

Commodity Futures Trading Commission
CEA CASES

NAME: THE NEW YORK MERCANTILE EXCHANGE

DOCKET NUMBER: STIPULATION 1

DATE: JULY 15, 1971

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

NOTE: THIS STIPULATION WAS WITH THE COMMODITY EXCHANGE COMMISSION. ALL THE OTHER STIPULATIONS WERE WITH THE COMMODITY EXCHANGE AUTHORITY.

THE UNITED STATES OF AMERICA

BEFORE THE COMMODITY EXCHANGE COMMISSION

In re: The New York Mercantile Exchange

Stipulation of Compliance Before the Commodity Exchange Commission No: 1

The Commodity Exchange Commission has reason to believe that the New York Mercantile Exchange, a designated contract market under the Commodity Exchange Act, has violated the provisions of the Commodity Exchange Act (7 U.S.C. Chapter 1) and the regulations of the Secretary of Agriculture promulgated thereunder (17 CFR, Chapter 1).

No complaint with respect to such violations has been issued, and the said New York Mercantile Exchange is desirous of disposing of this matter by entering into a stipulation of compliance as authorized by Section 0.54(a) of the Rules of Practice under the Commodity Exchange Act (17 CFR, Part 0). Therefore, the said New York Mercantile Exchange stipulates the following facts are true:

(1) The New York Mercantile Exchange is now and was at all times material herein a corporation organized and existing under the laws of the State of New York, with offices at 6 Harrison Street, New York, New York 10013.

(2) The New York Mercantile Exchange is now and was at all times material herein duly designated as a contract market for Irish potatoes under the Commodity Exchange Act.

(3) On May 8, 1970, the New York Mercantile Exchange knowingly permitted certain of its members to enter into 42 contracts of May 1970 Maine potato futures after the time for trading in that future had ended, and in a manner not in accordance with its rules governing trading in Maine potato futures.

(4) On May 8, 1970, the New York Mercantile Exchange failed to require certain of its members to comply with its rules and other requirements concerning the recording and reporting of transactions in the May 1970 Maine potato future with the result that on the next business day May 11, 1970, the exchange was unable to report to the Commodity Exchange Authority open contract figures for such future in the form and manner approved by the Act Administrator. Instead, on the morning of May 11, 1970, the exchange advised the Commodity Exchange Authority that according to its records there were 1304 open contracts in such future but that adjustments in that total would be necessary. Thereafter, during that day, the exchange furnished various lesser totals to the Commodity Exchange Authority, finally revising the open contract figure to 188 contracts.

(5) Previous failure of the New York Mercantile Exchange to enforce its trading rules and recordkeeping requirements were called to the attention of the President and Board of Governors of the New York Mercantile Exchange by

representatives of the Commodity Exchange Authority at a meeting of the Exchange Board of Governors held on January 23, 1968.

The Commodity Exchange Authority has advised the New York Mercantile Exchange that its failure to enforce its trading rules as described in paragraph (3) above was in violation of

Section 5a(8) of the Commodity Exchange Act and its failure to enforce its recordkeeping and reporting requirements as described in paragraph (4) above was in violation of Sections 5(b) and 5a(8) of the said Act.

The New York Mercantile Exchange agrees to desist from such acts and practices in the future. It further understands and agrees that this stipulation is admissible as evidence of such acts and practices in any future proceeding based upon acts or practices in addition to those referred to herein which may be brought by the Commodity Exchange Commission against the exchange under the provisions of the said Act.

The New York Mercantile Exchange also understands that it is the practice of the Commodity Exchange Authority to issue press releases on stipulations of compliance and to make them a matter of public record.

Done at New York, New York this 15 day of July, 1971.

New York Mercantile Exchange

[SEE SIGNATURE IN ORIGINAL]

Chairman of Board

LOAD-DATE: June 16, 2008

