

Commodity Futures Trading Commission
CEA CASES

NAME: LONDON V. BUTLER

DOCKET NUMBER: STIPULATION 16

DATE: DECEMBER 29, 1952

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Landon V. Butler

Stipulation of Compliance under the Commodity Exchange Act No. 16

WHEREAS, the Secretary of Agriculture has reason to believe that Landon V. Butler has violated the provisions of the Commodity Exchange Act (7 U.S.C. 1-17a) and the orders of the Commodity Exchange Commission (17 CFR, Part 150), by virtue of certain transactions involving the purchase of commodities for future delivery on contract markets and the maintenance of open contract positions in such commodities, and

WHEREAS, no complaint with respect to such violations has been issued, and

WHEREAS, the said Landon V. Butler desires to enter into a stipulation pursuant to the provisions of section 0.4(a) of the Rules of Practice under the Commodity, Exchange Act (17 CFR 0.4(a)),

NOW, THEREFORE, the said Landon V. Butler hereby stipulates and agrees that the following facts are true:

1. Landon V. Butler is an individual whose business address is 60 South Front Street, Memphis, Tennessee. The said Landon V. Butler was at all times hereinafter mentioned a member of the Board of Trade of the City of Chicago (hereinafter called the Chicago Board of Trade)

and the New York Cotton Exchange, duly designated contract markets under the Commodity Exchange Act, and engaged in trading in commodity futures on such markets.

2. On July 2, 1952, the said Landon V. Butler bought 350,000 bushels of September 1952 soybean futures on the Chicago Board of Trade, and as a result of such purchases his net long position in July 1952 and September 1952 soybean futures combined on the Chicago Board of Trade exceeded 1,000,000 bushels, to wit -- 1,205,000 bushels. No part of such trades or positions represented bona fide hedging transactions as described in section 4a(3) of the Commodity Exchange Act (7 U.S.C. 6a(3)). On July 3, 1952, officials of the Commodity Exchange Authority notified the said Landon V. Butler in writing that his position in the soybean futures market exceeded the amount permitted by law, but the said Landon V. Butler maintained such position at approximately 1,205,000 bushels until July 23, 1952, when he reduced such position to an amount less than 1,000,000 bushels.

3. On August 8, 1952, the said Landon V. Butler purchased 2,000 bales of May 1953 cotton futures on the New York Cotton Exchange, and as a result of such purchases his net long position in October 1952 and May 1953 cotton futures combined on the New York Cotton Exchange exceeded 30,000 Sales, to wit -- 31,800 Sales. No part of such trades or positions represented bona fide hedging

transactions as defined in section 4a(3) of the Commodity Exchange Act (7 U.S.C. 6a(3)), or

straddles between cotton futures or markets. On August 19, 1952, an official of the Commodity Exchange Authority notified the said Landon V. Butler that his position in the cotton futures market exceeded the amount permitted by law, but the said Landon V. Butler maintained such position at approximately 31,800 Sales until August 21, 1952, when he reduced such position to an amount less than 30,000 Sales.

4. On September 16, 1952, the said Landon V. Butler purchased 1,000 Sales of July, 1953 cotton futures on the New York Cotton Exchange, and as a result of such purchase his net long position in October, 1952, May 1953 and July, 1953 cotton futures combined on the New York Cotton Exchange exceeded 30,000 Sales, to wit -- 31,000 sales. No part of such trades or positions represented bona fide hedging transactions as defined in Section 4a(3) of the Commodity Exchange Act (7 U.S.C. 6a(3)), or straddles between cotton futures or markets. The said Landon V. Butler maintained such position at 31,000 Sales until September 23, 1952, when he reduced such position to 30,000 Sales.

5. On October 30, 1952 the said Landon V. Butler purchased 6,400 bales of July, 1953 cotton futures on the New York cotton exchange, and as a result of such purchase his net long position in May 1953 and July 1953 cotton futures combined on the New York Cotton

Exchange exceeded 30,000 Sales, to wit -- 30,300. No part of such trades or positions represented bona fide hedging transactions as defined in Section 4a(3) of the Commodity Exchange Act (7 U.S.C. 6a(3)), or straddles between cotton futures or markets. The said Landon V. Butler maintained such position at approximately 30,300 Sales until October 31, 1953 when he reduced such position to an amount less than 30,000 Sales.

6. By reason of the foregoing facts, the said Landon V. Butler violated section 4a of the Commodity Exchange Act (7 U.S.C. 6a), the order of the Commodity Exchange Commission establishing limits on position and daily trading in soybeans for future delivery (17 CFR, 1951 Supp., 150.4), and the order of the Commodity Exchange Commission establishing limits on position and daily trading in cotton for future delivery (17 CFR 150.2).

In addition to admitting the foregoing facts, the said Landon V. Butler hereby agrees to discontinue all such acts and practices and all other acts and practices which are in violation of the Commodity Exchange Act, or the orders of the Commodity Exchange Commission, and does further specifically agree that this stipulation shall be admissible as evidence of acts and practices in violation of section 4a of

the Commodity Exchange Act (7 U.S.C. 6a) in any subsequent proceeding brought against the said Landon V. Butler under the provisions of the said Act.

Done at Memphis, Tennessee, this 29th day of December 1952.

/s/ Landon V. Butler

Landon V. Butler

Witnessed by:

/s/ W. E. Marchman (?)

/s/ Robert J. Jontz

LOAD-DATE: June 16, 2008

