

Commodity Futures Trading Commission  
CEA CASES

**NAME:** BENEDICT K. GOODMAN

**DOCKET NUMBER:** 105

**DATE:** FEBRUARY 8, 1962

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Benedict K. Goodman,

CEA Docket No. 105

Complaint and Notice of Hearing under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, Benedict K. Goodman, has violated the provisions of the Commodity Exchange Act (7 U.S.C. § 1 et seq.), hereinafter referred to as the Act, and the rules and regulations issued pursuant to its requirements (17 CFR, Chapter 1). In accordance with the provisions of section 6(b) of the Act (7 U.S.C. § 9), this complaint and notice of hearing is issued stating the charges as follows:

I

The respondent, Benedict K. Goodman, is an individual whose address is 636 Church Street, Evanston, Illinois. At all times during the periods referred to in this complaint, he was a member of the Board of Trade of the City of Chicago, hereinafter referred to as the Chicago Board of Trade

II

The Chicago Board of Trade is now and was at all times during the periods referred to in this complaint a duly designated contract market under the Commodity Exchange Act.

III

At all times during the periods referred to in paragraphs IV through VII of this complaint, the respondent owned grain futures accounts carried in his own name and grain futures accounts carried in the name of the Library Plaza Corporations 636 Church Street, Evanston, Illinois, and all profits or losses from the trading in such accounts inured to the respondent.

IV

From November 5, 1958, until April 20, 1959, the respondent held, in accounts in his own name and in accounts in the name of the Library Plaza Corporation, total speculative net long positions in soybean futures on the Chicago Board of Trade in excess of 2,000,000 bushels. Such positions ranged from 2,045,000 bushels to 2,740,000 bushels, and the maximum position of 2,740,000 bushels was held continuously from March 18, 1959, through April 7, 1959. By reason thereof, the respondent willfully traded in soybeans for future delivery on a contract market in amounts which resulted in positions in excess of the maximum permissible quantity of 2,000,000 bushels, in violation of § 4a of the Commodity Exchange Act (7 U.S.C. § 6a), and the order of the Commodity Exchange Commission establishing limits on positions and trading in soybeans for future delivery (17 CFR § 150.4).

V

From November 5, 1958, through April 20, 1959, the positions in soybean futures on the Chicago Board of Trade in accounts owned by the respondent exceeded 200,000 bushels in a single future and,

therefore, the respondent was in a reporting status during such period and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all positions held during such period for all of his accounts in soybean futures, as provided in section 4i of the Act (7 U.S.C. § 6i), and sections 2.10, 2.11, 2.12, and 2.21 of the regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21). On November 5, 6, 7, 10, 12, 13, and 19, 1958; January 21, 1959; February 6, 1959; and April 8, 9, 14, 17, and 20, 1959, the respondent executed soybean futures transactions in one or more of his accounts carried in the name of the Library Plaza Corporation, but the respondent filed no reports with respect to such transactions and his positions on such dates. By reason of such facts, the respondent willfully violated section 4i of the Act (7 U.S.C. § 6i), and sections 2.10, 2.11, 2.12, and 2.21 of the regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21).

#### VI

The respondent filed reports with the Commodity Exchange Authority, with respect to trading and positions in soybean futures on the Chicago Board of Trade in accounts carried in his own name on December 9, 10, 11, 17, 19, 23, 29, and 30, 1958; January 9, 14, 15, 16, 19, and 27, 1959; February 2, 3, 4, 5, 10, and 17, 1959; March 17, 18, and 24, 1959; and April 1, 6, 7, 10, and 13, 1959, but the respondent failed to include in such reports the trading and positions in his accounts carried in the name of the Library Plaza Corporation.

By reason of such facts, the respondent willfully violated section 4i of the Act (7 U.S.C. § 6i), and sections 2.10, 2.11, 2.12, and 2.21 of the regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21).

#### VII

From January 12, 1959, until March 19, 1959, the positions in wheat futures on the Chicago Board of Trade in accounts owned by the respondent exceeded 200,000 bushels in a single future and, therefore, the respondent was in a reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all positions held during the period from January 12, 1959, through March 19, 1959, for all of his accounts in wheat futures, as provided in section 4i of the Act (7 U.S.C. § 6i), and sections 2.10, 2.11, 2.12, and 2.21 of the regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21). The respondent filed reports with the Commodity Exchange Authority, with respect to trading and positions in wheat futures on the Chicago Board of Trade in accounts carried in his own name on January 12, 13, 16, and 29, 1959; February 5, 16, 17, 26, and 27, 1959; and March 3, 4, 5, 6, 9, 10, 12, 16, 17, 18, and 19, 1959, but the respondent failed to include in such reports the trading and positions in his accounts carried in the name of the Library Plaza Corporation. By reason of such facts, the respondent willfully violated section 4i of the Act (7 U.S.C. § 6i), and sections 2.10, 2.11, 2.12, and 2.21 of the regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21).

#### VIII

At all times during the periods referred to in paragraphs IV through VII of this complaint, the respondent was aware of his obligations under the Act and the regulations with respect to speculative position limits and reporting requirements. During February 1956, the respondent held speculative positions in rye futures on the Chicago Board of Trade which exceeded the maximum

permissible limit, and after notification by the Commodity Exchange Authority, the respondent brought himself into compliance by reducing such positions. At or about the same time, the Commodity Exchange Authority furnished the respondent with written information as to the speculative position limits applicable to regulated commodities, and notified him that the holding of positions in excess of such limits constitutes a violation of the Act.

## IX

On April 14, 1958, a complaint was filed pursuant to § 6(b) of the Act alleging that from December 31, 1957, through February 21, 1958, the respondent held total speculative net long positions in the March 1958 rye future, and total speculative net long positions in all rye futures combined, on the Chicago Board of Trade which resulted in positions in excess of the maximum permissible quantity of 500,000 bushels, in violation of § 4a of the Act (7 U.S.C. § 6a), and the order of the Commodity Exchange Commission establishing limits on positions and trading in rye for future delivery (17 CFR § 150.3). The complaint also alleged that from December 31, 1957, through February 21, 1958,

the respondent was in a reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all positions held for his account in all rye futures on all boards of trade during such period, and that the respondent bought or sold rye futures on the Chicago Board of Trade on 10 days during such period and failed or refused to report such purchases and sales and the resulting positions to the Commodity Exchange Authority, in violation of § 4i of the Act (7 U.S.C. § 6i), and the rules and regulations issued by the Secretary (17 CFR §§ 2.10, 2.11, 2.12, and 2.21). The Judicial Officer found that the respondent violated the Act and the regulations, as alleged in the complaint, and on October 12, 1959, the Judicial Officer issued an order requiring all contract markets to refuse all trading privileges to the respondent for a period of 20 days (18 Agric. Dec. 1121 (18 A.D. 1121)). On appeal, the order of the Judicial Officer was sustained (Goodman v. Benson, 286 F. 2d 896 (C. A. 7)).

THEREFORE, the said respondent, Benedict K. Goodman, is hereby notified to be and appear at a hearing to be held at 10:00 a.m. local time, on the 5th day of March, 1962, in Chicago, Illinois, at a place to be hereafter designated, before a referee designated to conduct such hearing, and then and ther show cause, if any there be, why an order should not be made directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined. The respondent will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington 25,

D. C., an answer with an original and five 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.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D.C., this

8th day of February, 1962.

/s/ John P. Duncan, Jr.

John P. Duncan, Jr.

Assistant Secretary

**LOAD-DATE:** June 12, 2008

