

Commodity Futures Trading Commission
CEA CASES

NAME: HONEYMEAD PRODUCTS COMPANY

DOCKET NUMBER: STIPULATION 35

DATE: DECEMBER 20, 1957

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

Memorandum of Agreement to Denial from Certain Futures Trading Practices

The undersigned have been advised by the Commodity Exchange Authority of an investigation of certain transactions in soybean futures on the Chicago Board of Trade on July 19, 1957. The facts concerning those transactions are as follows:

Honeymead Products Company, a registered futures commission merchant, forwarded simultaneously to its Chicago office on July 19, 1957, two spreading orders in soybean futures, one calling for the purchase of 1,000,000 bushels of January soybeans and the sale of 1,000,000 bushels of March soybeans, and the other calling for the purchase of 1,000,000 bushels of March soybeans and the sale of 1,000,000 bushels of January soybeans. Both orders were to be executed at a 3-cent difference (i.e., the March price to be 3 cents over the January), with the added provision that the executions broker would have 1/8th-cent leeway in filling the orders. One of the orders was for Honeymead Products Company's own account and the other was for the account of an individual closely identified with the company.

Upon receipt of these orders Honeymead's Chicago representative, Richard J. Sennott, went into the soybean bit of the Chicago Board of Trade and executed the orders by negotiation with brokers James Kielty and Edward C. Wilson, Jr. in the following manner:

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Bot	Sold	Quantity	Future	Price
Honeymead	Kielty	500,000	January	249 1/2
Kielty	Honeymead	500,000	January	249 3/8
Honeymead	Kielty	500,000	March	252 1/2
Kielty	Honeymead	500,000	March	252 1/2
Honeymead	Wilson	500,000	January	249 1/2
Wilson	Honeymead	500,000	January	249 3/8
Honeymead	Wilson	500,000	March	252 1/2
Wilson	Honeymead	500,000	March	252 1/2

The Commodity Exchange Authority has advised the undersigned that in its opinion the transactions above described are in violation of certain provisions of the Commodity Exchange Act and the rules and regulations promulgated thereunder, particularly the portions of the act and the regulations relating to wash trades, accommodation trades, and the requirement that all trades be executed openly and competitively by open outcry in the trading ring. The undersigned represent that in making the above described transactions they were not aware that they were in violation of any rule or regulations. The undersigned, however, hereby agree to desist from all such practices in the future and to comply fully with the requirements of the act and the regulations of the Secretary of Agriculture, and specifically to execute all transactions in full compliance with the competitive requirements of the law.

The undersigned have been informed that the Commodity Exchange Authority plans to publicize this [ILLEGIBLE TEXT] in order that floor brokers, futures commission merchants, and all users of the futures markets may

be advised of the views of the Commodity Exchange Authority relating to transactions of the type covered [ILLEGIBLE TEXT].

[SEE SIGNATURE IN ORIGINAL]

By: [SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

[SEE SIGNATURE IN ORIGINAL]

Chicago, Illinois
December 20, 1957

Memorandum of Agreement to Desist from Certain Futures Trading Practices signed by L. W. Andreas, President, for Honeymead Products Company, and by James Kielty, Richard J. Sennott, and Edward C. Wilson, Jr.

LOAD-DATE: August 6, 2008

