

Commodity Futures Trading Commission
CEA CASES

NAME: ROBERT P. TALLIAN

CITATION: 34 Agric. Dec. 572

DOCKET NUMBER: 236

DATE: APRIL 9, 1975

DOCUMENT TYPE: DECISION AND ORDER

LIST OF DECISIONS REPORTED

APRIL 1975

(No. 16,380)

In re ROBERT P. TALLIAN. CEA Docket No. 236. Decided April 9, 1975.

Floor broker -- Orders and trading cards -- failure to execute in accordance with regulations -- Orders -- offsetting of, in violation of Act -- Sanction

The stipulation of respondent has been accepted and the order herein is issued against him for violations of the Act in connection with his operations as a floor broker in the execution of orders and trading cards and the offsetting of orders as found herein. Respondent's registration as a floor broker under the Act is suspended for a period of 30 days and respondent is denied trading privileges on all contract markets for a period of 30 days.

Michael D. Weiner, for complainant.

James L. Fox, Chicago, Ill., for respondent.

Decision by John A. Campbell, Administrative Law Judge.

DECISION AND ORDER

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), instituted by a Complaint and Notice of Hearing, alleging that the respondent, Robert P. Tallian, is now and was at all times material herein a registered floor broker under the Commodity Exchange Act and a clearing member of the MidAmerica Commodity Exchange. The Complaint charges that on various specified dates respondent Tallian unlawfully offset customers' buy and sell orders. Such acts were alleged to have been willful and in violation of section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and

section 1.39 of the regulations issued thereunder (17 CFR 1.39).

Prior to hearing the respondent agreed to a stipulation under section 0.4(b) of the Rules of Practice (17 CFR 0.4(b)) in which he (1) admits the facts hereunder as set forth in paragraphs 1 through 5 of the Findings of Fact, (2) waives oral hearing on the charges in the Complaint, and (3) consents to the entry, without further proceedings, of a Decision and Order containing the facts admitted in such stipulation as the Findings of Fact for the purposes of this proceeding only, conclusions of law based on such findings, and the Order contained herein.

FINDINGS OF FACT

1. Respondent Robert P. Tallian, whose principal place of business is at 175 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times

material herein, a registered floor broker under the Commodity Exchange Act, and a clearing member of the MidAmerica Commodity Exchange, a duly designated contract market under the Commodity Exchange Act.

2. All futures transactions referred to herein relate to wheat and corn futures contracts executed in July 1973 by the respondent in his capacity as floor broker on the MidAmerica Commodity Exchange for customers of Miller-Lane & Company, a registered futures commission merchant under the Commodity Exchange Act and a clearing member of the MidAmerica Commodity Exchange. Such contracts for future delivery are or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof.

3. Section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)), in pertinent part, prohibits the filling of orders on any contract market "by offset against the order or orders of any other person."

Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39) requires that:

A member of a contract market who shall have in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month may execute such orders for and directly between such principals at the market price, if,

in conformity with written rules of such contract market

(3) Such member executes such orders in the presence of an official representative of such contract market designated to observe such transactions and, by appropriate descriptive words or symbol, clearly identifies all such transactions on his trading card or other similar record, made at the time of execution, and notes thereon the exact time of execution and promptly presents said record to such official representative for verification and initialing.

4. Rule 406 of the MidAmerica Commodity Exchange, in conformity with Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39), permits the execution of simultaneous buying and selling orders from different principals for the same commodity in the same delivery month provided that the execution is in the presence of a designated official who shall verify and initial the trading card or other record, and the transactions are clearly identified, and the time of execution is noted.

5. On various dates, specified below, respondent Tallian unlawfully offset customers' buy and sell orders. He had in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month and failed to execute such orders in the presence of a designated Exchange official, failed to have such official verify and initial respondent's trading card or other record, and failed to identify and note on such record the time of execution.

Offset Trades Made By Robert P. Tallian

					Miller-Lane & Co.	
					Customer	
Date	Quantity	nl	Future	Commodity	Price	Buying Selling
7/ 2/73	5		December	Wheat	277	50951 62014
7/ 3/73	5		December	Wheat	282	25004 30036
7/ 5/73	5		December	Wheat	280	30012 25046
	15		December	Wheat	283 7/8	65004 59158
	5		December	Wheat	283 7/8	65004 30012
7/ 6/73	1		December	Wheat	268 3/8	15006 00222
	1		December	Wheat	268 3/8	15003 00222
	10		December	Corn	194 1/2	59134 44034
7/ 9/73	4		March	Wheat	266	10452 60040

Date	Quantity	n1	Future	Commodity	Price	Buying	Selling
	5		March	Wheat	266	10452	60092
	1		March	Wheat	266 1/8	10452	10050
7/10/73	1		March	Wheat	256	10050	80018
	2		December	Wheat	257	59090	65004
7/11/73	1		December	Wheat	266	61002	12002
	1		March	Wheat	263 1/4	44005	80018
	5		July	Wheat	273 3/4	60078	28040
7/12/73	5		September	Wheat	278	54062	30072

n1 Quantities are in '000's of bushels.

