Commodity Futures Trading Commission  
CEA CASES

NAME: IRVING WEIS AND COMPANY, IRVING WEIS, AND ALEXANDER CYCLEMAN

DOCKET NUMBER: 39

DATE: MAY 7, 1946

DOCUMENT TYPE: COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Irving Weis and Company, Irving Weis, and Alexander Cycleman Respondents
CE-A Docket No. 39

Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act

There being reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. Secs. 1-17a), and the rules and regulations promulgated pursuant thereto, this complaint is issued alleging the following:

1. Irving Weis and Company is a partnership doing business at 60 Beaver Street, New York, New York, and was at the times herein-after mentioned and is now registered as a futures commission merchant under the provisions of the Commodity Exchange Act.

2. Irving Weis is an individual and a member of the partnership of Irving Weis and Company, and was at the times hereinafter mentioned and is now registered as a floor broker under the provisions of the Commodity Exchange Act.

3. Alexander Cycleman is an individual and a member of the partnership of Irving Weis and Company.

4. The respondents, during the period from June 14, 1945, to November 20, 1945, in the manner set forth herein, made, executed, and confirmed the execution of, contracts of sale of commodities for future delivery on or subject to the rules of boards of trade, and did not evidence such contracts by a record in writing showing the true parties to such contracts and their addresses.

5. From the latter part of the year 1944 through November 15, 1945, the respondents carried an account on the books of Irving Weis and Company in the name of Edith Adelson. The contract ledger sheets and the financial ledger sheets on which this account was carried showed only the name Edith Adelson with no indication that the account was for any one other than Edith Adelson.

6. On two occasions, namely, November 30, 1944, and March 31, 1945, representatives of the United States Department of Agriculture examined the records of Irving Weis and Company, including the account carried in the name of Edith Adelson, and were not furnished
with any information by the respondents to the effect that Edith Adelson was not the owner of the account. At the time of these examinations, the lodger sheets containing Edith Adelson's account showed only a debit entry of $200, and indicated no activity in commodity futures.

7.

Beginning in June 1945 and through November 15, 1945, the respondents executed and entered in the account carried in the name of Edith Adelson numerous transactions in cotton futures contracts on the New York Cotton Exchange and the New Orleans Cotton Exchange and numerous transactions in grain futures contracts on the Board of Trade of the City of Chicago. These transactions were consummated pursuant to orders given by E. L. McGuigan, but were entered by the respondents in the account of Edith Adelson without any indication that any person other than Edith Adelson had any interest in or authority in connection with the said account.

8.

On October 27, 1945, the representatives of the United States Department of Agriculture again examined the records of Irving Weis and Company, including the account carried in the name of Edith Adelson, and noted that the said account now showed a number of the transactions described in paragraph 7 above. The representatives of the United States Department of Agriculture were not furnished with any information to the effect that these transactions were carried out in accordance with orders given by E. L. McGuigan or that the said E. L. McGuigan and not Edith Adelson was the true owner of the account.

9.

On November 20, 1945, a representative of the United States Department Of Agriculture visited the office of Irving Weis and Company and inquired whether the account carried in the name of Edith Adelson was not actually that of E. L. McGuigan. Respondent Alexander Cycleman then informed this representative that the account was that of McGuigan and produced a trading authority dated June 1, 1945, and signed "Edith Adelson," which trading authority empowered E. L. McGuigan to execute orders for the purchase and sale of securities and commodities in the account but gave no authority for the withdrawal of funds from the account.

10.

The acts of the respondents in carrying the account in the name of Edith Adelson in the manner described above caused the representatives of the United States Department of Agriculture to be deceived as to the true ownership of the account, and enabled Reuben Earl McGuigan, alias E. L. McGuigan, alias Louis J. Burnstein, to conceal from the representatives of the United States Department of Agriculture the fact that he was trading actively in commodities in a manner which was in violation of the Commodity Exchange Act (7 U.S.C. Secs. 1-17a).

Therefore, each of the said respondents is hereby notified to be and appear at a hearing to be held at 10:00 o'clock a.m. Eastern Standard Time on the 10th day of June, 1946, in Room 602, 60 Beaver Street, New York, New York, before a referee to be designated by the Secretary of Agriculture, to conduct such hearing, and then and there show cause, if any there be, why an order should not be made directing that, until further notice of the Secretary of Agriculture, all contract markets refuse all trading privileges to each of such respondents, and further, suspending or revoking any registration of the respondents as futures commission merchants or floor brokers, as the case may be.
The respondents will have 20 days after the receipt of this notice of hearing in which to file with the Secretary of Agriculture an answer in triplicate, fully and completely stating the nature of the defense and admitting or denying specifically in detail each material and relevant allegation of this complaint. Any allegations that are not answered will be deemed admitted for the purpose of this proceeding.

It is ordered that this complaint and notice of hearing be served on each of the named respondents by delivery of a true copy hereof to each of them by an employee of the Department of Agriculture or by registered mail at least 20 days prior to the date herein set for hearing.

Done at Washington, D. C., this 7th day of May, 1946.

/s/ CLINTON P. ANDERSON
Secretary of Agriculture

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