

Commodity Futures Trading Commission
CEA CASES

NAME: ANDREW CASCIO

DOCKET NUMBER: 164

DATE: JULY 21, 1969

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Andrew Cascio, Respondent

CEA Docket No. 164

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. Chapter 1, 1964 ed., as amended, Supp. IV, 1969) and the regulations made pursuant thereto (17 CFR, Chapter 1), and in accordance with the provisions of sections 6(b) and 6(c) of the said act, this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent, Andrew Cascio, is an individual whose address is 2238 Oak Park Avenue, Berwyn, Illinois. At the times hereinafter stated, the respondent and Joseph M. Sclafini, now deceased, were co-partners in Sclafini and Cascio, a partnership registered as a futures commission merchant under the Commodity Exchange Act.

II

At the times hereinafter stated, the partnership of Sclafini and Cascio, in the regular course of its business, 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 said act and the regulations thereunder. At all such times, the said partnership had to its credit with banks or other depositories sums of money in varying amounts, held in segregated accounts and identified as customers' funds, representing deposits of margin by and trading profits accruing to such customers.

III

The respondent, while engaged as futures commission merchant in partnership with the said Joseph M. Sclafini, failed to segregate and to account separately for customers' funds, in that:

(a) On each business day between July 1, 1968 and September 30, 1968, both inclusive, the partnership of Sclafini and Cascio was undersegregated in amounts within the approximate range of \$ 457 and \$ 15,500 that is, the total amount of customers' funds held in segregation as described in paragraph II hereof, was insufficient, by such amounts, to pay all credits and equities due to such customers.

(b) On December 20, 1968, the partnership of Sclafini and Cascio was undersegregated in the amount of approximately \$ 26,000, and lacked approximately that amount of having enough funds to pay its customers' credits and equities.

(c) Between February 27, 1968 and December 20, 1968, both inclusive, the partnership of Sclafini and Cascio failed to prepare and maintain a

record accounting for approximately \$ 21,000 received from its customers to margin and guarantee the trades and contracts of such customers.

IV

By reason of the facts alleged in this complaint, the respondent willfully violated sections 4d and 4g of the Commodity Exchange Act (7 U.S.C. 6d and 6g, Supp. IV, 1969), and sections 1.20, 1.21, 1.22, 1.32 and 1.35 of the regulations thereunder (17 CFR 1.20, 1.21, 1.22, 1.32 and 1.35).

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 purpose of this proceeding. Failure to file an answer will constitute an admission of all 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 this complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The

respondent is hereby notified that unless a hearing is waived, a hearing will be held at 10:00 a.m., local time, on August 27, 1969, 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) 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 (2) directing that the respondent shall cease and desist from violating the Commodity Exchange Act 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.

July 21, 1969

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

