

Commodity Futures Trading Commission
CEA CASES

NAME: PACIFIC TRADING COMPANY, STEPHEN J. KLEMEN JR., AND RAYMOND S. BUCK

DOCKET NUMBER: 226; 75-1

DATE: APRIL 12, 1974

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UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Pacific Trading Company, Stephen J. Klemen, Jr., Raymond S. Buck,
Respondents

CEA Docket No. 226

Complaint and Notice of Hearing under the Commodity Exchange Act

There is reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this Complaint and Notice of Hearing is issued alleging the following:

I

The respondent Pacific Trading Company, a partnership with its principal place of business at 141 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act. At all such times, respondent Pacific Trading Company held membership privileges on the Chicago Board of Trade and the Chicago Mercantile Exchange.

II

The Chicago Board of Trade and the Chicago Mercantile Exchange are now, and were at all times material herein, duly designated contract markets under the Commodity Exchange Act.

III

Stephen J. Klemen, Jr., whose business address is the same as that of Pacific Trading Company, is now, and was at all times material herein, a general partner in Pacific Trading Company and a registered floor broker under the Commodity Exchange Act.

IV

Raymond S. Buck, whose business address is the same as that of Pacific Trading Company, is now, and was at all times material herein, a general partner in Pacific Trading Company and a registered floor broker under the Commodity Exchange Act.

V

During the period from June 25, 1973, through June 27, 1973, respondent Pacific Trading Company was required by section 17.00 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 17.00) to submit to the Commodity Exchange Authority series '01 reports with respect to all Special Accounts showing each reportable position, separately for each contract market and for each future, in such account as of the close of the market on the day covered by the report.

The respondent company filed such reports; however, such reports were incomplete and materially inaccurate with respect to such reportable positions, summarized as follows:

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	Date		
	6/25/73	6/26/73	6/27/73
Number of reportable traders	9	8	8
Number of positions:			
Correctly reported	1	2	2
Incorrectly reported	14	14	13
Not reported	19	19	19
Total reportable	34	35	34
Reported, not reportable	13	11	14
Range of errors:			
Grains - '000 bushels	15-835	10-625	15-340
Others - contracts	1-135	1-131	1-134

VI

During the period from June 25, 1973, through June 27, 1973, respondent Klemen was a trader who held or controlled a reportable position in wheat, oats, soybean meal, and soybean oil futures. Respondent was therefore required by section 18.00 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 18.00) to submit to the Commodity Exchange Authority series '03 reports showing all transactions executed and all open contract positions held for his account in all such futures on all contract markets.

Respondent Klemen filed the required reports; however, such reports were incomplete and materially inaccurate with respect to such transactions, summarized as follows:

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	Date		
	6/25/73	6/26/73	6/27/73
Number of positions:			
Correctly reported	1	1	1
Incorrectly reported	9	9	9
Not reported	3	3	3
Total reportable	13	13	13
Reported, Not reportable	4	4	4
Range of errors:			
Grains - '000 bushels	255-305	255-305	255-305
Others - contracts	1-120	1-120	1-120

VII

During the period from June 25, 1973, through June 27, 1973, respondent Buck was a trader who held or controlled a reportable position in wheat, oats, soybeans, soybean meal, and soybean oil futures. Respondent was therefore required by section 18.00 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 18.00) to submit to the Commodity Exchange Authority series '03 reports showing all transactions executed and all open contract positions held for his account in such futures on all contract markets.

Respondent Buck filed the required reports; however, such reports were incomplete and materially inaccurate with respect to such transactions, summarized as follows:

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	Date		
	6/25/73	6/26/73	6/27/73
Number of positions:			
Correctly reported	-0-	-0-	-0-
Incorrectly reported	5	5	6
Not reported	6	6	6
 Total reportable	 11	 11	 12
 Reported, not reportable	 2	 2	 1
Range of errors:			
Grains - '000 bushels	200-305	200-305	200-305
Others - contracts	1-135	1-131	1-134

VIII

By reason of the facts alleged in this Complaint, the respondents willfully violated sections 4g, 4i, and 6(b) of the Commodity Exchange Act (7 U.S.C. 6g, 6i, and 9), and sections 17.00 and 18.00 of the regulations issued thereunder (17 CFR 17.00 and 18.00).

WHEREFORE, it is hereby ordered that this Complaint and Notice of Hearing be served upon the respondents 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 respondents 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 purposes of this

proceeding. Failure to file an answer will constitute an admission of all the allegations of this Complaint and a waiver of hearing. The filing of an answer in which all the material allegations of fact contained in the Complaint are admitted likewise will constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless hearing is waived, a hearing will be held in Chicago, Illinois, at a place therein and date to be specified later, before an Administrative Law Judge 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) suspending or revoking the registration of respondent Pacific Trading Company as futures commission merchant, (2) suspending or revoking the registration of respondents Klemen and Buck as floor brokers, (3) prohibiting all respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined, and (4) directing that all respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

Done at Washington, D. C. April 12 1974

[SEE SIGNATURE IN ORIGINAL]

Acting Secretary

CLAYTON YEUTTER

LOAD-DATE: August 6, 2008

