

Commodity Futures Trading Commission  
CEA CASES

**NAME:** SECRETARY OF AGRICULTURE V. FORREST L. RALSTON

**DOCKET NUMBER:** 22

**DATE:** FEBRUARY 20, 1941

**DOCUMENT TYPE:** DECISION AND ORDER

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

CE-A Docket No. 22.

Secretary of Agriculture, Complainant, v. Forrest L. Ralston, Respondent.

Proceedings, Findings of Fact, Conclusions, and Order.

PROCEEDINGS

On October 1, 1940, complaint was issued by the Assistant Secretary of Agriculture, pursuant to the provisions of the Commodity Exchange Act (7 U.S.C. and Supp. V, §§ 1-17a), against Forrest L. Ralston, the respondent. It was alleged that Ralston had acted as a futures commission merchant in Sheridan, Wyoming, from August 2, 1937, to July 20, 1940, without registering with the Secretary of Agriculture and without segregating his customers' funds; that, as a correspondent of a member of a contract market, he had, during that period, reported to customers prices different from the actual prices at which their trades were executed; and

that he later registered with the Secretary as a futures commission merchant. He was directed to show why his registration should not be revoked and his trading privileges on contract markets denied, at a hearing in Washington, D. C., on October 28, 1940.

The complaint was served on the respondent by registered mail on October 5, 1940, with a letter from the Assistant Solicitor, in which it was stated that if he preferred a hearing at a place other than Washington, he should file a request therefor. On October 21, the respondent filed an instrument in which he waived hearing and consented to the entry of an order, on the alleged facts, revoking his registration and denying him trading privileges on contract markets.

On February 10, 1941, a memorandum from the Division of Investigations of the Commodity Exchange Administration was filed, According to it, the respondent was apparently not familiar with the requirements of the act, and as soon as they were called to his attention, he made an effort to comply with them, immediately applying for registration and segregating the entire funds of his commodity customers.

FINDINGS OF FACT

1. Forrest L. Ralston, trading as F. L. Ralston Brokerage Company, engaged as a futures commission merchant in Sheridan, Wyoming, from August 2, 1937, to July 20, 1940, without registering

with the Secretary of Agriculture and without segregating the funds of his customers in connection with futures trades in commodities named in the Commodity Exchange Act.

2. As soon as Forrest L. Ralston was told of the requirements of the Commodity Exchange Act, he applied for registration as a futures commission merchant, and segregated \$ 2,775, the full amount of his commodity customers' funds at that time.

3. Forrest L. Ralston registered as a futures commission merchant with the Secretary of Agriculture for the year 1940.

CONCLUSIONS

The facts show that the respondent violated the act, and his ignorance of the law would not prevent the entry of an order against him. His complying with requirements as soon as they were called to his attention, however, indicates that his violations were not intentional, and it is not deemed necessary to deny him trading privileges on contract markets. As his registration as a futures commission merchant has expired, it need not be suspended or revoked. It is concluded, therefore, that this proceeding should be dismissed.

ORDER

IT IS ORDERED that this proceeding be, and it is hereby dismissed.

IT IS FURTHER ORDERED that a copy hereof be sent by registered mail to Forrest L. Ralston, the respondent, and that this order shall become effective 10 days after its date.

(SEAL)

Done at Washington, D. C., this 20th day of February 1941. Witness my hand and the seal of the Department of Agriculture.

/s/ Grover B. Hill

Assistant Secretary of Agriculture.

**LOAD-DATE:** June 11, 2008

