondent Sennott.

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Date 1963	Commodity	Future	Quantity (No. of Contracts)	Price (Meal -- Dollars per Ton)	(Oil -- Cents per Pound)
Sept. 25	Soybean Meal	May 1964	11	74.00	
Oct. 17	Soybean Oil	May 1964	5		9.45
Nov. 5	Soybean Oil	Dec. 1963	5		9.65
Nov. 6	Soybean Meal	May 1964	7	75.25	
Nov. 8	Soybean Oil	Jan. 1964	9		10.32
Dec. 19	Soybean Oil	Oct. 1964	2		9.53
Dec. 31	Soybean Meal	Mar. 1964	15	76.30	
1964					
Jan. 2	Soybean Oil	Jan. 1964	10		8.00
Jan. 2	Soybean Oil	Jan. 1964	15		8.02

6. In each of the transactions listed below, respondent Richard J. Sennott, acting as floor broker, filled a sell order for his principal, a clearing member of the Chicago Board of Trade, by entering into a trade with respondent August Comenzo. In each of such transactions, respondent Comenzo, acting as floor broker pursuant to an order which he received from respondent Sennott, took the purchase side of such transaction for the trading account of Honeymead Trading Corporation at the price offered by respondent Sennott.

Date 1963	Commodity	Future	Quantity (No. of Contracts)	Price (Meal -- Dollars per Ton)	(Oil -- Cents per Pound)
Oct. 9	Soybean Oil	Jan. 1964	23		9.80
Oct. 31	Soybean Meal	Dec. 1963	7	73.40	
Nov. 6	Soybean Meal	Jan. 1964	6	74.30	
Nov. 21	Soybean Oil	Jan. 1964	25		7.96
Dec. 2	Soybean Meal	Dec. 1963	5	72.45	
Dec. 23	Soybean Oil	May 1964	10		8.68
Dec. 31	Soybean Meal	July 1964	15	77.70	

7. On January 13, 1964, respondent Richard J. Sennott, acting for his own account, purchased 1900 tons of March 1964 soybean meal futures at a price of \$ 74.55 per ton by entering into a trade with respondent August Comenzo, and on February 27, 1964, respondent Sennott, acting for his own account, purchased 1600 tons of May 1964 soybean meal futures at a price of \$ 70.05 per ton by entering into a trade with respondent Comenzo. In each of such transactions, respondent Comenzo, acting as floor broker

pursuant to an order which he received from respondent Sennott, took the sale side of such transaction for the trading account of Honeymead Trading Corporation at the price bid by respondent Sennott.

8. Each of the transactions described in Findings of Fact numbered 5, 6 and 7 hereof was a noncompetitive purchase and sale of a commodity for future delivery, and in each of the transactions described in Findings of Fact numbered 5 and 6 hereof respondent Sennott filled orders of his customers by offset.

CONCLUSIONS

The facts admitted by respondent Sennott in his stipulation have been adopted as the findings herein. By reason of these findings, it is concluded that respondent Sennott wilfully violated section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and section 1.38 of the regulations issued under the Act (17 CFR 1.38).

The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the proposed stipulation and order, and that they believe the proposed sanctions are adequate and that the prompt entry of such an order would constitute a satisfactory disposition of the case as against respondent Sennott, 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 that the proposed order be issued. It is so concluded.

ORDER

The registration of respondent Richard J. Sennott as a floor broker is hereby suspended for a period of fifteen (15) days, effective on the twentieth day after the date of entry of this order, and all contract markets shall refuse all trading privileges to said Richard J. Sennott for the said period of fifteen (15) days, such refusal to apply to all trading done and all positions held 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

