

Commodity Futures Trading Commission  
CEA CASES

**NAME:** RICHARD J. SENNOTT, AND AUGUST COMENZO

**CITATION:** 25 Agric. Dec. 297

**DOCKET NUMBER:** 133

**DATE:** MARCH 2, 1966

**DOCUMENT TYPE:** DECISION AND ORDER

(No. 10,430)

*In re* RICHARD J. SENNOTT, AND AUGUST COMENZO. CEA Docket No. 133. Decided March 2, 1966.

**Stipulation as to August Comenzo -- Noncompetitive and accommodation trades -  
- Wash sales -- Denial of trading privileges**

Trading privileges of respondent August Comenzo on the contract markets are denied to him for a period of 15 days for activities involving noncompetitive and accommodation trades and wash sales. If he were registered as a floor broker under the act at the present time, the order herein would also include a suspension of his registration for a like period.

*Mr. Earl L. Saunders* for Commodity Exchange Authority.

*Mr. Sidney G. Hamper*, of Chicago, Ill., for respondent August Comenzo.

*Decision by Thomas J. Flavin, Judicial Officer*

**PRELIMINARY STATEMENT**

This is an administrative proceeding under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), instituted by a complaint and notice of hearing issued under section 6(b) of the act (7 U.S.C. 9) on November 23, 1965, by the Assistant Secretary of Agriculture.

The complaint names as respondents two individuals, Richard J. Sennott and August Comenzo. At the time of the violations charged

in the complaint, both respondents were registered floor brokers under the Commodity Exchange Act. At the present time respondent Comenzo is not registered under the act. The proceeding is concerned with transactions in soybean oil or soybean meal futures on the Chicago Board of Trade during the period July 11, 1963, through October 27, 1964. Respondent Comenzo is charged with making accommodation trades and wash sales and entering into noncompetitive trades, in willful violation of section 4c of the Commodity Exchange Act (7 U.S.C. 6c) and section 1.38 of the regulations issued under the act (17 CFR 1.38).

No hearing has been held with respect to either respondent. On January 26, 1966, a consent order was issued against respondent Sennott, concluding the proceeding as against him. On February 8, 1966, respondent Comenzo submitted a stipulation under section 0.4(b) of the rules of practice (17 CFR 0.4(b)), in which he admits the facts hereinafter set forth, waives hearing on the charges, and consents to the entry of an order (1) directing the denial of all trading privileges to him on all contract markets for a period of 15 days, and (2) suspending him as a registrant under the Commodity Exchange Act for a period of 15 days.

**FINDINGS OF FACT**

1. Respondent Richard J. Sennott, an individual whose address is 141 West Jackson Boulevard, Chicago, Illinois, is now and was at all times material herein a member of the Board of Trade of the City of Chicago and a registered floor broker under the Commodity Exchange Act.

2. Respondent August Comenzo, an individual whose address is 190 Washington Street, Hempstead, New York, was at all times material herein a registered floor broker under the Commodity Exchange Act and a member of the Board of Trade of the City of Chicago.

3. The Board of Trade of the City of Chicago, hereinafter called the Chicago Board of Trade, is now and was at all times material herein a duly designated contract market under the Commodity Exchange Act.

4. The transactions referred to herein relate to contracts for the purchase or sale of soybean oil or soybean meal futures on the Chicago Board of Trade. Such contracts could have been used for (a) hedging transactions in interstate commerce in soybean oil or soybean meal or the products or byproducts thereof, or (b) determining

the price basis of transactions in interstate commerce in soybean oil or soybean meal, or (c) delivering soybean oil or soybean meal sold, shipped, or received in interstate commerce for the fulfillment of such futures contracts. A soybean oil futures contract on the Chicago Board of Trade calls for the delivery of 60,000 pounds of soybean oil and a soybean meal futures contract on the Chicago Board of Trade calls for the delivery of 100 tons of soybean meal.

5. In each of the transactions listed below, respondent August Comenzo entered into a trade with respondent Richard J. Sennott whereby respondent Comenzo, acting as floor broker pursuant to an order which he received from respondent Sennott, took the sale side of such trade for the trading account of Honeymead Trading Corporation at the price bid by respondent Sennott.

Date 1963	Commodity	Future	Quantity	Price
			(No. of Contracts)	(Meal -- Dollar per Ton) (Oil -- Cents per Pound)
Sept. 25	Soybean Meal	May 1964	11	74.00
Oct. 17	Soybean Oil	May 1964	5	9.45
Nov. 5	Soybean Oil	Dec. 1963	5	9.65
Nov. 6	Soybean Meal	May 1964	7	75.25
Nov. 8	Soybean Oil	Jan. 1964	9	10.32
Dec. 19	Soybean Oil	Oct. 1964	2	9.53
Dec. 31	Soybean Meal	Mar. 1964	15	76.30
1964				
Jan. 2	Soybean Oil	Jan. 1964	10	8.00
Jan. 2	Soybean Oil	Jan. 1964	15	8.02

6. In each of the transactions listed below, respondent August Comenzo entered into a trade with respondent Richard J. Sennott whereby respondent Comenzo, acting as floor broker pursuant to an order which he received from respondent Sennott, took the purchase side of such trade for the trading account of Honeymead Trading Corporation at the price offered by respondent Sennott.

