

Commodity Futures Trading Commission
CEA CASES

NAME: G. H. MILLER AND COMPANY; GILBERT H. MILLER; HOWARD RANDOLPH, D/B/A RANDOLPH AND COMPANY; REFRIGERATED PRODUCTS, INC.; J.W. HARDING; CENTRAL IOWA POULTRY AND EGG COMPANY; JOHN H. SNOWGREN; ALLEN HEADLEE, D/B/A HEADLEE PRODUCE COMPANY; E.E. HUMMEL AND K. HUMMEL, D/B/A HUMMEL PRODUCE COMPANY; ALBERT SCHIRM, D/B/A SCHIRM PRODUCE COMPANY; LEO HAGEN; A.L. MYRICK, D/B/A MARKET PRODUCE COMPANY; LEWIS R. VAN SANT AND ROY ROUNTREE, D/B/A DATED EGG COMPANY

DOCKET NUMBER: 60

DATE: FEBRUARY 24, 1959

DOCUMENT TYPE: SUMMARY OF CASE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, February 24, 1959

U.S. Supreme Court Denies Appeal of Egg Market Manipulators:

The U S. Department of Agriculture today issued the following statement:

The appeal of G. H. Miller and Company, of Chicago, and its president, Gilbert H. Miller, from an order of USDA's Judicial Officer, Thomas J. Flavin, imposing sanctions for manipulating and cornering the Chicago egg market, was denied today (Feb. 24) by the U.S. Supreme Court.

The court refused a writ of certiorari sought by the respondents to review a decision of the U.S. Court of Appeals in Chicago. The appeals court affirmed the decision and order of the Judicial Officer of Sept. 25, 1956, revoking the registration of G. H. Miller and Company as a futures commission merchant and that of Mr. Miller as a floor broker, and directing all contract markets to refuse them all trading privileges for one year.

The Government's complaint in this case, based on investigations by USDA's Commodity Exchange Authority, charged that Mr. Miller, the Company, and 13 other traders, acting collectively, attained a dominant "long" position in the 1952 December egg future on the Chicago Mercantile Exchange and controlled the deliverable supply of refrigerator eggs.

Charges of price manipulation and cornering, violations of the Commodity Exchange Act, were sustained by USDA's Judicial Officer, who found that the respondents pressured prices upward by controlling the deliverable supply and creating an artificial scarcity.

In denying a petition to review and set aside the Judicial Officer's decision the U.S. Court of Appeals found that the traders involved cornered the egg futures market, manipulated prices, and realized a profit on their manipulative venture of \$ 162,695.15.

The sanctions which the Judicial Officer ordered imposed on the respondents

in this case have been held in abeyance pending outcome of the appeal to the Supreme Court by the principal respondents, and will become effective at a date to be determined by USDA's Judicial Officer, The sanctions are as follows;

Registration of G. H. Miller and Company as futures commission merchant, and of Gilbert H. Miller as floor broker, revoked, and trading privileges on all contract markets ordered denied for 1 year.

Howard Randolph, doing business as Randolph and Company, Guthrie Center, Iowa; Refrigerated Products, Inc., and J. W. Harding, Fort Worth, Texas, denied trading privileges for one year.

Central Iowa Poultry and Egg Company, and John H. Snowgren, Marshalltown, Iowa; Allen Headlee, doing business as Headlee Produce Company, Coon Rapids, Iowa; A. L. Myrick, doing business as Market Produce Company, Fort Worth, Texas; Lewis R. Van Sant and Boy Rountree, partners, doing business as Dated Egg Company, Houston, Texas, denied trading privileges for six months.

E. E. Hummel and K. Hummel, partners, doing business as Hummel Produce Company, Oakland, Iowa; Albert Schirm, doing business as Schirm Produce Company, Walnut, Iowa, and Leo Hagen, Guthrie Center, Iowa, denied trading privileges for 60 days.

USDA 517-59

LOAD-DATE: June 12, 2008

