Commodity Futures Trading Commission
CEA CASES

NAME: THE SIEGEL TRADING CO., INC., JOSEPH E. SIEGEL, ALVIN C. WINOGRAD, AND D. PETER ANDERSON

DOCKET NUMBER: 159

DATE: MARCH 5, 1970

DOCUMENT TYPE: SUMMARY OF CASE

UNITED STATES DEPARTMENT OF AGRICULTURE

Kraynak DU 8-5709

McDavid DU 8-4026

Washington, Mar. 5, 1970

Consent Order Issued Against Commodity Brokerage Firm and Two of Its Officers

The United States Department of Agriculture today announced issuance of a consent order against The Siegel Trading Co., Inc., a Chicago brokerage firm, Joseph E. Siegel and Alvin C. Winograd, two of its officers, and D. Peter Anderson, a former employee.

A complaint which was issued on May 5, 1969, charged the firm and the two officers, Mr. Siegel and Mr. Winograd, with mishandling certain customers' accounts and failing to maintain required records. It charged that in April 1968, six customers trading in potato futures were cheated by the manner in which certain trades were closed out. It also charged that on March 7, 1968, certain trades in cotton futures were bucketed (taking the opposite side of a customer's order into the broker's account). It further charged that in October 1967, a customer was given a false report. Mr. Anderson was charged in connection with the potato transactions. The recordkeeping violations alleged in the complaint occurred between August 1, 1967, and April 19, 1968.

In the consent agreement the respondents admitted the basic facts alleged in the complaint for the purpose of the proceeding and waived hearing.

Respondents, The Siegel Trading Co., Inc., Joseph E. Siegel and Alvin C. Winograd, stipulated that an internal management and audit system had been set up and would be maintained by the corporate respondent which would result in (1) due diligence being used in the selection, training and supervision of the firm's officers and employees who handle customers' commodity futures accounts, and (2) all officers and employees of the firm operating in compliance with the Commodity Exchange Act and Exchange rules. Respondent, The Siegel Trading Co., Inc., also stipulated that the firm had reimbursed the six customers for commission overcharges regarding the closing out of their potato futures positions in April 1968 and that the firm was in the process of reimbursing the customer for his loss occasioned by the false report in October 1967.

The order agreed to was issued by U.S. Department of Agriculture's Judicial Officer, Thomas J. Flavin, March 2, 1970. It directs the respondents to cease and desist from violating the Commodity Exchange Act in the manner charged in the complaint. It also provides that if any of the respondents is found to have again violated the Act within 3 years, sanctions will become effective against the offender. The sanctions, 30 days for the firm and 15 days for the individuals, would prevent the offender from conducting customers business in regulated commodities and would suspend the offender from all regulated trading activity.

LOAD-DATE: June 16, 2008