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Date	Quantity	n1	Future	Commodity	Price	Buying	Selling
7/12/73	5		December	Wheat	277 1/8	65002	18052
	2		December	Wheat	277 1/2	65002	62036
7/13/73	2		March	Corn	211	37004	59126
	1		September	Corn	219	20040	10421
	5		September	Corn	219	20040	31012
	3		September	Corn	221	56013	55004
	2		September	Corn	221	56013	37020
	5		December	Corn	207 1/2	60062	44020
	3		December	Corn	209 3/8	80006	63062
7/16/73	10		July	Corn	246	28040	00222
	5		September	Corn	229 3/8	36010	63074
	2		December	Corn	214 1/2	44030	28099
	2		December	Corn	214 1/2	44028	28099
	5		December	Corn	215	38078	61002
	2		December	Corn	217	38066	44050
7/17/73	5		May	Corn	219	26042	63062
	5		September	Corn	224	42030	60090
	5		December	Corn	211 7/8	59078	29034
	1		December	Corn	212	59078	61010
	1		December	Corn	212	59078	61010
	2		December	Corn	212 1/2	44030	18034
	10		December	Corn	212 1/2	44007	54023
	5		December	Corn	215	61002	63062
	1		December	Corn	215	61002	63084
	5		December	Corn	215 1/2	38013	59078
	5		December	Corn	215 1/2	61008	26016
	3		December	Corn	215 1/2	61018	26016
	1		December	Corn	216	10312	25072
	3		December	Corn	216 1/4	27026	63062
7/18/73	1		December	Wheat	270	10421	11460
	2		December	Wheat	277	80036	62036
7/20/73	5		December	Wheat	292 1/4	18052	00222
	5		December	Wheat	294 1/2	18064	00207
	5		December	Wheat	300 3/4	25072	18064
	5		December	Wheat	300 3/4	65003	18064
	10		December	Wheat	300 3/4	65005	00203
	5		December	Wheat	300 3/4	65005	59090
	5		December	Wheat	300 3/4	65005	59130
	5		December	Wheat	300 3/4	65006	28040
	10		December	Wheat	300 3/4	65006	18089
	4		December	Wheat	300 3/4	65006	18069
	1		December	Wheat	300 3/4	65006	38017
	1		December	Wheat	300 3/4	95006	64204
	4		December	Wheat	300 3/4	95006	18035
	5		December	Wheat	300 3/4	00207	18052

					Miller-Lane & Co.	
					Customer	
Date	Quantity n1	Future	Commodity	Price	Buying	Selling
	1	December	Wheat	300 3/4	12002	80028
	4	December	Wheat	297	50852	61004

n1 Quantities are in '000's of bushels.

CONCLUSIONS

By reasons of the facts set forth above, Robert P. Tallian has willfully violated section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and section 1.39 of the regulations issued thereunder (17 CFR 1.39) by unlawfully offsetting customers' buy and sell orders.

The complainant states that Administrative Officials of the Commodity Exchange Authority have carefully considered the stipulation submitted by the respondent. The Administrative Officials believe that the prompt entry of the proposed Order would constitute a satisfactory disposition of this case, serve the public interest, and effectuate the purposes of the Act. The complainant recommends, therefore, that the stipulation be accepted and the proposed Order be issued.

ORDER

1. Effective upon the date of service of this Order upon the respondent Robert P. Tallian, the respondent shall cease and desist from unlawfully offsetting customers' buy and sell orders by failing to execute both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month in the presence of a designated Exchange Official, by failing to have such official verify and initial respondent's trading card or other record, or by failing to identify and note on such record the time of execution.

2. Effective on the twentieth day after the date of entry of this Order:

(a) The registration of respondent Robert P. Tallian as floor broker is hereby suspended for a period of thirty (30) days, and

(b) Respondent Robert P. Tallian is prohibited from trading on or subject to the rules of any contract market for a period of thirty (30) days, and all contract markets shall refuse all trading privileges to the respondent during this period, such prohibition and refusal to apply to all trading done and all positions held by respondent Tallian directly or indirectly.

3. A copy of this Decision and Order shall be served on each of the parties and on each contract market.

LOAD-DATE: June 16, 2008

