

Commodity Futures Trading Commission
CEA CASES

NAME: THOMAS C. WILLIS

DOCKET NUMBER: 237

DATE: FEBRUARY 5, 1975

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Thomas C. Willis, Respondent

CEA Docket No. 237

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondent has violated the Commodity Exchange Act (7 U.S.C. 1 et seq.), and the regulations issued thereunder (17 CFR 1.1 et seq.), and therefore this Complaint and Notice of Hearing is issued alleging the following:

I

Respondent Thomas C. Willis, whose principal place of business is at 175 West Jackson Boulevard, Chicago, Illinois 60604, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act, and a clearing member of the MidAmerica Commodity Exchange, a duly designated contract market under the Commodity Exchange Act.

II

All futures transactions referred to herein relate to wheat and corn futures contracts executed in July 1973 by the respondent in his capacity as floor broker on the MidAmerica Commodity Exchange for customers of Miller-Lane & Company, a registered futures commission

merchant under the Commodity Exchange Act and a clearing member of the MidAmerica Commodity Exchange. Such contracts for future delivery are or may be used for (a) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (b) determining the price basis of any transaction in interstate commerce in such commodity, or (c) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof.

III

Section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)), in pertinent part, prohibits the filling of orders on any contract market "by offset against the order or orders of any other person."

Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39) requires that:

A member of a contract market who shall have in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month may execute such orders for and directly between such principals at the market price, if, in conformity with written rules of such contract market

(3) Such member executes such orders in the presence of an official representative of such contract market designated to observe such transactions and, by appropriate descriptive words or symbol, clearly identifies all such transactions on his trading card or other similar record, made at the time of execution, and notes thereon the exact time of execution and promptly presents said record to such official representative for verification and initialing.

IV

Rule 406 of the MidAmerica Commodity Exchange, in conformity with Section 1.39 of the regulations issued pursuant to the Commodity Exchange Act (17 CFR 1.39), permits the execution of simultaneous buying and selling orders from different principals for the same commodity in the same delivery month provided that the execution is in the presence of a designated official who shall verify and initial the trading card or other record, and the transactions are clearly identified, and the time of execution is noted.

V

On various dates, specified below, respondent Willis unlawfully offset customers' buy and sell orders. He had in hand at the same time both buying and selling orders of different principals for the same commodity for future delivery in the same delivery month and failed to execute such orders in the presence of a designated Exchange official, failed to have such official verify and initial respondent's trading card or other record, and failed to identify and note on such record the time of execution.

Offset Trades Made By Thomas C. Willis

Date	Quantity n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
					Buying	Selling
7/2/73	5	March	Corn	203	59093	63062
7/3/73	5	December	Corn	202 3/4	61009	80006
7/5/73	10	July	Corn	220	28001	10452
	5	December	Corn	192 3/4	38034	25025

n1 Quantities are in '000's of bushels.

See original document-page 3

Date	Quantity n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
					Buying	Selling
7/5/73	5	December	Corn	194	44020	20014
	5	December	Corn	200	20014	44020
7/6/73	2	September	Corn	202 1/2	54062	11025
	3	September	Corn	202 1/2	54062	25017
	1	December	Corn	193 5/8	80006	44020
	5	December	Corn	194	42030	44042
	4	December	Corn	194 7/8	80006	59158
	2	December	Corn	194 7/8	59000	59158
7/9/73	5	March	Wheat	260 1/4	60092	30072
	5	March	Wheat	260 1/4	60092	30072
	5	December	Corn	196 5/8	59126	10050
	10	December	Corn	196 3/4	44020	28001
7/10/73	5	March	Corn	194 1/2	59126	60065
	1	December	Corn	192	33099	18034
	2	December	Corn	192 1/2	59093	80006
	1	December	Corn	193 7/8	42060	80006

Date	Quantity	n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
						Buying	Selling
7/11/73			2 March	Corn	201 1/8	10514	59126
			1 December	Corn	200 1/8	60096	10312
			10 December	Corn	203	25072	62014
			5 December	Corn	203	25043	59078
			2 December	Corn	203	25030	59078
			3 December	Corn	203	25032	59078
7/12/73			10 March	Corn	214	28001	27006
			2 September	Corn	217 3/4	00222	37016
			2 September	Corn	217 3/4	00222	37018
			1 December	Corn	206 1/2	80006	26042
			5 December	Corn	209 1/4	25090	30012
			1 December	Corn	209 1/2	29011	61010
			4 December	Corn	211	28040	44020
7/16/73			3 March	Wheat	276 1/2	33003	54023
			1 March	Wheat	278 1/4	42114	80018
			5 December	Wheat	279	20658	59090
			5 December	Wheat	282 3/4	50951	60089
7/17/73			5 December	Wheat	272 1/2	42116	18035
			1 December	Wheat	275	62036	20658
7/18/73			5 September	Corn	220 3/4	60092	20019
			3 December	Corn	213 1/2	18075	80006
			1 December	Corn	215 1/2	60096	80006
			10 December	Corn	215 1/2	63062	62014

n1 Quantities are in '000's of bushels.

See original document-page 4

Date	Quantity	n1	Future	Commodity	Price	Miller-Lane & Co. Customer	
						Buying	Selling
7/18/73			5 December	Corn	215 1/2	60073	42114
			2 December	Corn	216	63084	62012
			5 December	Corn	216	63070	18075
7/20/73			5 September	Corn	246 7/8	95011	28040
			10 December	Corn	232 1/2	95001	59134
			5 December	Corn	233	20019	26044
			1 March	Corn	229 1/2	80009	25026

n1 Quantities are in '000's of bushels.

VI

By reason of the facts alleged in this complaint, the respondent has wilfully violated section 4b(D) of the Commodity Exchange Act (7 U.S.C. 6b(D)) and section 1.39 of the regulations issued thereunder (17 CFR 1.39).

WHEREFORE, it is hereby ordered that this Complaint and Notice of Hearing be served upon the respondent, and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22, and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, and 0.28). The respondent will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and three copies fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to

file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The

filing of an answer in which all the material allegations of fact contained in the complaint are admitted, likewise shall constitute a waiver of hearing unless a hearing is requested. The respondent is hereby notified that unless such hearing is waived, the hearing will be held in Chicago, Illinois, at a place therein and date to be specified later, before an Administrative Law Judge designated to conduct such hearing. At such hearing, the respondent will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act (1) suspending or revoking the registration of the respondent as a floor broker, (2) prohibiting the respondent from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined, and (3) directing that the respondent shall cease and desist from violating the Commodity Exchange Act and regulations in the manner alleged herein.

Done at Washington, D. C. February 5, 1975

[SEE SIGNATURE IN ORIGINAL]

RICHARD L. FELTNER

Assistant Secretary

LOAD-DATE: June 16, 2008

