

Commodity Futures Trading Commission
CEA CASES

NAME: NEVIN F. HENCH

DOCKET NUMBER: 230

DATE: JANUARY 9, 1975

DOCUMENT TYPE: DECISION AND ORDER

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Nevin F. Hench, Respondent

CEA Docket No. 230

Decision

Preliminary Statement

This is a disciplinary proceeding under sections 6(b) and 6(c) of the Commodity Exchange Act, "the Act" (7 U.S.C. §§9 and 13(b)), instituted by a complaint and notice of hearing filed by the Assistant Secretary of Agriculture on June 24, 1974.

The complaint alleges in substance that the respondent, Nevin F. Hench, solicited and accepted orders for the purchase or sale of commodities for future delivery on or subject to the rules of one or more contract markets and accepted monies to margin, guarantee or secure such resulting trades without having registered as a futures commission merchant under the Commodity Exchange Act. Further, the Complaint alleges that respondent, during the period involved, converted to his own use and failed to hold in separate accounts the monies received by him to margin, guarantee or secure the contracts of his customers, and during this period the respondent knowingly made false and deceptive statements to his customers. On August 3, 1974, complainant's attorney

filed a motion to assign a date for oral hearing. On August 23, 1974, John G. Liebert, the Administrative Law Judge assigned to the matter herein, issued an order allowing the respondent until 20 days after service of that order, in which to file an amended answer, if he intended so to do. On October 24, 1974, Judge Liebert filed an order for the preparation of a proposed decision because an amended answer was not forthcoming by respondent.

This proposed decision is in accordance with the provisions of section 0.9(c) of the Rules of Practice under the Commodity Exchange Act (17 CFR 0.9(c)) and the order of Administrative Law Judge John G. Liebert dated October 24, 1974.

Findings of Fact

1. The respondent, Nevin F. Hench, an individual, resides at 4201-66th Avenue North, Brooklyn Center, Minnesota.

2. From on or about June 1972 through on or about July 1973 respondent solicited and accepted orders for the purchase or sale of commodities for future delivery on or subject to the rules of one or more contract markets. In connection with such solicitation and acceptance of orders, respondent accepted money to margin, guarantee or secure trades, without having registered as a futures commission merchant under the Commodity Exchange Act, as follows:

Customer	Amount of Funds Accepted
Michael James Bakke	\$ 1,600.00
Harold M. Christenson	1,000.00

Customer	Amount of Funds Accepted
Rand D. Leeman	1,000.00

Customer	Amount of Funds Accepted
Ronald G. Oswald	6,000.00
Frank J. Jeffers	8,000.00
Inari Paaskynen	1,000.00
Dorothy E. Meany	1,000.00
Bernice Grotenhuis	2,000.00
Gerald S. Jones	1,400.00
Bruce B. Reimer	600.00
Dennis M. Morin	800.00
Michael E. Migatz	2,500.00
Martin C. Christiansen	3,000.00
Calixte L. Robideaux	2,000.00
Harold M. Juutilainen	8,000.00
Total	\$ 39,900.00

3. During the period from on or about June 1972 through on or about July 1973, while engaged as a futures commission merchant, respondent converted to his own use, and failed to hold in separate accounts, the money received by him to margin, guarantee or secure the trades or contracts of his customers as detailed in Finding of Fact 2 above.

4. During this period, respondent knowingly made false and deceptive statements to the customers listed in Finding of Fact 2 above concerning (a) activity in customers' accounts, although no accounts were opened in such customers' names, and (b) profits realized from activity in such customers' accounts.

5. The transactions in commodities for future delivery referred to herein, if executed, could have been used for (a) hedging transactions in interstate commerce in such commodities or the products or byproducts thereof, or (b) determining the price basis of transactions in interstate commerce in such commodities, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment of such contracts.

Conclusions

The facts admitted by the respondent by his failure to answer the complaint clearly shows that the respondent willfully violated section 4b, 4d and 9 of the Commodity Exchange Act (7 U.S.C. §§ 6b, 6d, and 13), and section 1.20 of the regulations issued thereunder (17 CFR 1.20). Accordingly, it is concluded that the following order is proper and should be issued in the circumstances.

Order

1. Effective on the twentieth day after the date this order becomes final, respondent Nevin F. Hench is prohibited from trading in any commodity or on any contract market for twenty (20) years, and all contract markets shall deny trading privileges to the said respondent for that period. Such prohibition and denial shall apply to all trading done and all positions held directly by the said respondent, either for his own account, or as the agent or representative of any other person or firm, and also to all trading done and positions held indirectly through persons or firms owned or controlled by the said respondent, or otherwise.

2. Effective upon the date this order becomes final, respondent Nevin F. Hench shall cease and desist from:

(a) Soliciting or accepting orders for the purchase or sale of commodities for future delivery on or subject to the rules of one or more contract markets and accepting monies to margin, guarantee

or secure such orders without having registered as a futures commission merchant under the Commodity Exchange Act;

(b) Converting to his own use and failing to hold in separate accounts monies received by him to margin, guarantee or secure customer's contracts; and

(c) Knowingly making false and deceptive statements to his customers.

A copy of this decision and order shall be served on each of the parties and on each contract market.

Pursuant to the amended rules of practice governing proceedings under the Commodity Exchange Act, this Decision and Order becomes final without further proceeding 35 days after service hereof, unless appealed to the Secretary by a party to the proceeding within 30 days after service, as provided in section 0.16 and section 0.18 of the amended rules of practice published in the Federal Register of August 20, 1973 (38 F.R. 22381).

Done at Washington, D. C.

JAN 9 1975

John G. Liebert

Administrative Law Judge

Referee

LOAD-DATE: June 16, 2008

