

Commodity Futures Trading Commission
CEA CASES

NAME: EDWARD WEITMAN

DOCKET NUMBER: 175

DATE: FEBRUARY 9, 1971

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Edward Weitman, Respondent

CEA Docket No. 175

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that Edward Weitman, hereinafter referred to as the respondent, has violated the Commodity Exchange Act (7 U.S.C. Chapter 1, 1964 ed., as amended, Supp. IV, 1969), hereinafter referred to as the Act, and, in accordance with the provisions of sections 6(b) and 6(c) of the Act (7 U.S.C. 9 and 13b, Supp. IV 1969), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The respondent, Edward Weitman, an individual whose address is 3600 North Lake Shore Drive, Chicago, Illinois 60613, was at all times material herein employed as a solicitor by S & R Commodities, Inc., Chicago, Illinois, a commodity brokerage firm. The said firm was, at all times material herein, a registered futures commission merchant under the Commodity Exchange Act and a member of the Board of Trade of the City of Chicago, a duly designated contract market under the Commodity Exchange Act.

II

At all times material herein, Mr. Paul Hopper, Mr. Joseph Zeman and Mr. David Bainer maintained commodity futures accounts at S & R Commodities, Inc., and at all such times the respondent personally handled the trading in such accounts.

III

The transactions hereinafter referred to were in corn futures on or subject to the rules of the Chicago Board of Trade. Such transactions could have been used for (a) hedging transactions in interstate commerce in corn, (b) determining the price basis of transactions in interstate commerce in corn, and (c) delivering corn sold, shipped or received in interstate commerce for the fulfillment of such futures contracts.

IV

Acting without the knowledge or consent of Mr. Paul Hopper, the respondent: (1) on July 18, 1969, placed in Mr. Paul Hopper's account at S & R Commodities a total of 10,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) subsequently on July 18, 1969, sold 5,000 bushels of December, 1969, corn futures for a loss of \$ 18.75, and (3) on July 25, 1969, sold the remaining 5,000 bushels of December, 1969, corn futures for a loss of \$ 306.25 to Mr. Hopper's account.

V

Acting without the knowledge or consent of Mr. Joseph Zeman, the respondent: (1) on July 18, 1969, placed in Mr. Joseph Zeman's account at S & R Commodities a total of 25,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) on July 24, 1969, sold 5,000 bushels of December, 1969, corn futures, and (3) on July 25, 1969, liquidated the remaining 20,000 bushels of December, 1969, corn futures for a loss of \$ 1,631.25 to Mr. Zeman's account on the 25,000 bushels purchased on July 18, 1969.

VI

Acting without the knowledge or consent of Mr. David Bainer, the respondent: (1) on July 18, 1969, placed in Mr. David Bainer's account at S & R Commodities a total of 15,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) subsequently on July 18, 1969, liquidated 10,000 bushels of December, 1969, corn futures for a loss to Mr. Bainer's account of \$ 25.00, and (3) on July 28, 1969 liquidated the remaining 5,000 bushels of December, 1969, corn futures bought on July 18, 1969, for a loss of \$ 406.25.

By reason of the facts alleged in this complaint, the respondent attempted to cheat or defraud and did cheat or defraud persons in, or in connection with, the making of contracts of sale of commodities for future delivery on or subject to the rules of a contract market

in wilful violation of section 4(b) of the Commodity Exchange Act (7 U.S.C. 6b, Supp. IV, 1969).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22, and 0.28 of the rules of practice under the Commodity Exchange Act, (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, and 0.28). The respondent will have twenty (20) days after receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and three copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purposes of this proceeding. Failure to file an answer will constitute an admission of all allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in this complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless a hearing is waived, a hearing will be held at 10:00 a.m., March 17, 1971, in Chicago, Illinois, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondent will have the right to appear and show cause, if any there be, why an appropriate

order should not be issued in accordance with the Commodity Exchange Act, (1) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined, and (2) directing that the respondent shall cease and desist from violating the Commodity Exchange Act in the manner alleged herein.

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.

February 9, 1971

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng
Assistant Secretary

LOAD-DATE: June 16, 2008

