

Commodity Futures Trading Commission
CEA CASES

NAME: DAVID LAIKEN

DOCKET NUMBER: 113

DATE: OCTOBER 25, 1963

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re: David Laiken, Respondent

CEA Docket No. 113

Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, David Laiken, has violated the Commodity Exchange Act (7 U.S.C. Chapter 1) and the regulations made pursuant thereto, and in accordance with the provisions of section 6(b) of the said Act (7 U.S.C. § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

The New York Mercantile Exchange is now and was at all times material to this complaint a duly designated contract market under the Commodity Exchange Act.

II

Respondent, David Laiken, an individual whose address is 6 Harrison Street, New York, New York, is now and was at all times material to this complaint a registered floor broker under the Commodity Exchange Act, and a member of the New York Mercantile Exchange.

III

The transactions referred to in this complaint relate to the purchase and sale of May 1963 potato futures contracts on the New York Mercantile Exchange. Such contracts could have been used for hedging transactions

in interstate commerce in potatoes or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in potatoes, or for delivering potatoes sold, shipped, or received in interstate commerce.

IV

On January 11, 1963, the respondent, in his capacity as floor broker, received for execution one order to buy five May 1963 potato futures contracts on the New York Mercantile Exchange for the account of a futures commission merchant. The respondent noncompetitively filled such order with five contracts which he had purchased previously for his own account. By reason thereof, the respondent made a purchase and sale of a commodity for future delivery on or subject to the rules of a contract market otherwise than by open and competitive methods, in willful violation of section 1.38 of the regulations under the Commodity Exchange Act (17 CFR 1.38).

V

On January 11, 1963, the respondent, in his capacity as floor broker, received for execution one order to buy thirteen May 1963 potato futures contracts on the New York Mercantile Exchange for the account of a futures commission merchant. The respondent noncompetitively filled such order with thirteen contracts which he had purchased previously for his own account. By reason thereof, the respondent made a purchase and sale

of a commodity for future delivery on or subject to the rules of a contract market otherwise than by open and competitive methods, in willful violation of section 1.38 of the regulations under the Commodity Exchange Act (17 CFR 1.38).

VI

On January 11, 1963, the respondent, in his capacity as floor broker, received for execution six orders to buy a total of twenty-six May 1963 potato futures contracts on the New York Mercantile Exchange for the account of a futures commission merchant. The respondent noncompetitively filled such orders by purchasing twenty-six contracts at a certain price from another floor broker who had been instructed by the respondent to offer these contracts at such price for the account of the firm of Laiken and Laiken, a partnership composed of the respondent and his wife. By reason thereof, the respondent made a purchase and sale of a commodity for future delivery on or subject to the rules of a contract market otherwise than by open and competitive methods, in willful violation of section 1.38 of the regulations under the Commodity Exchange Act (17 CFR 1.38).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondent. The respondent will have twenty (20) days after the receipt of this notice of hearing 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 material and relevant 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 the material allegations of this complaint and waiver of hearing. The respondent is hereby notified that unless hearing is waived, either expressly or by failure to file an answer and request a hearing, a hearing will be held at 10:00 a.m., local time, on November 26, 1963, in New York, New York, 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 order should not be made suspending or revoking the registration of the respondent as a floor broker, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined.

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.

October 25, 1963

/s/ George L. Mehren

George L. Mehren

Assistant Secretary

LOAD-DATE: June 12, 2008

