

Commodity Futures Trading Commission
CEA CASES

NAME: HARRY STURM

CITATION: 30 Agric. Dec. 1629

DOCKET NUMBER: 182

DATE: NOVEMBER 1, 1971

DOCUMENT TYPE: DECISION AND ORDER

(No. 14,265)

In re HARRY STURM. CEA Docket No. 182. Decided November 1, 1971.

**Trading in excess of limits -- Denial of trading privileges for 90 days --
Consent order**

Respondent consented to the issuance of a cease and desist order and a denial of trading privileges on all the contract markets for a period of 90 days for violations of the act and regulations in exceeding the speculative position limits of May 1968 potato futures and failing to report his transactions and positions as required.

Harold J. Reuben and Earl A. Saunders for Commodity Exchange Authority.

Frank, Strelkow & Marx, Miami Beach, Fla., for respondent.

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.*), in which the respondent is charged with exceeding the maximum speculative position limits in potato futures in violation of section 4a of the Act (7 U.S.C. 6a) and the order of the Commodity Exchange Commission (17 CFR 150.10), and with violating the reporting requirements of section 4i of the Act (7 U.S.C. 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the regulations issued under the Act (17 CFR 10.01, 15.02, 15.03, 18.00, 18.01, 18.03). A hearing was had in Miami, Florida, before Jack W. Bain, Office of Hearing Examiners. On October 22, 1971, after the complainant had presented evidence and while the hearing was in recess, the respondent submitted a stipulation in which he admits, for the purposes of this proceeding and for such purposes only, the facts hereinafter set forth under "Findings of Fact," waives the report of the Hearing Examiner, and consents to the entry of the order contained herein, without further proceedings. The respondent states in such stipulation that the admissions made therein "shall not be construed as an admission for the purposes of any other proceeding, criminal or civil, and are made solely for the purpose of terminating this proceeding."

FINDINGS OF FACT

1. The respondent is an individual whose address is 730 First Street, Miami Beach, Florida.

2. The New York Mercantile Exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act.

3. On the dates listed below, the respondent held or controlled speculative positions in the May 1968 potato future on the New York Mercantile Exchange which were in excess of the maximum permissible limits established by the order of the Commodity Exchange Commission (17 CFR 150.10) as follows:

Date	Position	
	Long	Short
April 18, 1968		165
April 19, 1968		174
May 1, 1968	170	

4. During the periods from February 14, 1968, through March 15, 1968, and March 25, 1968, through May 15, 1968, the respondent

made trades in potato futures on the New York Mercantile Exchange in accounts carried in the names of Harry Sturm and Anne Sturm. All transactions in such accounts during such period belonged to or were controlled by the respondent.

5. On each day during the periods February 14, 1968, through March 15, 1968, and March 25, 1968, through May 15, 1968, the respondent held or controlled a long position or a short position, or both, in the May 1968 potato future on the New York Mercantile Exchange each of which positions exceeded 25 carlots. The respondent was, therefore, in reporting status during such periods and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held or controlled by him, in all potato futures on all contract markets during the said periods, and with respect to all transactions by reason of which the respondent's position was reduced below reporting levels, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01, and 18.03 of the rules and regulations thereunder (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01, 18.03).

6. The respondent filed reports with the Commodity Exchange Authority which showed transactions and positions in potato futures in accounts carried in his name, on various dates during the periods February 14, 1968, through March 15, 1968, and March 25, 1968, through May 16, 1968, but the respondent failed to include in such reports the transactions and positions in the account carried in the name of Anne Sturm which belonged to or were controlled by the respondent. Nor did the respondent report to the Commodity Exchange Authority with respect to the transactions that were executed in potato futures for the accounts owned or controlled by him on six other days during the periods specified above, namely February 27; April 18, 22 and 26; and May 1 and 6, 1968.

7. On numerous occasions dating as far back as 1953 and continuing up to April, 1967, officials of the Commodity Exchange Authority not only informed the respondent of his responsibilities under the Commodity Exchange Act and regulations with respect to speculative trading and position limits and reporting requirements, but also found it necessary to communicate with the respondent in writing directing attention to his failure to observe such limits and file the required reports.

CONCLUSIONS

By reason of the facts set forth in the Findings of Fact, it is concluded that, as charged in the complaint, the respondent wilfully violated sections 4a and 4i of the Commodity Exchange Act (7 U.S.C. 6a, 6i), the order of the Commodity Exchange Commission establishing limits on positions in potatoes for future delivery (17 CFR 150.10), and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the regulations issued under the Commodity Exchange Act (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01, 18.03).

The complainant states that the administrative officials believe that the prompt entry of the proposed order would constitute a satisfactory disposition of this case, serve the public interest and effectuate the purposes of the Commodity Exchange Act. The complainant recommends, therefore, that the

stipulation be accepted and the proposed order be issued. It is concluded that the complainant's recommendation should be adopted.

ORDER

(a) Respondent, Harry Sturm, shall cease and desist (1) from failing to file, in accordance with the Commodity Exchange Act and the regulations thereunder, such reports as he is required to file under such act and regulations, and (2) from trading or holding positions in amounts in excess of the maximum limits established by the orders of the Commodity Exchange Commission.

(b) Respondent, Harry Sturm, is prohibited from trading on or subject to the rules of any contract market for a period of 90 days and all contract markets shall refuse all trading privileges to the respondent during this period. Such prohibition and refusal shall apply to all trading done and all positions held directly by the respondent, either for his own account or as the agent or representative of any other person or firm, and also to all trading done and positions held indirectly through persons or firms owned by the respondent or in any way subject to his direction or control, including but not limited to American Fruit Purveyors, Inc., and Ronden Food Systems, Inc.

The cease and desist provisions of this order set forth in paragraph (a) above shall become effective upon the date of service of this order upon the respondent.

The period of the denial of trading privileges to the respondent specified in paragraph (b) above shall become effective on the thirtieth day after the date of entry of this order.

A copy of this Decision and Order shall be served on each of the parties and on each contract market.

LOAD-DATE: June 10, 2008

