

Commodity Futures Trading Commission  
CEA CASES

**NAME:** P. J. TAGGERES COMPANY, CHEF-REDDY FOODS, PETER J. TAGGARES, KENNETH L. RAMM, IDAHO POTATO PACKERS CORP., IDAHO POTATO PACKERS OF IDAHO, INC., ROBERT H. ABEND, HAROLD ABEND, SAN JACINTO PACKING CO., AGRI-EMPIRE, INC., JAMES MINOR, UNIVERSAL LAND-SNAKE RIVER, EDWARD SPIEGEL, MODIE J. SPIEGEL, J. R. SIMPLOT COMPANY, SIMPLOT EASTERN IDAHO PRODUCE, INC., J. R. SIMPLOT, WITH RESPECT TO UNIVERSAL LAND-SNAKE RIVER, EDWARD SPIEGEL, AND MODIE J. SPIEGEL

**CITATION:** 32 Agric. Dec. 1257

**DOCKET NUMBER:** 200

**DATE:** JUNE 7, 1973

**DOCUMENT TYPE:** DECISION AND ORDER

(No. 15,280)

*In re* P. J. TAGGERES COMPANY, a corporation, CHEF-REDDY FOODS, a corporation, PETER J. TAGGARES, an individual, KENNETH L. RAMM, an individual, IDAHO POTATO PACKERS CORP., a corporation, IDAHO POTATO PACKERS OF IDAHO, INC., a corporation, ROBERT H. ABEND, an individual, HAROLD ABEND, an individual, SAN JACINTO PACKING CO., a proprietorship, AGRI-EMPIRE, INC., a corporation, JAMES MINOR, an individual, UNIVERSAL LAND-SNAKE RIVER, a partnership, EDWARD SPIEGEL, an individual, MODIE J. SPIEGEL, an individual, J. R. SIMPLOT COMPANY, a corporation, SIMPLOT EASTERN IDAHO PRODUCE, INC., a corporation, J. R. SIMPLOT, an individual. CEA Docket No. 200. Decided June 7, 1973, with respect to *Universal Land-Snake River, Edward Spiegel, and Modie J. Spiegel.*

**Futures prices -- Manipulation of -- Stipulation of respondents Universal Land-Snake River, Edward Spiegel, and Modie J. Spiegel - Denial of trading privileges to said three respondents for 180 days**

*Gilbert A. Horn, Chicago, Illinois, and*

*Harold J. Reuben, for complainant.*

*Patrick W. O'Brien, Chicago, Illinois, for respondents.*

*Decision by Donald A. Campbell, Judicial Officer.*

**DECISION AND ORDER**

**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. The complaint charges that the respondents attempted to manipulate the prices of potato futures on the Chicago Mercantile Exchange in violation of §§ 6(b), 6(c) and 9 of the Act (7 U.S.C. §§ 9, 13b and 13).

No hearing had been held with respect to this proceeding. On January 10, 1973, a Decision and Order with respect to J.R. Simplot Company, Simplot Eastern Idaho Produce, Inc., and J.R. Simplot was entered pursuant to the filing by them of a joint amended stipulation. On May 16, 1973, a Decision and Order with respect to Idaho Potato Packers Corp., Idaho Potato Packers of Idaho, Inc., Robert H. Abend and Harold Abend was entered pursuant to the filing by them of a joint stipulation. On May 31, 1973, a Decision and Order with respect to Chef-

Reddy Foods, Peter J. Taggares and Kenneth L. Ramm was entered, pursuant to the filing by them of a joint stipulation.

Respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel have at this time filed a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which (1) they admit the facts hereinafter set forth in findings of fact one through five, (2) they agree, for the purpose of avoiding a trial in this proceeding and for such purpose only, that the facts hereinafter set forth in findings of fact six through eight may be taken as true, (3) they state that nothing in this stipulation shall be deemed to constitute an admission that the Commodity Exchange Act or regulations thereunder have been violated by them, and (4) they waive hearing on the charges, and consent to the entry of the order contained herein.

