

Commodity Futures Trading Commission  
CEA CASES

**NAME:** EDWARD WEITMAN

**CITATION:** 30 Agric. Dec. 600

**DOCKET NUMBER:** 175

**DATE:** MAY 26, 1971

**DOCUMENT TYPE:** DECISION AND ORDER

(No. 13,882)

*In re* EDWARD WEITMAN. CEA Docket No. 175. Decided May 26, 1971.

**Defrauding customers -- Denial of trading privileges -- Consent**

Respondent is ordered to cease and desist from placing in any customer's account any futures transactions without the prior knowledge and consent of the customer and is prohibited from trading on all the contract markets for a period of 90 days.

*John Broadley* for Commodity Exchange Authority.

*William Bruce Richards*, Chicago, Ill., 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. Chapter 1, 1964 ed., as amended, Supp. IV, 1969), in which the respondent is charged with violating § 4b of the Act (7 U.S.C. 6b, Supp. IV, 1969).

At a hearing before Herbert L. Perlman, May 19, 1971, in Chicago, Illinois, the respondent, by his attorney, withdrew respondent's answer previously filed, waived the Referee's report, the filing of exceptions thereto, and oral argument before the Judicial Officer, asked that the matter be handled as a default proceeding pursuant to § 0.9 of the rules of practice under the Commodity Exchange Act, requested that the proposed order discussed by the parties at the prehearing conference before the Referee be entered, and that such order become effective on June 7, 1971. Complainant has recommended issuance of such an order, and that it become effective on June 7, 1971, and has waived service of the Referee's report, exceptions thereto, and oral argument before the Judicial Officer.

**FINDINGS OF FACT**

1. The respondent, Edward Weitman, an individual whose address is 3600 North Lake Shore Drive, Chicago, Illinois 60613, was at all times material herein employed as a solicitor by S & R Commodities, Inc., Chicago, Illinois, a commodity brokerage firm. The said firm was, at all times material herein, a registered futures commission merchant under the Commodity Exchange Act and a member of the Board of Trade of the City of Chicago, a duly designated contract market under the Commodity Exchange Act.

2. At all times material herein, Mr. Paul Hopper, Mr. Joseph Zeman and Mr. David Bainer maintained commodity futures accounts at S & R Commodities, Inc., and at all such times the respondent personally handled the trading in such accounts.

3. The transactions hereinafter referred to were in corn futures on or subject to the rules of the Chicago Board of Trade. Such transactions could

have been used for (a) hedging transactions in interstate commerce in corn, (b) determining the price basis of transactions in interstate commerce in corn, and (c) delivering corn sold, shipped or received in interstate commerce for the fulfillment of such futures contracts.

4. Acting without the knowledge or consent of Mr. Paul Hopper, the respondent; (1) on July 18, 1969, placed in Mr. Paul Hopper's account at S & R Commodities a total of 10,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) subsequently on July 18, 1969, sold 5,000 bushels of December, 1969, corn futures for a loss of \$ 18.75, and (3) on July 25, 1969, sold the remaining 5,000 bushels of December, 1969, corn futures for a loss of \$ 306.25 to Mr. Hopper's account.

5. Acting without the knowledge or consent of Mr. Joseph Zeman, the respondent: (1) on July 18, 1969, placed in Mr. Joseph Zeman's account at S & R Commodities a total of 25,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) on July 24, 1969, sold 5,000 bushels of December, 1969, corn futures, and (3) on July 25, 1969, liquidated the remaining 20,000 bushels of December, 1969, corn futures for a loss of \$ 1,631.25 to Mr. Zeman's account on the 25,000 bushels purchased on July 18, 1969.

6. Acting without the knowledge or consent of Mr. David Bainer, the respondent: (1) on July 18, 1969, placed in Mr. David Bainer's account at S & R Commodities a total of 15,000 bushels of December, 1969, corn futures which established a new long position in such futures for such account, (2) subsequently on July 18, 1969, liquidated 10,000 bushels of December, 1969, corn futures for a loss to Mr. Bainer's account of \$ 25.00, and (3) on July 28, 1969 liquidated the remaining 5,000 bushels of December, 1969, corn futures bought on July 18, 1969, for a loss of \$ 406.25.

#### **CONCLUSIONS**

The respondent has withdrawn his answer to the Complaint. Under section 0.9 of the rules of practice under the Commodity Exchange Act he is deemed to have admitted the allegations of the Complaint and such allegations have been adopted as the Findings of Fact of this Decision and Order. From these Findings it is concluded that respondent wilfully violated section 4b of the Act. Inasmuch as the parties agreed that the complainant would recommend the issuance of an order suspending respondent's trading privileges for a period of 90 days and ordering respondent to cease and desist from violating the Act as alleged in the complaint, such order to become effective June 7, 1971, and in view of the circumstances, such an order will be issued.

#### **ORDER**

a. The respondent, Edward Weitman, shall cease and desist from placing or causing to be placed in any customer's account, any commodity futures transactions, without the prior knowledge and consent of such customers.

b. The respondent, Edward Weitman, 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 to apply to all trading done and all positions held by the respondent directly or indirectly.

c. This order shall become effective on June 7, 1971.

d. 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

