

Commodity Futures Trading Commission
CEA CASES

NAME: WAR FOOD ADMINISTRATOR V. MAURICE J. LEGARDEUR

DOCKET NUMBER: 33

DATE: FEBRUARY 10, 1944

DOCUMENT TYPE: COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE WAR FOOD ADMINISTRATOR

CE-A Docket No. 33

War Food Administrator, Complainant v. Maurice J. LeGardeur, Respondent

Complaint and Notice of Hearing under the Commodity Exchange Act

The complainant, acting pursuant to the authority vested in him by Executive Order 9280, Executive Order 9322, Executive Order 9334, Executive Order 9392, and the Commodity Exchange Act (7 U.S.C. 1934 ed. Supp. V, § 1-17a), and having reason to believe that the respondent has violated certain provisions of the Commodity Exchange Act, issues this complaint against the respondent and alleges that:

1. Respondent is, and was, at all times hereinafter mentioned, a member of the New Orleans Cotton Exchange, and duly registered as a floor broker under the provisions of the Commodity Exchange Act.

2. The New Orleans Cotton Exchange, hereinafter referred to as the Exchange, is a Board of Trade under the provisions of the Commodity Exchange Act, and was, at all times hereinafter mentioned, duly designated as a contract market under the provisions of said Act.

3. Beer & Company was, at all times hereinafter mentioned, a member of the Exchange and duly registered as a futures commission merchant under the provisions of the Commodity Exchange Act.

4. Cotton is a commodity as defined in the Commodity Exchange Act. The May cotton futures contract with respect to which respondent became the seller, and the May cotton futures contract with respect to which the respondent became the buyer, as hereinafter alleged, were both contracts for the sale of a commodity for future delivery made on, and subject to the rules of, a contract market for and on behalf of another person, and such contracts were or might be used for (1) hedging a transaction in interstate commerce in cotton or the products or by-products of cotton, or (2) determining the price basis of a transaction in interstate commerce in cotton.

5. On November 1, 1943, respondent received, for execution by him as a floor broker, an open order from Beer & Company to buy one May cotton futures contract on the Exchange at 19.44 cents per pound. The order was given by Beer & Company for its customer Otho Morris, of Tyler, Texas, who had placed the order with the Tyler, Texas office of Beer & Company. After the order was placed with the respondent, as aforesaid, the price of the May cotton future on the Exchange remained above 19.44 cents per pound until November 3, 1943. On that day, said future was traded on the Exchange at and below 19.44 cents per pound, and respondent filled said order by becoming the seller with respect thereto at a price of 19.44 cents per pound and reported the execution of the order at that price to Beer & Company.

6. The respondent, with respect to the order alleged in paragraph 5 hereof, did willfully and knowingly and without the prior consent of the person for whom the order was to be executed, become the seller with respect to such buying order

7. On November 3, 1943, respondent had, for execution by him as a floor broker, an order from Beer & Company to buy two July cotton future contracts and to sell two May cotton future contracts on the Exchange at the market. This order was given by Beer & Company for its customer R. C. Leftwich, of New Orleans, Louisiana, who had placed the order with Beer & Company at its New Orleans office. Respondent filled said order on November 3, 1943 by the purchase of two July cotton future contracts from Kohlmeyer, Newburger & Company, at 19.16 cents per pound, and the sale of one May cotton futures contract to Meric, Parduo & Company, at 19.34 cents per pound, and the sale of one May cotton futures contract to himself, as buyer, at 19.34 cents per pound.

8. Respondent, with respect to the order alleged in paragraph 7 hereof, did willfully and knowingly and without the prior consent of the person for whom the order was to be executed, become the buyer with respect to said selling order to the extent of one May cotton futures contract.

9. Respondent did, by the acts heretofore alleged, violate the provisions of section 4b(D) of the Commodity Exchange Act.

WHEREFORE respondent is hereby notified to be, and appear before the Referee to be appointed by the War Food Administrator, at a hearing to be

held at 10:00 a.m., on March 15, 1944 at Room 2867, South Building United States Department of Agriculture, Washington, D. C., or at such other times and places as may be determined by the Referee, and then and there show cause, if any there be, why an order shall not be made revoking or suspending the registration of respondent as a floor broker and requiring all contract markets to refuse respondent all trading privileges thereon for such period as may be specified in the order.

IT IS ORDERED that this complaint and notice of hearing be served on the named respondent by delivery of a true copy hereof to him by an employee of the United States Department of Agriculture, or by registered mail, at least three days prior to the date herein set for hearing.

(SEAL)

Done at Washington, D. C., this 10th day of Feb., 1944.

/s/ Ashley Sellers

Assistant War Food Administrator

LOAD-DATE: June 11, 2008

