

Commodity Futures Trading Commission
CEA CASES

NAME: WOLFORD & COMPANY, A CO-PARTNERSHIP COMPOSED OF AUBREY S. WOLFORD AND ASHTON H. HAYWARD, GENERAL PARTNERS, AND MARGOT C. WOLFORD, A LIMITED OR SPECIAL PARTNER

DOCKET NUMBER: STIPULATION 1

DATE: JUNE 26, 1944

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UNITED STATES OF AMERICA

BEFORE THE WAR FOOD ADMINISTRATOR

CE-A Docket No.

In re Wolford & Company, a co-partnership composed of Aubrey S. Wolford and Ashton H. Hayward, general partners, and Margot C. Wolford, a limited or special partner.

Stipulation of Compliance No. 1

Whereas the War Food Administrator has reason to believe that Wolford & Company has violated section 4b(n) of the Commodity Exchange Act, as amended, in the following particulars, to wit, that said company, then being, within the meaning of the Commodity Exchange Act, as amended, a member of the New York Cotton Exchange, a contract market under the provisions of the Commodity Exchange Act, as amended, did on January 21, 1944, in connection with an order to make a contract of sale of a commodity for future delivery made on or subject to the rules of the New York Cotton Exchange for and on behalf of Hulsey & Nebhut, of Memphis, Tennessee, which contract for future delivery was or might have been used for hedging a transaction in interstate commerce in such commodity or the products or by-products thereof, or for determining the price basis of a transaction in interstate commerce in such commodity, did fill such order of Hulsey & Nebhut by offset against the order of another person, to wit, Wolford & Company, and did thereby become the buyer in respect to the selling order of Hulsey & Nebhut without the prior consent of Hulsey & Nebhut; and,

whereas, no complaint has been filed with respect to said violation and said Wolford & Company and Aubrey S. Wolford and Ashton H. Hayward, as individuals, desire to enter into a stipulation pursuant to the provisions of Section 0.4(a) of the Rules of Practice under the Commodity Exchange Act; now, therefore, the said Wolford & Company and Aubrey S. Wolford and Ashton S. Hayward, as individuals, admit that the following facts are true:

(1) That, at all times hereinafter mentioned, Wolford & Company was a partnership composed of Aubrey S. Wolford and Ashton H. Hayward, as general partners, and Margot C. Wolford as a limited or special partner;

(2) That, at all times hereinafter mentioned, Aubrey S. Wolford and Ashton H. Hayward were members of the New York Cotton Exchange and Wolford & Company enjoyed members' trading privileges thereon, and Wolford & Company and Irving Weis & Company were duly registered as futures commission merchants under the provisions of the Commodity Exchange Act, as amended;

(3) That, at all times hereinafter mentioned, the New York Cotton Exchange had been duly designated as a contract market under the provisions of the Commodity Exchange Act, as amended;

(4) That cotton is a commodity as defined in the Commodity Exchange Act, as amended; that the March cotton futures contracts with respect to which Wolford & Company became the buyer as hereinafter set

forth were contracts for the sale of such commodity for future delivery made on and subject to the rules of said contract market for and on behalf of another person and such contracts were or might have been 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) That on January 21, 1944, at 11:33 a.m., Ashton H. Hayward received a telegram from Hulsey & Nebhut, Memphis, Tennessee, reading as follows:

"With March 90 or Better Sell Five March Give Four Weis One Wolford."

That said telegram constituted an order to Wolford & Company to sell five March 1944 contracts for the future delivery of cotton on the New York Cotton Exchange at a price of 19.90 cents per pound, or better, and to give up four of such contract to Irving Weis & Company and to retain one for Wolford & Company;

(6) That at 11:47 a.m., on January 21, 1944, Wolford & Company received a telegram from Albert Meric, of New Orleans, Louisiana, reading as follows:

"A S W Buy Three March 90 Quick LOU Meric"

That said telegram constituted advice from Albert Meric, acting for and on behalf of Wolford & Company, to buy three March 1944 cotton

future contracts on the New York Cotton Exchange at a price of 19.90 cents per pound for the arbitrage account of Wolford & Company; that the code word "LOU" contained in said telegram meant that the order was for said account, all of which Ashton H. Hayward knew or should have known;

(7) That at or about 11:48 a.m. on January 21, 1944, Wolford & Company, acting through Ashton H. Hayward, filled the above order of Hulsey & Nebhut (to the extent of three contracts) by offset against the order of another person, to wit, Wolford & Company, thereby becoming the buyer with respect to the selling order of Hulsey & Nebhut, at a price of 19.90 cents per pound, without the prior consent of Hulsey & Nebhut. That said trades were executed ostensibly under the procedure established for the execution of buying and selling orders in hand at the same time from different principals. That Ashton H. Hayward and Wolford & Company had an interest in the execution of said orders for and in behalf of Hulsey & Nebhut and Wolford & Company other than as a futures commission merchant or floor broker. That neither Wolford & Company nor any of the members thereof had the prior consent of Hulsey & Nebhut to become the buyer with respect to the said order of Hulsey & Nebhut to sell;

(8) That at or about 11:48 a.m., on January 21, 1944, Wolford & Company sent a telegram to Albert Meric reading as follows:

Meric

N. O. La.

Bought 3 mch 90 LOU

ASW

(9) That shortly after the execution of the trades set forth in paragraph (7) above, Aubrey S. Wolford informed Ashton H. Hayward that he (Hayward), in the execution of said trades, had crossed a customer's order with a house order of Wolford & Company;

(10) That sometime after 11:48 a.m., on January 21, 1944, Wolford & Company sent a telegram to Hulsey & Nebhut reading as follows:

Hulsey & Nebhut
Memphis
Sold 4 mch 1990 through Hayward
Weis & Co.

(11) That at or about 12:26 p.m., on January 21, 1944, Wolford & Company sent a telegram to Hulsey & Nebhut reading as follows:

Hulsey & Nebhut
Memphis, Tennessee
Sold one Mch 1990 through Hayward
Wolford & Co.

(12) That after the close of trading on January 21, 1944, Wolford & Company with the full knowledge and consent of Ashton H. Hayward and Aubrey S. Wolford gave up the trades referred to in paragraph (7) to Irving Weis & Company and signed up said trades with the latter firm.

In addition to admitting the foregoing facts, Wolford & Company and Aubrey S. Wolford and Ashton H. Hayward, as individuals, do hereby agree to discontinue all acts and practices which are in violation of section 4b(D) of the Commodity Exchange Act, as amended, and do further agree that this stipulation shall be admissible as evidence of acts

and practices in violation of said section 4b(d) of the Commodity Exchange Act, as amended, in any subsequent proceeding brought against Wolford & Company or Ashton H. Hayward or Aubrey S. Wolford, as individuals, for the enforcement of the provisions of the Commodity Exchange Act, as amended.

Done at New York, New York, this 26th day of June 1944.

/s/ Ashton H. Hayward

Ashton H. Hayward

/s/ Aubrey S. Wolford

Aubrey S. Wolford

WOLFORD & COMPANY

By /s/ Ashton H. Hayward

Ashton H. Hayward, General Partner

/s/ Aubrey S. Wolford

Aubrey S. Wolford, General Partner

LOAD-DATE: June 16, 2008

