

Commodity Futures Trading Commission
CEA CASES

NAME: IRVING WEIS AND CO., IRVING WEIS, ARTHUR MARK, AND PHILLIP L. GROOVER

DOCKET NUMBER: STIPULATION 63

DATE: FEBRUARY 7, 1963

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UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Irving Weis and Co., Irving Weis, Arthur Mark, and Phillip L. Groover

Stipulation of Compliance under the Commodity Exchange Act No. 63

The Secretary of Agriculture has reason to believe that Irving Weis and Co., Irving Weis, Arthur Mark, and Phillip L. Groover have violated the provisions of the Commodity Exchange Act (7 U.S.C., Chapter 1) and the regulations of the Secretary of Agriculture promulgated thereunder. No complaint with respect to such violations has been issued and the said Irving Weis and Co., Irving Weis, Arthur Mark, and Phillip L. Groover are 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, the said Irving Weis and Co., Irving Weis, Arthur Mark, and Phillip L. Groover stipulate the following facts are true:

1. Irving Weis and Co. is and was at all times mentioned herein a partnership and a registered futures commission merchant under the Commodity Exchange Act with an office and principal place of business at 66 Beaver Street, New York 4, New York.

2. Irving Weis, Arthur Mark and Phillip L. Groover are and were at all times mentioned herein partners in the said Irving Weis and Co.

3. The acts and practices variously described herein were ordered and directed by, or carried out under the supervision and control of, Irving Weis, Arthur Mark and Phillip L. Groover in their capacities as partners of Irving Weis and Co.

4. On April 3, 1962, Irving Weis and Co. sold at a price of \$ 60,818.78 securities having a face value of \$ 60,000 which had been purchased with regulated commodity customers' funds. The proceeds from this sale were deposited in the Irving Weis and Co. general funds account at the Morgan Guaranty Trust Company of New York.

5. On August 3, 1962, Irving Weis and Co. sold at a price of \$ 30,541.94 securities having a face value of \$ 30,000 which had been purchased with regulated commodity customers' funds. The proceeds of the sale were deposited in the firm's general funds bank account at the Morgan Guaranty Trust Company of New York.

6. On April 3, 1962, Irving Weis and Co. transferred securities having a face value of \$ 90,000 to an account designated on the firm's records as "Customers Segregated Funds -- Bonds -- Investment Account" without using regulated commodity customers' funds to pay for such [ILLEGIBLE TEXT]rities. From April 3, 1962, to October 16, 1962, varying amounts of securities not purchased with customers' funds were so carried, and upon the sale thereof the proceeds were deposited in the general funds bank account of Irving Weis and Co. at the Morgan Guaranty Trust Company of New York.

Since the proceeds from the sales of the securities on April 3 and August 3, 1962, as set forth in Items 4 and 5 above, were not deposited under the provisions and safeguards of section 4d (2) of the Commodity Exchange Act and sections 1.20, 1.21 and 1.22 of the regulations of the Secretary of Agriculture promulgated thereunder, and since the securities transferred to the account carried by Irving Weis and Co. as "Customers Segregated Funds -- Bonds -- Investment Account" as set forth in Item 6 above, did not represent the investment of customers' funds, such funds and securities did not constitute funds in segregation. Failure of Irving Weis and Co. to handle those funds and securities correctly resulted in undersegregation on 115 days between April 3 and October 16, 1962, in amounts ranging from \$ 245.16 to \$ 49,590.22. That is, the total amount of customers' funds held in segregation was insufficient by the above amounts to pay all credits and equities due to customers.

On October 9, 1962, following a discussion between the CEA auditor and an employee of Irving Weis & Company regarding the improper deposit of \$ 30,541.94 into the firm's general funds account, Irving Weis telephoned the Morgan Guaranty Trust Company and requested that they change their records to show a deposit of \$ 30,541.94 in the segregated funds account as of August 3, 1962. This request was complied with and a new statement was furnished to Irving Weis & Company. Inasmuch as the new statement did not reflect the facts regarding the deposit and the balance in the account, the obtaining of such a statement did not alter the fact that the \$ 30,541.94 was not in the segregated funds account from August 3 until October 9, 1962.

The said Irving Weis and Co., Irving Weis, Arthur Mark and Phillip L. Groover agree to desist from such acts and practices in the future. They further understand and agree that this stipulation shall be admissible as evidence of such acts and practices in any future proceeding based upon acts or practices in addition to those referred to herein which may be brought by the Secretary of Agriculture against any of them under the provisions of the said act. They also understand that it is the practice of the Commodity Exchange Authority to make stipulations of compliance a matter of public record.

Done at New York, New York, this 7th day of February, 1963.

IRVING WEIS AND CO.

By /s/ Seymour Gottlieb

Seymour Gottlieb

/s/ Arthur Mark

Arthur Mark

/s/ Phillip L. Groover

Phillip L. Groover

/s/ Irving Weis

Irving Weis

Witnessed with respect to the signatures of Irving Weis and Co. (Seymour Gottlieb), Arthur Mark and Phillip L. Groover, by:

/s/ Andrew E. Seitz

Andrew E. Seitz

/s/ Sheldon Coopersmith

Sheldon Coopersmith

County of Dade
State of Florida
February 13, 1963

/s/ Ina May Upham

Ina May Upham, Notary Public

State of Florida at Large.

My Commission Expires February 8, 1966.

LOAD-DATE: June 16, 2008