#### **FINDINGS OF FACT**

1. Respondent Universal Land-Snake River is a partnership organized under the laws of the State of Washington with its principal office and place of business at Pasco, Washington. The said partnership is now and was at all times material to this complaint engaging in the potato growing business. At all such times, respondent Edward Spiegel was a partner in the said partnership; speculatively traded in potato futures on the Chicago Mercantile Exchange in the name of the said partnership; and directed, controlled, and was responsible for the said partnership's transactions herein involved.

2. Respondent Modie J. Spiegel, whose address is 175 East Delaware Place, Chicago, Illinois, was at all times material to this

complaint engaged in speculative trading in potato futures on the Chicago Mercantile Exchange for his own account.

3. The Chicago Mercantile Exchange is now and has been at all times material to this complaint a board of trade duly designated as a contract market under the Commodity Exchange Act.

4. The futures transactions referred to in this complaint relate to the May 1971, potato future on the Chicago Mercantile Exchange. Trading in such future commenced on May 11, 1970, and continued until its termination on May 10, 1971. A potato futures contract on the Exchange is a contract for 50,000 pounds of Idaho Russet Burbank potatoes.

5. At all times material to this complaint, respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel, trading in the manner specified in paragraphs 1 and 2 hereof, purchased May 1971, potato futures contracts on the Chicago Mercantile Exchange and obtained, held and controlled a "long" position in such future.

6. Respondent Edward Spiegel purchased in transactions on the Chicago Mercantile Exchange over a period of time beginning on or about January 8, 1971, and continuing until on or about April 30, 1971, numerous contracts of the May 1971, Idaho potato future for the account of respondent Universal Land-Snake River, and established, maintained and kept open in increasing quantities over a period of time from on or about January 8, 1971, through the expiration of trading on May 10, 1971, a "long" position in such future which advanced to the maximum permissible speculative limit of 150 open contracts by on or about April 30, 1971, and which remained at such level through the close of trading on May 10, 1971.

7. Respondent Modie J. Spiegel purchased in transactions on the Chicago Mercantile Exchange over a period of time beginning on or about April 21, 1971, and continuing until on or about May 4, 1971, numerous contracts of the May 1971, Idaho potato future for his own account, and established, maintained and kept open in increasing quantities over a period of time from on or about April 21, 1971, through the expiration of trading on May 10, 1971, a "long" position in such future which advanced to the maximum permissible speculative limit of

150 open contracts by on or about May 4, 1971, and which remained at such level through the close of trading on May 10, 1971.

8. Respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel did not liquidate or offset their "long" positions in such future prior to the expiration of trading on May 10, 1971.

#### **CONCLUSIONS**

Section 0.4(b) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(b)) provides as follows:

(b) *Consent Order*. At any time after the issuance of the complaint and prior to the hearing in any proceeding, the Secretary in his discretion, may allow the respondent to consent to an order. In so consenting, the respondent must submit, 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. Upon a record composed of the complaint and the stipulation or agreement consenting to the order, the Secretary may enter the order consented to by the respondent, which shall have the same force and effect as an order made after oral hearings.

The facts admitted by respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel and set forth in the findings of fact are sufficient to subject them to the jurisdiction of the Secretary of Agriculture under the provisions of the above section.

The complainant has filed a recommendation which recites that it has carefully considered the stipulation and the terms of the proposed order. It is the view of the complainant that the proposed sanctions would constitute a satisfactory disposition of this case as to respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel, serve the public interest, and effectuate the purposes of the Commodity Exchange Act. The complainant therefore recommends that the stipulation and waiver be accepted and that the proposed order be issued, terminating this proceeding as to respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel. It is so concluded.

#### **ORDER**

Effective immediately, respondents Universal Land-Snake River, Edward Spiegel and Modie J. Spiegel shall henceforth

cease and desist from manipulating or attempting to manipulate the market price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any contract market.

Effective immediately, (1) the said respondents are prohibited from trading on or subject to the rules of any contract market for a period of 180 days, and (2) all contract markets shall refuse all trading privileges to the said respondents during this period. Such prohibition and refusal shall apply to all trading done and in all positions held by the said respondents, or any of them, 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 9, 2008

