

Commodity Futures Trading Commission
CEA CASES

NAME: JACK W. SOMMERS

DOCKET NUMBER: STIPULATION 43

DATE: OCTOBER 16, 1959

DOCUMENT TYPE: STIPULATION OF COMPLIANCE

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Jack W. Sommers

Stipulation of Compliance

No. 43

Jack W. Sommers, an individual whose address is No. 2 Broadway, New York 4, New York, is a member of the New York Produce Exchange and a registered floor broker under the Commodity Exchange Act. He has been advised by the Commodity Exchange Authority of an investigation made by it of certain transactions in cottonseed oil futures executed by him on the New York Produce Exchange on December 9, 1958. The facts concerning these transactions are as follows:

On or about December 9, 1958, Albert E. Fagan, a partner in the firm of Fagan and Company, instructed Jack W. Sommers to make two so-called "switch" trades effecting, (1) the purchase of 20 contracts of March cottonseed oil futures for the account of Fagan and Company and the sale of 20 contracts of May cottonseed oil futures for the account of one Lou Holts, and (2) the sale of 20 contracts of March cottonseed oil futures for the account of Fagan and Company and the purchase of 20 contracts of May cottonseed oil futures for the account of the said Lou Holts. Both transactions were to be executed at a premium of two points for the May contracts over the March contracts. Also, transaction (1) was to be made at the high price for the day, and transaction

(2) was to be made at the low price for the day. The orders were executed by Jack W. Sommers as follows:

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

In the execution of these transactions the said Jack W. Sommers arranged with Carl E. Preston, a floor broker on the New York Produce Exchange, to take the opposite side of the transactions on the basis set forth above, and the trades were then made as described.

The Commodity Exchange Authority has advised Jack W. Sommers 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 Jack W. Sommers is 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, Jack W. Sommers stipulates that the above statements regarding the transactions of December 9, 1958, are true, and agrees 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.

Jack W. Sommers has been informed that the Commodity Exchange Authority may, in connection with its regulatory activities, publicize 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/ Jack W. Sommers

Jack W. Sommers

Witnessed by:

/s/ Hugh A. Collins

/s/ T. Reed McMinn

(Signed in New York, New York, on October 16, 1959)

LOAD-DATE: June 16, 2008

