

Commodity Futures Trading Commission
CEA CASES

NAME: ANDCO, INC., AND GLENN H. ANDERSEN

DOCKET NUMBER: 203

DATE: OCTOBER 5, 1972

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Andco, Inc., and Glenn H. Andersen, Respondents

CEA Docket No. 203

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents have violated the Commodity Exchange Act, as amended, (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Andco, Inc., an Illinois corporation with its place of business at 110 North Franklin Street, Chicago, Illinois, was at all times material herein a registered futures commission merchant under the Commodity Exchange Act and so engaged in business.

II

Respondent Glenn H. Andersen, whose business address is the same as that of the respondent corporation, is now and was at all times material herein, Chairman of the Board of Directors of respondent Andco, Inc. At all such times Glenn H. Andersen had responsibility for the management, direction and control of the corporation.

III

(a) At all times material herein, respondent Andco, Inc., in the regular course of its business as futures commission merchant, carried accounts of customers who traded in commodity futures on contract markets subject to the provisions of the Commodity Exchange Act and the regulations thereunder. Such accounts, the trading therein, and the handling and disposition of funds in connection therewith, were subject to the provisions of the Act and regulations. At all such times, the respondent Andco, Inc., had to its credit with banks or other depositories, money and securities in varying amounts, held in segregated accounts and identified as customers' funds, representing deposits of margin by and trading profits accruing to such customers.

(b) Examination of the records of the respondent corporation by the Commodity Exchange Authority disclosed, as shown in the tabulation below, (1) that on January 29, 1971, the respondent corporation was undersegregated by over \$ 910,000.00 and (2) that on January 29, 1971, and April 8, 1971, the daily computation and record that was prepared and kept by the respondent to meet the requirements of section 1.32 of the regulations under the Commodity Exchange Act (17 CFR 1.32) contained errors which resulted in gross misstatements of the respondents segregated condition:

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Respondent's

Date	Segregation Record	Per CEA Examination
	(Undersegregation)	(Undersegregation)
	Oversegregation	Oversegregation
January 29, 1971	\$ 393,500.82	(\$ 910,596.82)
April 8, 1971	\$ 682,248.45	\$ 154,851.34

IV

By reason of the facts alleged in this complaint, the respondents Andco, Inc., and Glenn H. Andersen, violated sections 4d and 4g of the Commodity Exchange Act (7 U.S.C. 6d, 6g) and sections 1.20, 1.21, 1.23, 1.32 and 1.35 of the regulations thereunder (17 CFR 1.20, 1.21, 1.23, 1.32, 1.35).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, 0.28). The respondents will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and three copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver

of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing will be held in Chicago, Illinois, at a place therein and date to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondents will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act, directing that the respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D. C.

October 5, 1972

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Acting Secretary

LOAD-DATE: June 16, 2008

