

Commodity Futures Trading Commission
CEA CASES

NAME: WILLIAM LUDWIG

CITATION: 14 Agric. Dec. 348

DOCKET NUMBER: 66

DATE: MAY 11, 1955

DOCUMENT TYPE: DECISION AND ORDER

(No. 4257)

In re WILLIAM LUDWIG. CEA Docket No. 66. Decided May 11, 1955.

Denial of Trading Privileges -- Stipulation by Respondent -- Jurisdiction of Secretary -- Consent Order

Upon respondent's admission of jurisdictional facts, waiver of oral hearing, consent to entry of order herein, and stipulation, trading privileges of all contract markets are denied respondent for a period of 30 days, such refusal to apply to all trading done and positions held by respondent directly and indirectly with the exception of trading in cash butter.

Mr. Benjamin M. Holstein for Commodity Exchange Authority. *Messrs. Mc-Donough and Durkin*, of Bronx, New York, for respondent.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is a quasi-judicial proceeding under the Commodity Exchange Act (7 U.S.C., Chapter 1), instituted by a complaint and notice of hearing issued under Section 6(b) of the Commodity Exchange Act (7 U.S.C. 9) by the Assistant Secretary of Agriculture on March 22, 1955.

The complaint alleged that on various occasions during the five-month period between October 5, 1954, and March 4, 1955, the respondent traded in egg futures on the Chicago Mercantile Exchange in excess of maximum permissible quantities, in wilful violation of Section 4a(2) of the Commodity Exchange Act and the order of the Commodity Exchange Commission establishing limits on positions and daily trading in eggs for future delivery (7 U.S.C. 6a(2); 17 CFR, 1953 Supp., 150.5). The complaint also alleged that the respondent submitted reports to the Commodity Exchange Authority which did not correctly reflect his trading and positions in egg futures during this period, in wilful violation of Section 4i of the Commodity Exchange Act and Sections 5.10, 5.11, and 5.21 of the rules and regulations thereunder (7 U.S.C. 6i; 17 CFR 5.10, 5.11, 5.21).

No hearing has been held. On April 21, 1955, prior to the date set for the filing of an answer, the respondent submitted a stipulation under Section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he admitted the facts contained herein under "Findings of Fact" and consented to the entry of the order hereinafter set forth.

FINDINGS OF FACT

1. At all times material to this decision and order, respondent William Ludwig was a member of the Chicago Mercantile Exchange and was engaged in the business of merchandising butter and eggs at 180 Duane Street, New York 13, New York.

2. During the period from October 5, 1954 to March 4, 1955, both inclusive, respondent William Ludwig caused the execution of transactions and held open contract positions in eggs for future delivery on the Chicago Mercantile Exchange.

3. At all times material to this decision and order, the Chicago Mercantile Exchange was a duly designated contract market under the Commodity Exchange Act.

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 the respondent and set forth in the Findings of Fact are sufficient to subject him to the jurisdiction of the Secretary of Agriculture. The complainant recommends that the waiver of hearing submitted by the respondent be accepted and that the order to which he has consented be issued. It is so concluded.

ORDER

Effective July 1, 1955, all contract markets shall refuse all trading privileges to William Ludwig for a period of thirty (30) days, such refusal to apply to all trading done and positions held

by the said William Ludwig directly and also to all trading done and positions held indirectly through persons owned or controlled by him, or otherwise, *provided, however*, that such refusal shall not be construed to apply to trading in cash butter.

A copy of this decision and order shall be served upon the respondent by registered mail or in person, and upon each contract market.

LOAD-DATE: June 8, 2008

