Commodity Futures Trading Commission  
CEA CASES

NAME: THE SIEGEL TRADING CO., INC., JOSEPH E. SIEGEL, ALVIN C. WINOGRAD, AND D.  
PETER ANDERSON

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UNITED STATES DEPARTMENT OF AGRICULTURE

Kraynak DU 8-5709
McDavid DU 8-4026

Washington, Mar. 5, 1970

Consent Order Issued Against Commodity Brokerage Firm and Two of Its Officers

The United States Department of Agriculture today announced issuance of a  
consent order against The Siegel Trading Co., Inc., a Chicago brokerage firm,  
Joseph E. Siegel and Alvin C. Winograd, two of its officers, and D. Peter  
Anderson, a former employee.

A complaint which was issued on May 5, 1969, charged the firm and the two  
officers, Mr. Siegel and Mr. Winograd, with mishandling certain customers'  
accounts and failing to maintain required records. It charged that in April  
1968, six customers trading in potato futures were cheated by the manner in  
which certain trades were closed out. It also charged that on March 7, 1968,  
certain trades in cotton futures were bucketed (taking the opposite side of a  
customer's order into the broker's account). It further charged that in October  
1967, a customer was given a false report. Mr. Anderson was charged in  
connection with the potato transactions. The recordkeeping violations alleged  
in the complaint occurred between August 1, 1967, and April 19, 1968.

In the consent agreement the respondents admitted the basic facts alleged in  
the complaint for the purpose of the proceeding and waived hearing.

Respondents, The Siegel Trading Co., Inc., Joseph E. Siegel and Alvin C.  
Winograd, stipulated that an internal management and audit system had been set  
up and would be maintained by the corporate respondent which would result in (1)  
due diligence being used in the selection, training and supervision of the  
firm's officers and employees who handle customers' commodity futures accounts,  
and (2) all officers and employees of the firm operating in compliance with the  
Inc., also stipulated that the firm had reimbursed the six customers for  
commission overcharges regarding the closing out of their potato futures  
positions in April 1968 and that the firm was in the process of reimbursing the  
customer for his loss occasioned by the false report in October 1967.

The order agreed to was issued by U.S. Department of Agriculture's Judicial  
Officer, Thomas J. Flavin, March 2, 1970. It directs the respondents to cease  
and desist from violating the Commodity Exchange Act in the manner charged in  
the complaint. It also provides that if any of the respondents is found to have  
again violated the Act within 3 years, sanctions will become effective against  
the offender. The sanctions, 30 days for the firm and 15 days for the  
individuals, would prevent the offender from conducting customers business in  
regulated commodities and would suspend the offender from all regulated trading  
activity.