Date 1963	Commodity	Future	Quantity	Price
			(No. of Contracts)	(Meal -- Dollar per Ton) (Oil -- Cents per Pound)
Oct. 9	Soybean Oil	Jan. 1964	23	9.80
Oct. 31	Soybean Meal	Dec. 1963	7	73.40
Nov. 6	Soybean Meal	Jan. 1964	6	74.30
Nov. 21	Soybean Oil	Jan. 1964	25	7.96
Dec. 2	Soybean Meal	Dec. 1963	5	72.45
Dec. 23	Soybean Oil	May 1964	10	8.68

Date 1963	Commodity	Future	Quantity (No. of Contracts)	Price (Meal -- Dollar per Ton)	(Oil -- Cents per Pound)
Dec. 31	Soybean Meal	July 1964	15	77.70	

7. On January 13, 1964, respondent August Comenzo sold 1,900 tons of March 1964 soybean meal futures at a price of \$ 74.55 per ton by entering into a trade with respondent Richard J. Sennott, and on February 27, 1964, respondent Comenzo sold 1,600 tons of May 1964 soybean meal futures at a price of \$ 70.05 per ton by entering into a trade with respondent Sennott. In each of such transactions, respondent Comenzo, acting as floor broker pursuant to an order which he received from respondent Sennott, took the sale side of such transaction for the trading account of Honeymead Trading Corporation at the price bid by respondent Sennott.

8. In each of the transactions listed below, respondent August Comenzo, acting for his own account, simultaneously purchased from and sold to respondent Richard J. Sennott as the opposite floor broker the same quantity of the same future at the same price.

Date 1963	Commodity	Future	Quantity (No. of Contracts)	Price (Meal -- Dollar per Ton)	(Oil -- Cents per Pound)
July 11	Soybean Meal	Oct. 1963	9	68.90	
July 12	Soybean Meal	Dec. 1963	6	68.25	
July 15	Soybean Meal	Oct. 1963	5	66.00	
July 16	Soybean Meal	Aug. 1963	3	67.35	
Aug. 27	Soybean Meal	May 1964	7	68.50	
Sept. 12	Soybean Meal	Oct. 1963	3	69.65	
Sept. 16	Soybean Meal	Dec. 1963	6	70.75	
Sept. 18	Soybean Oil	Jan. 1964	5		8.80
Oct. 23	Soybean Oil	May 1964	5		9.42
Oct. 31	Soybean Oil	Mar. 1964	16		10.00
Nov. 1	Soybean Meal	May 1964	25	75.15	
Nov. 13	Soybean Meal	Dec. 1963	9	73.70	
1964					
Mar. 10	Soybean Oil	Mar. 1964	10		7.69
Mar. 18	Soybean Meal	May 1964	5	68.25	
Mar. 19	Soybean Meal	May 1964	5	67.40	
April 6	Soybean Meal	July 1964	10	66.35	
Apr. 28	Soybean Oil	May 1964	1		7.80
Apr. 29	Soybean Oil	May 1964	4		7.88
Apr. 30	Soybean Oil	Oct. 1964	10		8.35
May 20	Soybean Oil	Oct. 1964	5		8.58
Aug. 3	Soybean Meal	Jan. 1965	5	60.40	
Oct. 27	Soybean Oil	May 1965	2		10.41

9. Each of the transactions, described in paragraphs five through eight above, was executed in a manner which was not open and competitive. In each of the transactions, described in paragraph

eight above, respondent Comenzo made a wash trade for the purpose of accommodating respondent Sennott.

#### CONCLUSIONS

The facts admitted by respondent Comenzo have been adopted as the findings herein. By reason of these findings, it is concluded that, as charged in the complaint, respondent Comenzo made accommodation trades and wash sales, and entered into noncompetitive trades, in willful violation of section 4c of the Commodity Exchange Act (7 U.S.C. 6c) and section 1.38 of the regulations (17 CFR

1.38). The complainant states that the administrative officials of the Commodity Exchange Authority have carefully considered the stipulation and waiver submitted by respondent Comenzo. The administrative officials believe that, if the decision makes it clear that the registration of respondent Comenzo as a floor broker under the Commodity Exchange Act would be suspended if he were now so registered, the prompt entry of an order providing for the proposed denial of trading privileges to respondent Comenzo would constitute a satisfactory disposition of the case as against him, and effectuate the purposes of the Commodity Exchange Act. The complainant recommends, therefore, that the stipulation and waiver be accepted and such a decision and order be issued.

It is concluded that the complainant's recommendation should be adopted. If respondent Comenzo were registered as a floor broker under the Commodity Exchange Act at the present time, the order contained herein would include a suspension of such registration for a period of fifteen (15) days. However, since respondent Comenzo is not currently so registered, no such suspension is included in the order.

**ORDER**

Effective April 4, 1966, all contract markets shall refuse all trading privileges to respondent August Comenzo for a period of 15 days, such refusal to apply to all trading done and all positions held by the said August Comenzo, directly or indirectly, whether for his own account or for any other account, directly or indirectly controlled by him.

**LOAD-DATE:** June 8, 2008



