

Commodity Futures Trading Commission
CEA CASES

NAME: SECRETARY OF AGRICULTURE V. ALEXANDER K. RUXTON

DOCKET NUMBER: 26

DATE: FEBRUARY 19, 1941

DOCUMENT TYPE: COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

CE-A DOCKET NO. 26

Secretary of Agriculture, Complainant, v. Alexander K. Ruxton, Respondent.

Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act.

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C., 1934 ed., and Supp. V, § 1-17a) and the rules and regulations promulgated pursuant thereto, in the following manner:

1.

Alexander K. Ruxton is an individual trading and doing business at Chicago, Illinois.

2.

The respondent, at the times mentioned in the complaint, was

a member of the Board of Trade of the City of Chicago, a contract market designated by the Secretary of Agriculture pursuant to the provisions of the Commodity Exchange Act.

3.

The respondent, at the times mentioned in the complaint, was registered as a floor broker with the Secretary of Agriculture under the Commodity Exchange Act and is so registered for the calendar year 1941.

4.

The respondent, while engaged as a floor broker on the Board of Trade of the City of Chicago, executed orders for the purchase and sale of wheat futures contracts on said exchange for Uhlmann Grain Company, which orders were for the account of customers of Uhlmann Grain Company as set out in detail below:

Item No.	Date 1940	Quantity (Thousands of bushels)	Wheat	Clearing Member Opposite	Trading Card No.			
		Bought	Sold	Future	Price			
1	Jan. 2			5	May	106 3/4	Uhlmann Grain Co.	98
2	8	25		"		103 1/4	J. J. Bittel & Co.	19
3	9	5		"		103 3/8	Uhlmann Grain Co.	14
4	10		10	"		101 3/4	" " "	84
5	11		10	"		102	" " "	20

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Item	Date	Quantity	Clearing Member	Trading
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No.	1940	(Thousands of bushels)	Wheat	Opposite	Card No.
		Bought	Sold	Future	Price
6	Jan. 16		10	May	100 1/2 Uhlmann Grain Co.
7	22		10	"	101 1/4 " " "
8	26		10	"	98 " " "
9	30		10	"	96 3/8 J.J. Bittel & Co.
9A	30		5	"	96 3/8 " " "
10	Feb. 5		5	"	96 3/8 " " "
11	8	15		July	95 3/8 Uhlmann Grain Co.
12	8	10		"	95 1/4 " " "
13	8	5		"	95 5/8 " " "
14	16		5	May	100 1/8 J.J. Bittel & Co.
15	16		15	"	100 1/2 " " "
16	16		10	"	100 1/2 " " "
17	16		10	"	100 1/2 " " "
18	20		25	"	102 1/2 Uhlmann Grain Co.
19	20	25		"	104 1/4 " " "
20	23		10	"	107 " " "
20A	23		15	"	107 " " "
20B	23		5	"	107 " " "

5.

The respondent made purchases and sales of wheat futures contracts on the Board of Trade of the City of Chicago for his own account, which transactions were cleared for the account of the respondent on the records of Uhlmann Grain Company and J. J. Bittel & Company, clearing members of said exchange, as set out in detail below:

100> >101>

Item No.	Date 1940	Clearing Member Carrying Account	Quantity (Thousands of bushels)	Trading Card No.
			Bought	Sold
1	Jan. 2	Uhlmann Grain Co.	5	
2	8	J. J. Bittel & Co.		25
3	9	Uhlmann Grain Co.		5
4	10	" " "	10	
5	11	" " "	10	
6	16	" " "	10	
7	22	" " "	10	
8	26	" " "	10	
9	30	J. J. Bittel & Co.	(10	
9A	30	" " "	(5	
10	Feb. 5	" " "	5	
11	8	Uhlmann Grain Co.		15
12	8	" " "		10
13	8	" " "		5
14	16	J. J. Bittel & Co.	5	
15	16	" " "	(15	
16	16	" " "	(10	
17	16	" " "	10	
18	20	Uhlmann Grain Co.	25	
19	20	" " "		25
20	23	" " "	(10	
20A	23	" " "	(15	
20B	23	" " "	(5	

Item No.	Wheat	Clearing Member Opposite	Trading Card No.
	Future	Price	

Item No.	Date 1940	Clearing Carrying	Member Account	Quantity (Thousands of bushels) Bought Sold
1	May	106 3/4	Uhlmann Grain Co.	99
2	"	103 1/4	" " "	6
3	"	103 3/8	" " "	62
4	"	101 3/4	" " "	96
5	"	102	" " "	30
6	"	100 1/2	" " "	27
7	"	101 1/4	" " "	11
8	"	98	" " "	26) 5M
				32) 5M
9	"	96 3/8	" " "	23
9A	"	96 3/8	" " "	23
10	"	96 3/8	" " "	8
11	July	95 3/8	" " "	57
12	"	95 1/4	" " "	57
13	"	95 5/8	" " "	57
14	May	100 1/8	" " "	41
15	"	100 1/2	" " "	41
16	"	100 1/2	" " "	41
17	"	100 1/2	" " "	41
18	"	102 1/2	" " "	23
19	"	104 1/4	" " "	90) 20M
				92) 5M
20	"	107	" " "	37
20A	"	107	" " "	37
20B	"	107	" " "	37

6.

The items appearing in paragraphs 4 and 5, bearing corresponding item numbers, represent opposite ends of the same transactions;

for example, the sale of five thousand bushels of May wheat futures, shown as item No. 1 in paragraph 4, and the purchase of five thousand bushels of May wheat futures, shown as item No. 1 in paragraph 5, represent opposite ends of the same transactions, the respondent becoming the buyer of the futures contracts, which he sold for the account of customers, and the seller of futures contracts, which he bought for the account of customers.

7.

The respondent became the seller, in connection with purchases executed for Uhlmann Grain Company, and the purchaser in connection with sales executed for Uhlmann Grain Company in all the transactions appearing in paragraphs 4 and 5, without obtaining the prior consent of the customer for whom the purchases and sales were made, in violation of Section 4b (D) of the Commodity Exchange Act.

THEREFORE, the respondent is hereby notified to be and appear before a referee to be appointed by the Secretary of Agriculture at a hearing to be held at 10 o'clock a. m., on

March 4, 1941, in Room 1026, at 332 South LaSalle Street, Chicago, Illinois, or at such other times and places as may be determined by the referee, and then and there show cause, if any there be, why an order should not be made revoking the registration of the respondent as a floor broker and directing that all contract markets, until further notice of the Secretary of Agriculture, refuse all trading privileges to the respondent.

IT IS ORDERED that this complaint and notice of hearing be served on the named respondent by delivery of a true and correct copy hereof to the respondent, by an employee of the Department of Agriculture or by registered mail, at least ten days prior to the date herein set for the hearing.

IT IS FURTHER ORDERED that the respondent shall file with the hearing clerk, Office of the Solicitor, Department of Agriculture at Washington, D. C., within ten days after the receipt of the complaint, an answer signed by the respondent, fully and completely stating the nature of any affirmative defense and admitting or denying specifically, in detail, each material and relevant allegation of the complaint. The failure to file such answer within

said ten day period may be deemed an admission of the truth of the allegations of the complaint for the purpose of this proceeding.

(SEAL)

Done at Washington, D. C., this 19th day of February, 1941. Witness my hand and the seal of the Department of Agriculture.

/s/ Grover B. Hill

Assistant Secretary of Agriculture.

LOAD-DATE: June 11, 2008

