

Commodity Futures Trading Commission  
CEA CASES

**NAME:** WILLIAM E. HENNER

**DOCKET NUMBER:** 181

**DATE:** AUGUST 24, 1971

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: William E. Henner, Respondent

CEA Docket No. 181

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent, William E. Henner, has violated the Commodity Exchange Act (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

The respondent, William E. Henner, an individual, whose business address is 141 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times material herein a registered floor broker under the Commodity Exchange Act and a member of the Chicago Mercantile Exchange, hereinafter referred to as the exchange.

II

The exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act.

III

The transactions referred to in this complaint relate to the purchase and sale of July 1969 pork belly futures contracts on the

exchange. Such contracts could have been used for hedging transactions in interstate commerce in pork bellies or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in pork bellies, or for delivering pork bellies sold, shipped, or received in interstate commerce.

IV

On February 14, 1969, the respondent, acting as floor trader for his own account on the exchange, sold two July 1969 pork belly futures contracts to Alan L. Freeman, who was acting in the capacity of floor broker for the account of a customer. Thereafter, on the same day, in order to aid the said Freeman to fill a customer's sell order, the respondent entered into a non-competitive arrangement with Freeman whereby the respondent gave to Freeman one of such sales which the respondent had previously made for his own account to Freeman, and the respondent prepared and turned in to the exchange a trading card purporting to show that he had sold only one contract to Freeman. By reason of such facts, the respondent made a trade on or subject to the rules of a contract market otherwise than by open and competitive methods, in wilful violation of section 1.38 of the regulations under the Commodity Exchange Act (17 CFR 1.38);

caused false records to be entered, in wilful violation of section 4b(B) of the Act (7 U.S.C. 6b(B)); and failed to keep full and complete

records of futures transactions, as required by section 1.35 of the regulations and section 4g of the Act (17 CFR 1.35; 7 U.S.C. 6g), and in wilful violation thereof. In addition, the effect of the transaction in which the respondent gave to Freeman the one sale was to enable Freeman's buying customer to buy from his selling customer and, therefore, the respondent entered into a transaction which is, or is of the character of, an "accommodation trade," in wilful violation of section 4c(A) of the Act (7 U.S.C. 6c(A)).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent 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 respondent 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 purposes 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 respondent is hereby notified that unless hearing is waived, a hearing will be held at 10:00 a.m., local time, on November 3, 1971, in Chicago, Illinois, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondent 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, (1) suspending or revoking the registration of the respondent as floor broker, (2) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined and (3) directing that the respondent shall cease and desist from violating the Act and regulations in the manner alleged herein.

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.

August 24, 1971

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

**LOAD-DATE:** June 16, 2008

