

Commodity Futures Trading Commission
CEA CASES

NAME: P. J. TAGGARES COMPANY, CHEF-REDDY FOODS, PETER J. TAGGARES, KENNETH L. RAMM, IDAHO POTATO PACKERS CORP., IDAHO POTATO PACKERS OF IDAHO, INC., ROBERT H. ABEND, HAROLD ABEND, SAN JACINTO PACKING CO., AGRI-EMPIRE, INC., JAMES MINOR, UNIVERSAL LAND-SNAKE RIVER, EDWARD SPIEGEL, MODIE J. SPIEGEL, J. R. SIMPLOT COMPANY, SIMPLOT EASTERN IDAHO PRODUCE, INC., J. R. SIMPLOT, DECIDED MAY 31, 1973, WITH RESPECT TO CHEF-REDDY FOODS, PETER J. TAGGARES, KENNETH L. RAMM, AND P. J. TAGGARES COMPANY

CITATION: 32 Agric. Dec. 1114

DOCKET NUMBER: 200

DATE: MAY 31, 1973

DOCUMENT TYPE: DECISION AND ORDER

(No. 15,220)

In re P. J. TAGGARES COMPANY, a corporation, CHEF-REDDY FOODS, a corporation, PETER J. TAGGARES, an individual, KENNETH L. RAMM, an individual, IDAHO POTATO PACKERS CORP., a corporation, IDAHO POTATO PACKERS OF IDAHO, INC., a corporation, ROBERT H. ABEND, an individual, HAROLD ABEND, an individual, SAN JACINTO PACKING Co., a proprietorship, AGRI-EMPIRE, INC., a corporation, JAMES MINOR, an individual, UNIVERSAL LAND-SNAKE RIVER, a partnership, EDWARD SPIEGEL, an individual, MODIE J. SPIEGEL, an individual, J. R. SIMPLOT COMPANY, a corporation, SIMPLOT EASTERN IDAHO PRODUCE, INC., a corporation, J. R. SIMPLOT, an individual. CEA Docket No. 200. Decided May 31, 1973, with respect to *Chef-Reddy Foods, Peter J. Taggares, Kenneth L. Ramm, and P. J. Taggares Company*.

Manipulation of futures prices -- Stipulation of Chef-Reddy Foods, Peter J. Taggares, and Kenneth L. Ramm -- Denial of trading privileges to the said three respondents for a period of 180 days -- Dismissal of P. J. Taggares Company as a party to this proceeding

Where the stipulation of respondents Chef-Reddy Foods, Peter J. Taggares, and Kenneth L. Ramm has been accepted, the Order herein is issued, and said respondents are denied trading privileges for a period of 180 days. And, on recommendation of complainant, P. J. Taggares Company is dismissed as a party to this proceeding.

Gilbert A. Horn, Chicago, Illinois, and Harold J. Reuben, for complainant.

Blaine F. Evans Boise, Idaho, for respondents.

Decision by Donald A. Campbell, Judicial Officer.

DECISION AND ORDER

PRELIMINARY STATEMENT

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), instituted by a complaint and notice of hearing. The complaint charges that the respondents attempted to manipulate the prices of potato futures on the Chicago Mercantile Exchange in violation of §§ 6(b), 6(c) and 9 of the Act (7 U.S.C. §§ 9, 13b and 13).

No hearing has been held with respect to this proceeding. On January 10, 1973, a Decision and Order with respect to J. R. Simplot Company, Simplot Eastern Idaho Produce, Inc., and J.

R. Simplot was entered pursuant to the filing by them of a joint amended stipulation. On May 16, 1973, a Decision and Order with respect to Idaho Potato Packers Corp., Idaho Potato Packers of Idaho, Inc., Robert H. Abend and Harold Abend was entered pursuant to the filing by them of a joint stipulation.

Respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm have at this time filed a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which (1) they admit the facts hereinafter set forth in findings of fact one through five, (2) they agree, for the purpose of avoiding a trial in this proceeding and for such purpose only, that the facts hereinafter set forth in findings of fact six through nine may be taken as true, (3) they state that nothing in this stipulation shall be deemed to constitute an admission that the Commodity Exchange Act or regulations thereunder have been violated by them, and (4) they waive hearing on the charges, and consent to the entry of the order contained herein.

FINDINGS OF FACT

1. Respondent P. J. Taggares is a resident of the State of Washington, is the principal stockholder of Chef-Reddy Foods Corporation, a corporation organized under the laws of the State of Washington, with its principal place of business and office at Othello, Washington. Chef-Reddy Foods Corporation is a corporation engaged, among other things, in the processing of potatoes and P. J. Taggares is engaged in the potato growing, processing and shipping business. That at all times referred to in plaintiff's complaint P. J. Taggares directed, controlled and was responsible for the corporate transactions of Chef-Reddy Foods Corporation.

2. Respondent Kenneth L. Ramm, whose address is 60 East Columbia, Othello, Washington, was at all times material to the complaint, engaged in speculative trading in Idaho potato futures on the Chicago Mercantile Exchange for his own account.

