

Commodity Futures Trading Commission
CEA CASES

NAME: MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED, AND MANUEL WEISBUCH

DOCKET NUMBER: STIPULATION 56

DATE: JULY 15, 1960

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Merrill Lynch, Pierce, Fenner & Smith, Incorporated, and Manuel Weisbuch
Stipulation of Compliance

No. 56

The Secretary of Agriculture has reason to believe that Merrill Lynch, Pierce, Fenner & Smith, Incorporated, hereinafter called Merrill Lynch, and Manuel Weisbuch have violated the provisions of the Commodity Exchange Act (17 CFR, Chapter 1) by virtue of certain transactions in grain futures as set forth below.

No complaint with respect to such violations has been issued and the said Merrill Lynch and Manuel Weisbuch are desirous of disposing of the matter by entering into a stipulation of compliance, as authorized by section 0.4(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR, 0.0-0.28). Therefore, the said Merrill Lynch and Manuel Weisbuch stipulate the following facts are true:

1. Merrill Lynch is, and was at all times mentioned herein, a corporation with an office and principal place of business at 70 Pine Street, New York 5, New York. At all such times the said corporation was a registered futures commission merchant under the Commodity Exchange

Act, and exercised membership trading privileges and clearing privileges on the Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, a duly designated contract market.

2. Manuel Weisbuch, an individual whose address is 70 Pine Street, New York 5, New York, is and was at all times mentioned herein a vice president of the said firm of Merrill Lynch.

3. On October 27, 1959, a customer of the said firm of Merrill Lynch, acting for his own account and another account over which he held power of attorney, gave the following orders simultaneously by telephone to Manuel Weisbuch, acting on behalf of the said Merrill Lynch, for execution on the Chicago Board of Trade:

Sell and Buy 105,000 Bushels of March Wheat

Sell and Buy 40,000 Bushels of December Rye

Sell and Buy 20,000 Bushels of May Oats

The customer instructed Mr. Weisbuch to first sell to close out existing long positions and then buy to reinstate the positions for the two accounts as close to the same price as possible, stating to Manuel Weisbuch that the accounts were taking profits on the existing long positions for tax purposes. The above orders and instructions were accepted by Manuel Weisbuch and relayed to the

Chicago office of the said Merrill Lynch and thence to floor brokers on the Chicago Board of Trade, who executed them as follows:

105 March Wheat Sold and Bought @ \$ 2.04 1/2

20 May Oats Sold and Bought @ \$ 0.72 5/8

25 December Rye Sold and Bought @ \$ 1.36 3/8

15 December Rye Sold and Bought @ \$ 1.36 1/2

The Secretary of Agriculture has advised Merrill Lynch, Pierce, Fenner & Smith and Manuel Weisbuch that these were "wash trades" in violation of section 4c(A) of the Commodity Exchange Act.

The said Merrill Lynch and Manuel Weisbuch agree to desist from such transactions in the future, and to refrain from entering into "wash trades" and to refrain from entering orders which call for or encourage execution of "wash trades." They further understand and agree that this stipulation shall be admissible as evidence of such acts and practices in any proceeding based upon transactions in addition to those referred to herein which may hereafter be brought by the Secretary of Agriculture against either of them under the provisions of the said act. They also understand that it is the practice of the Commodity Exchange Authority to make stipulations of compliance a matter of public record.

Done at New York, New York, this 15th day of July 1960

MERRILL LYNCH, PIERCE, FENNER & SMITH

Incorporated

By /s/ Donald T. Regan

Donald T. Regan, Secretary & Vice President

/s/ Manuel Weisbuch

Accepted:

Commodity Exchange Authority

by /s/ Alex C. Caldwell
Administrator

LOAD-DATE: June 16, 2008

