

Commodity Futures Trading Commission  
CEA CASES

**NAME:** I. NEIMAN

**DOCKET NUMBER:** STIPULATION 4

**DATE:** NOVEMBER 15, 1945

**DOCUMENT TYPE:** STIPULATION OF COMPLIANCE

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re I. Neiman, 108 Park Street, LaPorte, Indiana

Stipulation of Compliance Under the Commodity Exchange Act No. 4

WHEREAS, the Secretary of Agriculture has reason to believe that I. Neiman has violated the Commodity Exchange Act, as amended, and the rules and regulations of the Secretary of Agriculture promulgated thereunder; and WHEREAS, no complaint has been filed with respect to said violation and said I. Neiman desires to enter into a stipulation pursuant to the provisions of section 0.4 (a) of the rules of practice under the Commodity Exchange Act: Now, therefore, the said I. Neiman admits that the following facts are true:

(1) I. Neiman is an individual formerly doing business under the name of Chicago Garment Company and controlling the trading in commodity futures contracts carried on in his own name, in the name of the Chicago Garment Company, and in the name of Gussie Neiman. The Chicago Garment Company was originally a sole proprietorship, later incorporated, I. Neiman exercised control of the trading carried on in the name of the Chicago Garment Company, both while it was a sole proprietorship and also subsequent to its incorporation.

(2) I. Neiman has since 1939 traded actively and in considerable volume in his own name and through the accounts controlled by him in futures contracts in grain, cotton, eggs, and wool top.

(3) I. Neiman was advised of the reporting requirements under the Commodity Exchange Act applying to persons trading in commodity futures by means of letters, printed instruction, and circulars furnished him by the United States Department of Agriculture. Among the documents advising of the reporting requirements were the following:

(a) Letter dated October 20, 1939, from H. M. Hoyt, Acting in Charge, Division of Record Examination, Commodity Exchange Administration, Washington, D. C., enclosing copy of Commodity Exchange Act and rules and regulations promulgated thereunder.

(b) Letter dated November 1, 1939, from John J. Bachmann, in Charge, Division of Record Examination, Commodity Exchange Administration, Washington, D. C.

(c) Letter dated November 10, 1939, from John J. Bachmann.

(d) Letter dated November 27, 1939, signed by J. W. T. Duvel, Chief, Commodity Exchange Administration.

In addition to the letters and documents above referred to, I. Neiman was informed of the reporting requirements and

procedure by personal interview in the Chicago office of the Commodity Exchange Administration on January 5, 1940.

(4) I. Neiman has habitually arranged for brokerage houses through which he carries his accounts to file for him the reports required to be filed under the Commodity Exchange Act with the United States Department of Agriculture. Sometime during the year 1939 I. Neiman instructed David A. Noyes and Company of Chicago, Illinois, to report his transactions in cotton futures contracts. By letter dated September 21, 1944, I. Neiman instructed H. Hentz and Company of New York to report his positions in wool top futures contracts. By letter dated November 30, 1944, I. Neiman instructed Uhlmann Grain Company, Chicago, Illinois, to file reports covering his holdings in cotton contracts.

(5) I. Neiman was aware that his requests to his brokers to report his positions in futures contracts did not relieve him of responsibility for the accuracy and prompt submission of the required reports. He was informed of this fact by letter dated October 13, 1944, signed by Ralph K. Dawson, Chief, Trading Section, Compliance Branch, War Food Administration, and he had previously indicated full understanding in a letter dated October 3, 1944, addressed to the United States

Department of Agriculture, War Food Administration, Office of Distribution, New York, New York.

(6) I. Neiman on numerous occasions between 1939 and October 1945 failed to report, filed delinquent reports, and filed incorrect and incomplete reports covering the transactions in commodity futures contracts required to be reported under the provisions of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

(7) The errors, omissions, and failures in reporting were called to I. Neiman's attention by letter and otherwise on numerous occasions between 1939 and October 1945. Under date of November 27, 1944, George H. Baston, Supervisor in Charge, Commodity Exchange Division, New York, New York, addressed a letter to I. Neiman calling attention to his failures and delinquencies in connection with filing reports and again furnishing him with a copy of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

(8) At all times between April 12, 1945, and August 24, 1945, I. Neiman held or controlled open contracts in one egg future on one contract market in excess of 25 carlots.

(9) I. Neiman filed reports on Form 503 purporting to cover his holdings in egg futures contracts during the period set out in (8) above as follows:

See original document-page 4

Date covered by report (1945)	Date report was received in Chicago office of Commodity Exchange Authority (1945)
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April 12	September 12
April 26	May 3
April 27	May 3
May 23	May 28
August 8	August 23
August 9	August 23
August 10	August 23
August 14	August 23
August 20	August 27
August 21	August 27
August 23	August 27
August 24	August 27

(10) All of the reports referred to in (9) above were incomplete and incorrect, and a number of them were delinquent as to date of filing. The

errors ranged from one carlot on the report for April 12, when the original report showed 42 carlots short while the corrected report received on September 12 showed 43 carlots short; to an error of 18 carlots on the report of August 24, when the original report showed 87 carlots short while the corrected report received on September 12 showed 105 carlots short.

(11) During the entire period from September 10 through September 14, 1945, I. Neiman held or controlled open contracts in one egg future on one contract market in excess of 25 carlots. Reports on Form 503 were filed by I. Neiman on September 12 for September 10, on September 19 for September 13, and on September 20 for September 14, purporting to show

his position in egg futures. These reports were all incomplete and incorrect, and were replaced by a second set of reports for the same dates filed on September 22, 1945. The reports filed on September 22 were also incomplete and incorrect and were replaced by a third set of reports for the same dates filed on October 9, 1945.

(12) At all times during the period from June 20, 1944, to September 30, 1944, I. Neiman held or controlled open contracts in one cotton future on one contract market in excess of 5,000 bales.

(13) I. Neiman failed to file any reports whatsoever on Form 303 covering his holdings in cotton futures contracts as set out in (12) above until his holdings were discovered by representatives of the United States Department of Agriculture and he was specifically directed by letter dated November 27, 1944, from George H. Baston, Supervisor in Charge, New York office of the Commodity Exchange Division, to file the delinquent reports.

(14) At all times during the period from July 21, 1944, to September 29, 1944, I. Neiman held or controlled open contracts in one wool top future on one contract market in excess of 125,000 pounds.

(15) I. Neiman failed to file any reports whatsoever on Form 803 covering his holdings in wool top futures contracts as set out in (14) above until his holdings were discovered by representatives of the United States Department of Agriculture and he was specifically directed to report.

In addition to admitting the foregoing facts, I. Neiman agrees to discontinue all acts and practices which are in violation of the Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder, and further agrees that this stipulation shall be admissible as evidence of acts and practices in violation of the Commodity Exchange Act, as amended, and the rules and regulations promulgated thereunder, in any subsequent proceeding brought against him in the enforcement of the provisions of the said act and regulations.

Done at LaPorte, Indiana, this 15th day of November, 1945.

/s/ I. Neiman

I. Neiman

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

