

Commodity Futures Trading Commission
CEA CASES

NAME: A. FELDSTEIN AND COMPANY

CITATION: 5 Agric. Dec. 337

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AGRICULTURE DECISIONS

(A. D. 1215)

In re A. FELDSTEIN AND COMPANY. CEA Doc. No. 36. Decided May 13, 1946.

Suspension of Trading Privileges on Contract Markets -- Failure to File Reports of Futures Trading

For failing to file reports required by the Commodity Exchange Act, respondent's trading privileges on contract markets are suspended for 90 days.

Mr. John B. Poindexter for complainant. *Mr. Harry H. Fortes*, of Chicago, Illinois, for respondent. *Mr. John J. Murray*, Referee.

Decision by Thomas J. Flavin, Judicial Officer.

PRELIMINARY STATEMENT

This is a disciplinary proceeding under the Commodity Exchange Act (7 U.S.C., Chapter 1), instituted by a complaint issued by the Secretary of Agriculture on December 5, 1945. The respondent, A. Feldstein and Company, of Chicago, Illinois, was charged with violating the reporting requirements of the act in connection with egg futures holdings on the Chicago Mercantile Exchange in October 1945. At respondent's request, the time to answer was extended by John J. Murray, Office of the Solicitor, who was assigned as referee by an Acting Associate Solicitor on January 4, 1946. Through Harry H. Fortes of Chicago as attorney, respondent filed an answer on January 9, 1946, admitting the allegations of the complaint and stating that the failure to report was due rather to the press of business and lack of help than to a conscious attempt to violate the act or conceal operations. On March 11, 1946, the Production and Marketing Administration, the complainant, through its attorney, John B. Poindexter, Office of the Solicitor, filed a recommendation that respondent's trading privileges on contract markets be suspended for 90 days. Without further investigation or hearing, as is authorized by section 0.9(c) of the rules of practice (17 CFR, Cum. Supp., Part O, as amended by 10 F.R. 2647, 5068, 10964), the referee issued his report on April 10, 1946, proposing the suspension recommended by complainant. When the time for excepting to the report expired without any exceptions having been filed, the record was submitted to this office, where this decision has been prepared.

FINDINGS OF FACT

1. Respondent is Albert Feldstein, an individual doing business as A. Feldstein and Company at 936 West Fulton Market, Chicago, Illinois.
2. From October 6, 1945, to October 30, 1945, respondent was short more than 25 carlots in the November 1945 egg future on the

Chicago Mercantile Exchange, a contract market, but did not report his egg futures holdings to the Commodity Exchange Authority.

3. Respondent knew of the reporting requirements, as he had previously, in 1944, filed reports when he held egg futures positions of the size required to be reported.

4. On October 23, 1945, when he was short 31 carlots of November 1945 egg futures, respondent told representatives of the Department of Agriculture that he was short 11 carlots in that future, and on October 29, 1945, on which day he increased his then short position from 28 to 31 carlots in that future, he told such representatives that he was familiar with the reporting requirements and that he submitted reports when in a reporting status.

CONCLUSIONS

Section 41 of the act (7 U.S.C. 6i) requires a person to file reports in accordance with the rules and regulations when he has a long or short position in any future of any commodity in excess of an amount fixed by the Secretary of Agriculture. In 17 CFR 5.10, 5.11, and 5.21, regulations under the act, the Secretary has fixed 25 carlots as this amount for eggs and prescribed the method of reporting. The findings show that respondent violated these provisions, authorizing suspension of his trading privileges on contract markets. The suspension recommended, to which respondent did not except, should be ordered.

ORDER

Beginning on the 30th day after this date, all contract markets shall refuse respondent all trading privileges thereon for a period of 90 days. Copies of this decision shall be served on the parties or their counsel of record, and on each contract market.

LOAD-DATE: March 12, 2008

