

Commodity Futures Trading Commission
CEA CASES

NAME: CHARLES HAAG

DOCKET NUMBER: 116

DATE: FEBRUARY 7, 1964

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

Charles Haag, Respondent

CEA Docket No. 116

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

There is reason to believe that the respondent, Charles Haag, has violated the provisions of the Commodity Exchange Act (7 U.S.C. § 1 et seq.), hereinafter referred to as the Act, and the rules and regulations made pursuant thereto (17 CFR, Part 1), and in accordance with the provisions of section 6(b) of the Act (7 U.S.C. § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent, Charles Haag, is an individual whose address is 24 Brookside Drive, Upper Saddle River, New Jersey

II

The Board of Trade of the City of Chicago, hereinafter referred to as the Chicago Board of Trade, and the Chicago Mercantile Exchange are now and were at all times material herein duly designated contract markets under the Act.

III

During the period October 18, 1962, through January 15, 1963, the respondent made trades in egg futures on the Chicago Mercantile Exchange in his own accounts, carried in his name and in the name of Aaron G. Brandfon, and in accounts of 19 other persons, which accounts were controlled by the respondent. All transactions in such accounts belonged to or were controlled by the respondent.

IV

On each business day during the periods October 18 through October 24, 1962, October 26 through October 28, 1962, October 30 through November 7, 1962, November 9 through December 26, 1962, and January 7 through January 14, 1963, the respondent held or controlled a net short position in shell egg futures on the Chicago Mercantile Exchange, which position ranged from 25 carlots to 134 carlots in a single future. By reason of the fact that such quantities were equal to or in excess of 25 carlots, the respondent was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held or controlled by him, in all egg futures on all boards of trade during such periods and with respect to all transactions by reason of which the respondent no longer held or controlled a reportable position, as provided in section 4i of the Act (7 U.S.C. § 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the regulations thereunder (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01, 18.03).

V

On 31 business days within the periods specified in paragraph IV hereof, while the respondent was in reporting status as therein described, and on five additional business days -- viz., October 25 and 29, 1962, November 8, 1962, December 27, 1962, and January 15, 1963, when the respondent's position was reduced below the reporting level, transactions in shell egg futures on the Chicago Mercantile Exchange were executed for accounts owned or controlled by the respondent. However, the respondent failed or refused to submit reports to the Commodity

Exchange Authority on 28 of such days and submitted false reports with respect to the remaining 8 days, in willful violation of the aforesaid sections of the Act and the regulations thereunder.

VI

On the dates listed below, the respondent made speculative trades in shell egg futures on the Chicago Mercantile Exchange which were in excess of the maximum permissible limits established by the order of the Commodity Exchange Commission (17 CFR 150.5) as follows:

Date	Future	No. of Carlots Purchased Sold
November 9, 1962	December 1962	76
December 21, 1962	December 1962	129
January 7, 1963	January 1963	94
January 15, 1963	January 1963	100

By reason thereof, the respondent willfully violated section 4a(2) of the Act and the order of the Commodity Exchange Commission establishing limits on position and daily trading in eggs for future delivery (7 U.S.C. 6a(2); 17 CFR 150.5).

VII

On the dates listed below, the respondent held or controlled speculative net short positions in shell egg futures on the Chicago Mercantile Exchange which were in excess of the maximum permissible limits established by the order of the Commodity Exchange Commission (17 CFR 150.5) as follows:

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Date	Future	Position (No. of Carlots)
October 30, 1962	November 1962	82
November 1, 1962	November 1962	82
November 9, 1962	December 1962	86
November 13, 1962	December 1962	87
November 14, 1962	December 1962	102
November 20, 1962	December 1962	87
November 23, 1962	December 1962	104
November 26, 1962	December 1962	109
November 28, 1962	December 1962	84
November 30, 1962	December 1962	94
December 3, 1962	December 1962	109
December 4, 1962	December 1962	129
December 6, 1962	December 1962	134
December 11, 1962	December 1962	134
December 12, 1962	December 1962	134
December 13, 1962	December 1962	134
December 14, 1962	December 1962	134
December 17, 1962	December 1962	114
December 18, 1962	December 1962	109
December 20, 1962	December 1962	129
January 7, 1963	January 1963	98

Date	Future	Position (No. of Carlots)
January 8, 1963	January 1963	98
January 10, 1963	January 1963	98
January 14, 1963	January 1963	104

By reason thereof, the respondent willfully violated section 4a(2) of the Act and the order of the Commodity Exchange Commission establishing limits on position and daily trading in eggs for future delivery (7 U.S.C. 6a(2); 17 CFR 150.5),

VIII

On December 20, 1962, the respondent held or controlled a speculative net short position of 154 carlots in all shell egg futures combined on the Chicago Mercantile Exchange which position was in excess of the maximum permissible limit established by the order of the Commodity Exchange Commission (17 CFR 150.5). By reason thereof, the respondent willfully violated section 4a(2) of the Act and the said order of the Commodity Exchange Commission.

IX

On each business day during the period January 25, 1963, through February 5, 1963, the position in soybean futures on the Chicago Board of Trade in accounts owned or controlled by the respondent exceeded 200,000 bushels in a single future and, therefore, the respondent was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held during such period for all accounts owned or controlled by him, in all soybean futures on all boards of trade, and with respect to all transactions by reason of which the respondent no longer held or controlled a reportable position, as provided in section 4i of the Act (7 U.S.C. 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01, and 18.03 of the regulations thereunder (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03).

X

On six business days during the period referred to in paragraph IX above -- viz., January 25, 28, 29, 30, 31 and February 1, 1963, while the respondent was in reporting status as therein described, and on one additional business day, February 6, 1963, when the respondent's position was reduced below the reporting level, transactions in soybean futures on the Chicago Board of Trade were executed for accounts owned or controlled by him, but the respondent failed or refused to report with respect to such transactions and the resulting positions to the Commodity Exchange Authority, in willful violation of the aforesaid sections of the Act and the regulations thereunder.

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondent. The respondent will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and five copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each material and relevant allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint and a waiver of hearing. The respondent is hereby notified that unless hearing is waived, either expressly or by failure to file an answer and request a hearing, a hearing will be held at 10:00 a.m., local time, on March 26, 1964, in New York, New York, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing the respondent will have the right to appear and show cause, if any there be, why an order should not be made directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

February 7, 1964

/s/ George L. Mehren

Assistant Secretary

LOAD-DATE: June 12, 2008

