

Commodity Futures Trading Commission
CEA CASES

NAME: CARL EDWIN PRESTON, AND PHILIP MICHAEL O'CONE

DOCKET NUMBER: STIPULATION 42

DATE: OCTOBER 15, 1959

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Carl Edwin Preston, and Philip Michael O'Cone

Stipulation of Compliance No. 42

Carl Edwin Preston and Philip Michael O'Cone, individuals whose address is No. 2 Broadway, New York 4, New York, are members of the New York Produce Exchange and registered floor brokers under the Commodity Exchange Act. They have been advised by the Commodity Exchange Authority of an investigation by it of certain transactions in cottonseed oil futures entered into by them on the New York Produce Exchange on December 9, 1958. The facts concerning these transactions are as follows:

On or about December 9, 1958, Jack W. Sommers, a floor broker on the New York Produce Exchange, was offering to enter into certain so-called "switch" trades involving the March and May cottonseed oil futures in the quantity and on the basis set forth in the table below. The said Carl E. Preston discussed with the said Philip M. O'Cone the advisability of entering into these transactions with Sommers and they decided to do so. The said Carl E. Preston then arranged with Jack W. Sommers that Preston and O'Cone would take the opposite side of the

"switch" trades being offered by Sommers, in the quantity and on the basis set forth below, and trades were made as shown.

		Bought				Sold	
Customer	Broker	Clearing Member	Price and Quantity	Clearing Member	Broker	Customer	
O'Cone	Sommers	Coleman & Co.	20 Mar. @ 1303	Orvis	Preston	Preston	
O'Cone	O'Cone	Orvis	20 May @ 1305	McFadden	Sommers		
Preston	Preston	Orvis	20 Mar. @ 1283	Coleman & Co.	Sommers		
	Sommers	McFadden	20 May @ 1285	Orvis	O'Cone	O'Cone	

The effect of the above transactions was the purchase and sale of 20 contracts of May cottonseed oil futures for the account of the said Philip M. O'Cone and the purchase and sale of 20 contracts of March cottonseed oil futures for the account of the said Carl E. Preston.

The Commodity Exchange Authority has advised Carl E. Preston and Philip M. O'Cone that in its opinion the transactions above described are in violation of the Commodity Exchange Act and the regulations thereunder, particularly those portions relating to wash trades and the requirement that all trading be done openly and competitively.

No complaint with respect to such violations has been issued and the said Carl E. Preston and Philip M. O'Cone 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, Carl E. Preston and Philip M. O'Cone stipulate that the above statements regarding the transactions of December 9, 1958, are true, and agree to desist from such practices in the future and to comply fully with the requirements of the Commodity Exchange Act and the regulations of the Secretary of Agriculture thereunder; and specifically to refrain from executing wash trades or trades which call for execution otherwise than by open and competitive means.

Carl E. Preston and Philip M. O'Cone have been informed that the Commodity Exchange Authority may, in connection with its regulatory activities, publicise the facts concerning the transactions discussed herein in order that floor brokers, futures commission merchants, and all other users of the futures markets may be advised of the views of the Commodity Exchange Authority regarding matters of the type covered herein.

/s/ Carl E. Preston

Carl Edwin Preston

/s/ Philip M. O'Cone

Philip Michael O'Cone

Witnessed by:

/s/ Sheldon Coopersmith

/s/ Hugh A. Collins

(Signed in New York, New York, on October 15, 1959)

LOAD-DATE: June 16, 2008

