

Commodity Futures Trading Commission
CEA CASES

NAME: UNITED STATES OF AMERICA V. CARGILL, INCORPORATED, AND CARGILL GRAIN COMPANY, LIMITED

DOCKET NUMBER: 58

DATE: MAY 4, 1954

DOCUMENT TYPE: FINAL JUDGEMENT

COPY

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
FOURTH DIVISION
No. 4849 Civil

UNITED STATES OF AMERICA, Plaintiff, vs. CARGILL, INCORPORATED, and CARGILL GRAIN COMPANY, LIMITED, Defendants.

FINAL JUDGMENT

Plaintiff, the United States of America, having filed its complaint hereon on May 3, 1954: and the defendants having appeared and filed their answer to said complaint denying the substantive allegations therein and denying any violation of or intent to violate the law or any rules, regulations or orders issued thereunder; and the plaintiff and defendants, by their respective attorneys, having severally stipulated and consented to the entry of this final judgement without trial or adjudication of any issue of fact or law herein, and without admission by any party with respect to any such issue, and upon condition that neither such stipulation and consent nor this judgment shall be or be considered as evidence, admission or adjudication that the defendants or either of them have violated any law or any rule, regulation or order issued thereunder: and the Court having considered the matter and being duly advised:

NOR, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein and solely upon consent, as aforesaid, of all the parties hereto, and upon motion of the plaintiff.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

I

This Court has jurisdiction of the subject matter hereof and of all parties hereto. The complaint states a civil action against the

defendants under Title 28, U. S. Code, Section 1345, and the Act of Congress of September 21, 1922, entitled "An Act for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain future exchanges, and for other purposes," as amended, commonly known as the Commodity Exchange Act (7 U.S.C., Chapter 1).

II

Defendant Cargill, incorporated is hereby enjoined and restrained from using contracts or agreements with, or commitments to, defendant Cargill, Grain Company, Limited and from using contracts or agreements with, or commitments to, any other person, as defined by the Commodity Exchange Act, "owned wholly or in substantial part or otherwise directly or indirectly controlled by, or otherwise

directly or indirectly controlled by, or under common control with," defendant Cargill, Incorporated, as a basis for classifying transactions or positions in commodity futures as hedging in its reports to the Commodity Exchange Authority.

III

Defendants Cargill, Incorporated and Cargill Grain Company, Limited are hereby ordered and directed to treat all commodity transactions and positions of defendant Cargill Grain Company, Limited and all commodity transactions and positions of any other person, as defined by the Commodity Exchange Act, owned wholly or in substantial part or otherwise directly or indirectly controlled by, or under common control with, defendant Cargill, Incorporated, as the transactions and positions of defendant Cargill, Incorporated in submitting reports to the Commodity Exchange Authority and in complying with the orders issued by the Commodity Exchange Commission under Section 4a or the Commodity Exchange Act.

IV

Defendant Cargill, Incorporated and Cargill Grain Company, Limited, and each and every other person, as defined by the Commodity Exchange Act, owned wholly or in substantial part or otherwise directly or indirectly controlled by, or under common control with, defendant Cargill, Incorporated are hereby enjoined and restrained from exceeding the limits on the amount of trading under contracts of sale of oats for future delivery on or subject to the rules of any contract market as may be fixed from time to time by the Commodity Exchange Commission under authority of 7 U.S.C. § 6a, or any similar statute.

V

Defendants Cargill, Incorporated and Cargill Grain Company, Limited are hereby jointly and severally enjoined from exercising trading privileges in oats futures on contract markets as defined by the Commodity Exchange Act for the period commencing May 14, 1954, and terminating December 31, 1954: Provided, that such refusal of trading privileges in oats futures on contract markets shall apply to trading done and positions held by either of the defendants directly and also to trading done and positions held indirectly by or through any person, as defined in the Commodity Exchange Act, owned wholly or in substantial part or otherwise directly or indirectly controlled by, or under common control with, either of the defendants, or by any other means; and Provided, that any position in May 1954 oats futures any contract market held by Cargill, Incorporated on the effective date of this judgment may be liquidated by means of futures transactions or deliveries at any time prior to the expiration of trading in such May 1954 oats futures; and Provided, that the injunction and prohibition contained in this paragraph of this judgment shall not be construed to prohibit the execution of bona fide orders received by

Cargill, Incorporated or by any person, as defined in the Commodity Exchange Act, owned wholly or in substantial part or otherwise directly or indirectly controlled by, or under common control with, Cargill, Incorporated from its or their customers in its or their capacities as registered futures commission merchants under the Commodity Exchange Act.

VI

Jurisdiction is retained solely for the purpose of enabling any of the parties to this final judgment to apply to this Court at any time for such further orders or directions as may be necessary or appropriate for the construction or carrying out of this final judgment, for the modification of any of the provisions hereof, or for the enforcement of compliance herewith.

Dated, May 4, 1954.

Gunnar H. Hordbye /s/

UNITED STATES DISTRICT JUDGE

Re consent to the entry of the foregoing Final Judgment.

FOR THE PLAINTIFF:

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