

Commodity Futures Trading Commission
CEA CASES

NAME: JOHN T. LYONS, JOSEPH H. OWENS, AND EDWARD A. ARNOLD

CITATION: 26 Agric. Dec. 221

DOCKET NUMBER: 143

DATE: MARCH 2, 1967

DOCUMENT TYPE: DECISION AND ORDER

(No. 11,071)

In re JOHN T. LYONS, JOSEPH H. OWENS, AND EDWARD A. ARNOLD. CEA Docket No. 143.
Decided March 2, 1967.

**Fictitious transactions -- Noncompetitive trades -- Suspension of
registrations -- Denial of trading privileges -- Stipulation**

Respondents consented to the issuance of an order suspending the registrations of the two floor brokers for a period of 10 days and directing all contract markets to deny trading privileges to all three respondents for a like period for their activities involving fictitious or wash sales and noncompetitive trades.

Mr. Earl L. Saunders for Commodity Exchange Authority.

Mr. Arthur A. Reiser, Jr., of Hamper & Reiser, Chicago, Ill., for respondents.

Decision by Thomas J. Flavin, Judicial Officer

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), initiated by a complaint issued on December 20, 1966, charging that the respondents entered into transactions which were, or were of the character of, wash sales or fictitious sales, in wilful violation of section 4c of the Commodity Exchange Act (7 U.S.C. 6c), and that they executed purchases and sales of commodities for future delivery in a manner

which was not open and competitive, in wilful violation of section 1.38 of the regulations under the Act (17 CFR 1.38).

No hearing has been held with respect to this proceeding. On February 28, 1967, the respondents submitted a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which they withdrew their answer previously filed, admit the facts hereinafter set forth, waive hearing on the charges, and consent to the entry of the order contained herein.

FINDINGS OF FACT

1. Respondent John T. Lyons, an individual whose address is 12820 South Monitor Avenue, Palos Heights, Illinois, is now and was at all times material herein a registered floor broker under the Act and a member of the Chicago Board of Trade.

2. Respondent Joseph H. Owens, an individual whose address is 1169 Board of Trade Building, Chicago, Illinois, is now and was at all times material herein a member of the Chicago Board of Trade.

3. Respondent Edward A. Arnold, an individual whose address is 12531 South 68th Court, Palos Heights, Illinois, is now and was at all times material herein a registered floor broker under the Act and a member of the Chicago Board of Trade.

4. The Chicago Board of Trade is now and was at all times material herein a duly designated contract market under the Commodity Exchange Act. The transactions in wheat and soybean futures referred to herein were entered into on or subject to the rules of the Chicago Board of Trade. In each such transaction, each respondent who participated therein acted as floor trader for his own account. At all times material herein wheat and soybean futures on the Chicago Board of Trade were traded in job lot units of 1,000 bushels and in round lot units of 5,000 bushels.

5. The respondents, during the period from November 24, 1965, through March 9, 1966, entered into the transactions specified in the tabulation below, which transactions were wash sales or were of the character of wash sales. In entering into the said transactions, the respondents acted pursuant to, and in accordance with, an understanding or arrangement that they would purchase from, and sell to, each other the same quantity of the same future at or about the same price.

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Date	Commodity and Future	Respondent Buying	Unit	Quantity (In Thousands of Bushels)	Price (Cents per Bushel)	Respondent Selling
11-24-65	March Wheat	Owens	Job	150	165 5/8	Lyons
11-24-65	March Wheat	Lyons	Round	150	165 5/8	Owens
2-14-66	March Wheat	Lyons	Job	150	167	Owens
2-14-66	March Wheat	Owens	Round	150	167	Lyons
9-7-65	July Soybeans	Owens	Job	150	259	Lyons
9-7-65	July Soybeans	Lyons	Round	150	259	Owens
11-15-65	July Soybeans	Lyons	Job	150	264	Arnold
11-15-65	July Soybeans	Arnold	Job	150	263 7/8	Lyons
11-15-65	July Soybeans	Owens	Round	150	264	Arnold
11-15-65	July Soybeans	Arnold	Round	150	264	Owens
12-2-65	July Soybeans	Owens	Round	150	270	Arnold
12-2-65	July Soybeans	Arnold	Round	150	270	Owens
12-3-65	July Soybeans	Lyons	Job	150	269 1/2	Arnold
12-3-65	July Soybeans	Arnold	Job	150	269 1/2	Lyons
3-9-66	July Soybeans	Lyons	Job	150	286	Owens
3-9-66	July Soybeans	Owens	Round	150	286	Lyons

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