3. The Chicago Mercantile Exchange is now and has been at all times material to this complaint a board of trade duly designated as a contract market under the Commodity Exchange Act.

4. The futures transactions referred to in this complaint relate to the May 1971 potato future on the Chicago Mercantile Exchange. Trading in such future commenced on May 11, 1970, and continued until its termination on May 10, 1971. A potato futures

contract on the Exchange is a contract for 50,000 pounds of Idaho Russet Burbank potatoes.

5. At all times material to this complaint respondents P. J. Taggares and Kenneth L. Ramm, trading in the manner specified in paragraphs 1 and 2 hereof, purchased May 1971 Idaho potato futures contracts on the Chicago Mercantile Exchange and obtained, held and controlled a "long" position in such future.

6. Respondent P. J. Taggares purchased in transactions on the Chicago Mercantile Exchange over a period of time beginning on or about August 13, 1970, and continuing until on or about May 7, 1971, numerous contracts of the May 1971 Idaho potato future for his own account and established, maintained and kept open in increasing quantities over a period of time from on or about August 13, 1970, to the expiration of trading on May 10, 1971, a "long" position in such future which advanced to as much as approximately 487 open contracts by on or about April 30, 1971, and which amounted to approximately 402 open contracts at the close of trading on May 10, 1971.

7. Respondent Kenneth L. Ramm purchased in transactions on the Chicago Mercantile Exchange over a period of time beginning on or about October 22, 1970, and continuing until on or about March 9, 1971, numerous contracts of the May 1970 Idaho potato future on his own account and established, maintained and

kept open in increasing quantities over a period of time from on or about October 22, 1970, to the expiration of trading on May 10, 1971, a "long" position in such future which advanced to the maximum permissible speculative limit of 150 open contracts by on or about May 9, 1971, and which remained at such level through the close of trading on May 10, 1971.

8. Respondent P. J. Taggares only liquidated or offset his "long" position in the potato future market by 85 cars from a total of 487 open contracts on April 30, 1971, to approximately 402 open contracts which he held on May 10, 1971.

9. Kenneth L. Ramm did not liquidate or offset his "long" position of 150 open contracts in such future market prior to the expiration of trading on May 10, 1971.

CONCLUSIONS

Section 0.4(b) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.4(b)) provides as follows:

(b) *Consent Order*. At any time after the issuance of the complaint and prior to the hearing in any proceeding, the Secretary in his discretion, may allow the respondent to consent to an order. In so consenting, the respondent must submit, for filing in the record, a stipulation or statement in which he admits at least those facts necessary to the Secretary's jurisdiction and agrees that an order may be entered against him. Upon a record composed of the complaint and the stipulation or agreement consenting to the order, the Secretary may enter the order consented to by the respondent, which shall have the same force and effect as an order made after oral hearings.

The facts admitted by respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm and set forth in the findings of fact are sufficient to subject them to the jurisdiction of the Secretary of Agriculture under the provisions of the above section.

The complainant has filed a recommendation which recites that it has carefully considered the stipulation and the terms of the proposed order. It is the view of the complainant that the proposed sanctions would be adequate, and that the prompt entry of such an order without further proceedings would constitute a satisfactory disposition of this case as to respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm, serve the public interest, and effectuate the purposes of the Commodity Exchange Act. The complainant therefore recommends that the stipulation and waiver be accepted and that the proposed order be issued, terminating this proceeding as to respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm. It is so concluded.

In addition to the above, the administrative officials of the Commodity Exchange Authority have determined that respondent P. J. Taggares Company, a corporation, was not in existence at the relevant times referred to in the complaint which instituted this proceeding, notwithstanding the fact that transactions in potato futures on the Chicago Mercantile Exchange were made for trading accounts in the name of P. J. Taggares Company. Furthermore, the stipulated suspension of trading privileges pertaining to respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm shall apply, *inter alia*, to all trading done and positions held through firms owned wholly or in substantial amount by said respondents or in any way subject to their direction or

control, wholly or substantially, including said P. J. Taggares Company. In view of these considerations, complainant also recommends that respondent P. J. Taggares Company be dismissed as a party to this proceeding. It is, accordingly, deemed appropriate to allow such dismissal.

ORDER

Effective immediately, respondents Chef-Reddy Foods, Peter J. Taggares and Kenneth L. Ramm shall henceforth cease and desist from manipulating or

attempting to manipulate the market price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any contract market.

Effective immediately, (1) the said respondents are prohibited from trading on or subject to the rules of any contract market for a period of 180 days, and (2) all contract markets shall refuse all trading privileges to the said respondents during this period. Such prohibition and refusal shall apply to all trading done and positions held directly by the said respondents, either for their own accounts or as the agents or representatives of any other persons or firms, and also to all trading done and positions held indirectly through persons or firms owned wholly or in substantial amount by the said respondents or in any way subject to their direction or control, wholly or substantially, including but not limited to, P. J. Taggares Company, a corporation.

Effective immediately, respondent P. J. Taggares Company is dismissed as a party to this proceeding.

A copy of this decision and order shall be served upon each of the parties and upon each contract market.

LOAD-DATE: June 9, 2008

