

Commodity Futures Trading Commission
CEA CASES

NAME: ZENITH-GODLEY COMPANY, INC., AND JOHN MCCLAY, JR.

DOCKET NUMBER: 42

DATE: FEBRUARY 6, 1947

DOCUMENT TYPE: COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Zenith-Godley Company, Inc., and John McClay, Jr., Respondents

CE-A Docket No. 42

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

The Secretary of Agriculture has reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. 1-17a) and the rules and regulations promulgated thereunder. In accordance with Section 6(b) of the Act, this complaint is issued alleging as follows:

1.

The New York Mercantile Exchange was at all times mentioned in this complaint and is now a duly designated contract market under the provisions of the Act.

2.

Zenith-Godley Company, Inc. is a corporation doing business as a butter and egg brokerage concern with offices at 176 Duane Street, New York, New York. The said corporation enjoys membership privileges on the New York Mercantile Exchange.

3.

John McClay, Jr. is President of Zenith-Godley Company, Inc. and was at all times mentioned in this complaint and is now a member of the New York Mercantile Exchange.

4.

The Dairymen's League Cooperative Association, Inc. is a cooperative association of milk producers located in New York, New York, and enjoys membership privileges on the New York Mercantile Exchange.

5.

The respondents, on the dates and by means of the acts set forth herein and of other acts connected therewith, manipulated the price of butter in interstate commerce, in violation of Sections 6(b) and 9 of the Act.

6.

On or about December 17, 1946, the Dairymen's League Cooperative Association, Inc. engaged the services of the respondents to purchase butter for its account on the New York Mercantile Exchange, the said purchases to be made on December 18, 19, 20, 23 and 24, 1946, "at not less than 84 cents per pound." Pursuant to such instructions, the respondents, on December 18, 19, 20, 23 and 24, 1946, offered to purchase and purchased approximately 668,000 pounds of butter on the New York Mercantile Exchange for the account of the said Dairymen's League Cooperative Association, Inc. at the price of 84 cents per pound. The said

price of 84 cents per pound was an artificial and manipulated price and influenced or determined the price of butter in interstate commerce.

Therefore, each of the said respondents is hereby notified to be and appear at a hearing to be held at 10:00 o'clock a.m., Eastern Standard Time on the 18th day of March, 1947, in Room 602, 60 Beaver Street, New York, before a referee designated to conduct such hearing, and then and there show cause, if any there be, why an order should not be made directing that, until further notice of the Secretary of Agriculture, all contract markets refuse all trading privileges to each of such respondents.

The respondents will have 20 days after the receipt of this notice of hearing in which to file with the Secretary of Agriculture an answer in triplicate, fully and completely stating the nature of the defense and admitting or denying specifically in detail each material and relevant allegation of this complaint. Any 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 each of the named respondents by delivery of a true copy hereof to each of them by an employee of the Department of Agriculture or by registered mail at least 20 days prior to the date herein set for hearing.

Done at Washington, D. C., this

6th day of February 1947.

/s/ Clinton P. Anderson

Secretary of Agriculture

LOAD-DATE: June 16, 2008

