

Commodity Futures Trading Commission  
CEA CASES

**NAME:** DANIEL J. SHELLEY, JOHN M. ROWLEY, AND SAM H. LA MANTIA (LAMANTIA)

**DOCKET NUMBER:** 96

**DATE:** DECEMBER 15, 1960

**DOCUMENT TYPE:** COMPLAINT

**NOTE:** SOMETIMES SPELLED AS LAMANTIA AND SOMETIMES AS LA MANTIA

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Daniel J. Shelley, John M. Rowley, and Sam H. La Mantia, Respondents

CEA Docket No. 96

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

There is reason to believe that respondents, Daniel J. Shelley, John M. Rowley, and Sam H. La Mantia, have violated the Commodity Exchange Act (7 U.S.C. 1958 ed., Chapter 1) and the rules and regulations made pursuant thereto, and in accordance with the provisions of section 6b of the said act (7 U.S.C. 1958 ed., § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Daniel J. Shelley, an individual whose address is Care of Trading Floor, Board of Trade of the City of Chicago, 141 West Jackson Boulevard, Chicago 4, Illinois, is now and was at all times material to this complaint a registered floor broker under the Commodity Exchange Act (hereinafter called the act), and a member of the Board of Trade of the City of Chicago (hereinafter called the Chicago Board of Trade).

II

Respondent John M. Rowley, an individual whose address is Room 1690, 141 West Jackson Boulevard, Chicago 4, Illinois, is now and was at all times material to this complaint a registered floor broker under the act and a member of the Chicago Board of Trade.

III

Respondent Sam H. La Mantia, an individual whose address is Room 1036, 141 West Jackson Boulevard, Chicago 4, Illinois, is now and was at all times material to this complaint a registered floor broker under the act and a member of the Chicago Board of Trade.

IV

The Chicago Board of Trade is now and was at all times material to this complaint a duly designated contract market under the Commodity Exchange Act.

V

On May 19, 1960, respondent Daniel J. Shelley, in his capacity as floor broker, had received and had in his possession for execution on behalf of various registered futures commission merchants orders to buy a total of 140,000 bushels of May 1960 wheat futures on the Chicago Board of Trade and other orders

to sell a total of 140,000 bushels of such futures on the said exchange. The contracts resulting

from the execution of such orders were capable of being used for hedging a transaction in interstate commerce in wheat or the products or by-products thereof, or for determining the price basis of a transaction in interstate commerce in wheat, or for delivering wheat sold, shipped, or received in interstate commerce.

## VI

On May 19, 1960, respondent Shelley executed the orders described in paragraph V by means of non-competitive trades with respondent John M. Rowley, in which respondent Shelley bought from respondent Rowley 140,000 bushels of May 1960 wheat futures at \$ 1.94 per bushel and sold to respondent Rowley the same quantity of the same future at \$ 1.93 per bushel, with respondent Rowley making the corresponding sale and purchase for his own account. By reason of such trades, respondent Shelley filled orders of his customers for the purchase of futures by offset against other orders of his customers for the sale of futures, in willful violation of section 4b(D) of the act (7 U.S.C. 1958 ed., § 6b(D)), and cheated or defrauded his customers in willful violation of section 4b(A) of the act (7 U.S.C. 1958 ed., § 6b(A)); respondent Rowley entered into accommodation trades in willful violation of section 4c(A) of the act (7 U.S.C. 1958 ed., 6c(A)); and respondents Shelley and Rowley executed purchases and sales of a commodity for future delivery

in a manner which was not open and competitive, as required by section 1.38 of the rules and regulations (17 CFR 1.38), and in willful violation thereof.

## VII

In recording the execution of the trades described in paragraph VI, respondent Shelley entered on his trading card the aforesaid purchase from respondent Rowley at \$ 1.94 per bushel, but did not enter on his trading card the aforesaid sale to respondent Rowley at \$ 1.93 per bushel. Instead, respondent Shelley requested respondents La Mantia and Rowley to record the said sale on their respective trading cards as though such sale had been made by respondent La Mantia to respondent Rowley. In compliance with such request, respondent La Mantia entered on his trading cards a sale of 140,000 bushels of May 1960 wheat futures to respondent Rowley at \$ 1.93 per bushel, and respondent Rowley entered on his trading card a purchase of 140,000 bushels of the said future from respondent La Mantia at \$ 1.93 per bushel. By reason of such acts, respondents Shelley and La Mantia, in connection with the disposition or execution of orders to sell a commodity for future delivery, willfully deceived the persons from whom such orders had been received, in violation of section 4b(C) of the act (7 U.S.C. 1958 ed., § 6b(C)); and all of

the respondents willfully caused false reports to be made and false records to be entered in connection with the execution of such orders, in violation of section 4b(B) of the act (7 U.S.C. 1958 ed., § 6b(B)), and failed to keep full and complete records of futures transactions, as required by section 1.35 of the rules and regulations and section 4g of the act (17 CFR 1.35; 7 U.S.C. 1958 ed., § 6g), and in willful violation thereof.

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondents. The respondents will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., an answer with an original and six copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each material and

relevant allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint and a waiver of hearing. The respondents are hereby notified that unless hearing is waived, either expressly or by failure to file an answer and request a hearing, a hearing will be held at 10:00 a.m., local time, on the 24th day of January 1961, in Chicago, Illinois, at a place therein to be specified later,

before a referee designated to conduct such hearing. At such hearing the respondents will have the right to appear and show cause, if any there be, why an order should not be made suspending or revoking their registrations as floor brokers under the act, and directing that all contract markets refuse all trading privileges to the said respondents for such period of time as may be determined.

It is ordered that this complaint and notice of hearing be served on each of the said respondents at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.,

December 15, 1960.

/s/ Clarence L. Miller

Clarence L. Miller

Acting Secretary

**LOAD-DATE:** June 12, 2008

