

Commodity Futures Trading Commission
CEA CASES

NAME: FRED STROHMEIER, JR.

DOCKET NUMBER: 88

DATE: OCTOBER 31, 1958

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Fred Strohmeier, Jr., Respondent

CEA Docket No. 88

Complaint and Notice of Hearing under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, Fred Strohmeier, Jr., has violated the provisions of the Commodity Exchange Act (7 U.S.C. 1952 ed., Chapter 1), and the rules and regulations of the Secretary of Agriculture made pursuant thereto (17 CFR, Part 1). In accordance with the provisions of section 6(b) of the Commodity Exchange Act (7 U.S.C. 1952 ed. § 9), this complaint and notice of hearing is issued alleging as follows:

I

Respondent Fred Strohmeier, Jr., was at all times material to this complaint and is now a dealer in eggs with office and principal place of business located at Jeffersontown, Kentucky.

II

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

III

During 1956 and 1958, the respondent traded in egg futures through various futures commission merchants in accounts carried under the names Fred Strohmeier, Strohmeier Egg Company, E. B. Strohmeier, and Eleanor Strohmeier. All such accounts were controlled by the respondent.

IV

On August 9 and 10, 1956, and on each day during the period from August 16, 1956, through August 28, 1956, the respondent had a net short position in egg futures on the Chicago Mercantile Exchange which ranged from 25 carlots to 38 carlots in a single future. On each day during the period, from August 19, 1958, through August 22, 1958, the respondent had a net short position in egg futures on the Chicago Mercantile Exchange which ranged from 59 carlots to 89 carlots in a single future. By reason of the fact that such quantities were equal to or in excess of 25 carlots, the respondent was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held for his account in all egg futures on all boards of trade (exchanges) during the said periods, and with respect to

all such transactions by reason of which the respondent's position was reduced below reporting levels, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 1952 ed., § 6i) and sections 6.10, 6.11, 6.12, and 6.21 of the rules and regulations thereunder (17 CFR, 6.10, 6.11, 6.12, 6.21).

V

On eight (8) business days during the periods specified in paragraph IV hereof, while respondent was in reporting status as therein described, and on three (3) business days within the said periods, when the respondent's positions were reduced below 25 carlots, transactions in egg futures on the Chicago Mercantile Exchange were executed for his account, but the respondent has failed to report to the Commodity Exchange Authority with respect to such transactions, as required under the aforesaid provisions of the Commodity Exchange Act and the rules and regulations.

VI

On four occasions in 1956 officials of the Commodity Exchange Authority informed the respondent by mail of the reporting requirements with respect to egg futures under the Commodity Exchange Act and regulations, and requested submission of reports which were

then due from the respondent, as described in paragraphs IV and V. The respondent was also informed in writing by the Administrator of the Commodity Exchange Authority on November 14, 1956, and again on August 26, 1953, of respondent's delinquencies in submitting reports, and notified that such delinquencies were a continuing violation of the law and could result in the institution of formal proceedings directed toward denial of trading privileges on contract markets. In the circumstances, the respondent was fully aware of his obligations under the Commodity Exchange Act and the rules and regulations with respect to the submission of required reports, and the failure to submit such reports constituted a knowing and wilful violation of section 4i of the Commodity Exchange Act and sections 6.10, 6.11, 6.12, and 6.21 of the rules and regulations thereunder.

Therefore, the respondent, Fred Strohmeier, Jr., is hereby notified that a hearing will be held in this matter beginning at 10:00 a.m., local time, on the 9th day of December, 1958, in Room 1200, 141 West Jackson Boulevard, Chicago, Illinois, before a referee designated to conduct such hearing. The respondent will have an opportunity at such hearing to show cause, if any there be, why an order should not be made directing all contract

markets to refuse all trading privileges to him for such period of time as may be determined. The respondent 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 five 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 that are not answered will be deemed admitted for the purpose of this proceeding.

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

Done at Washington, D. C., this
31st day of October, 1958.

/s/ E. L. Peterson
E. L. Peterson
Acting Secretary

LOAD-DATE: June 12, 2008

