

Commodity Futures Trading Commission
CEA CASES

NAME: ARTHUR W. HYLAND

DOCKET NUMBER: STIPULATION 39

DATE: OCTOBER 20, 1958

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UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Arthur W. Hyland

Stipulation of Compliance under the Commodity Exchange Act No. 39

WHEREAS, the Secretary of Agriculture has reason to believe that Arthur W. Hyland has violated the provisions of the Commodity Exchange Act (7 U.S.C., 1952 ed., Chapter 1) and the rules and regulations of the Secretary of Agriculture promulgated thereunder by virtue of certain transactions involving the purchase and sale of cotton futures, and

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

WHEREAS, section 0.4(a) of the rules of practice under the Commodity Exchange Act (17 CFR 0.4(a)) provides that at any time prior to the issuance of a complaint in any proceeding, the Secretary of Agriculture may, in his discretion, enter into a stipulation with a prospective respondent whereby the latter admits the material facts and agrees to discontinue the acts or practices which are intended to be set up as violative of the Act, and

WHEREAS, the said Arthur W. Hyland is de[ILLEGIBLE TEXT]rous of disposing of this matter by entering into such a stipulation,

NOW, THEREFORE, the said Arthur W. Hyland hereby stipulates and represents that the following facts are true:

1. Arthur W. Hyland is a member of the New Orleans Cotton Exchange and is registered as a floor broker under the Commodity Exchange Act.

2. Section 4c of the Commodity Exchange Act (7 U.S.C., 1952 ed., § 6c) provides in part as follows:

It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof --

(A) if such transaction is, is of the character of, or is commonly known to the trade as, a "wash sale", "cross trade", or "accommodation trade", or is a fictitious sale;

3. Section 1.38 of the rules and regulations under the Commodity Exchange Act (17 CFR, 1954 Supp., 1.38) provides as follows:

All purchases and sales of any commodity for future delivery on or subject to the rules of a contract market shall be executed openly and competitively as to price by open outcry or posting of bids and offers or by other equally open and competitively methods, in the trading pit or ring or similar place provided by the Contract market, during the regular hours prescribed by the contract market

for trading in such commodity: Provided, however, That this requirement shall not apply to such transactions as are executed in accordance with written rules of the contract market which have been submitted to and not disapproved by the Secretary of Agriculture, specifically providing for the noncompetitive execution of such transactions.

4. On September 10, 1958, Arthur W. Hyland, acting for his own account, made the following transactions in cotton futures traded on the New Orleans Cotton Exchange with Eli Watson Tullis who took the opposite side of each transaction for his own account:

Bought			Sold		
No. of Bales	Future	Price (Cents)	No. of Bales	Future	Price (Cents)
500	Oct. 1958	35.40	500	Oct. 1958	35.40
500	July 1959	34.45	500	July 1959	34.46
500	July 1959	34.45	500	July 1959	34.46
2,000	July 1959	34.48	2,000	July 1959	34.49
500	Oct. 1959	32.07	500	Oct. 1959	32.07
2,000	Oct. 1959	32.07	2,000	Oct. 1959	32.07

The above transactions were "accommodation trades" made in violation of section 4c(A) of the Commodity Exchange Act (7 U.S.C., 1952 ed., § 6c(A) and were not made openly and competitively in the trading ring, and were in violation of section 1.38 of the rules and regulations under the Commodity Exchange Act (17 CFR, 1954 Supp., 1.38).

In addition to admitting the foregoing facts, the said Arthur W. Hyland hereby agrees to discontinue all such acts and practices and to refrain from all other acts and practices which are in violation of the Commodity Exchange Act or the rules and regulations thereunder, and further understands that this stipulation shall be admissible as

evidence of acts and practices in violation of the rules and regulations under the Commodity Exchange Act in any proceeding based upon transactions in addition to those referred to in paragraph 4 hereof which may hereafter be brought by the Secretary of Agriculture against the said Arthur W. Hyland under the provisions of the said Act.

Done at New Orleans, Louisiana, this

20th day of October 1958.

/s/ Arthur W. Hyland

Witnessed by:

/s/ William D. Espy

/s/ John T. Heavey

LOAD-DATE: June 16, 2008

