

Commodity Futures Trading Commission  
CEA CASES

**NAME:** JOSEPH M. DANIEL

**DOCKET NUMBER:** 41

**DATE:** AUGUST 14, 1946

**DOCUMENT TYPE:** COMPLAINT

UNITED STATES OF AMERICA

BEFORE THE SECRETARY OF AGRICULTURE

In re Joseph M. Daniel, Respondent

CE-A Docket No. 41

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

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

1.

Joseph M. Daniel is an individual doing business at 176 West; Adams Street, Chicago, Illinois, and was, at the times mentioned in this complaint and is now registered as a futures commission merchant under the provisions of the Commodity Exchange Act.

2.

The Chicago Open Board of Trade, hereinafter referred to as the Open Board, was at the times mentioned in this complaint and is now a duly designated contract market under the provisions of the Commodity Exchange Act.

3.

Harry J. Diacou is an individual residing at 2111 Waveland Avenue, Chicago, Illinois, and was at the times mentioned in this complaint a customer of the respondent.

4.

The respondent, during the period from May 1, 1945, to August 31, 1945, in the manner set forth in paragraph 6, commingled with his own funds money received from a customer to margin, secure and guarantee the trades of such customer, and otherwise failed to treat and deal with said money so received from such customer as belonging to such customer or to account separately for such money.

5.

The respondent, during the period from May 1, 1945, to August 31, 1945, in the manner set forth in paragraph 7, confirmed the execution of contracts of sale of commodities for future delivery on or subject to the rules of the Open Board and did not evidence such contracts by a record in writing showing the date, the parties to such contracts and their addresses, the property covered and its price, and the terms of delivery.

6.

On several occasions during the period from May 1, 1945, to August 31, 1945, the respondent accepted orders from Harry J. Diacou for the purchase or sale of

rye futures contracts, on and subject to the rules of the open Board, and in connection with the acceptance and execution of such orders, received from the said Harry J. Diacou 14 checks in a total amount of \$ 1329.00 for the purpose of margining

or securing the said trades or contracts. The respondent thereafter combined his own transactions and contracts with those of the said Harry J. Diacou in such a manner that the funds received from the said Harry J. Diacou or accruing to him were indistinguishable from the funds of the respondent. Twelve of the 14 checks so received by the respondent from the said Harry J. Diacou, totaling \$ 1079.00, were either cashed by the respondent and the proceeds commingled with his own funds, or were deposited to the respondent's credit in his personal bank account without any indication that any person other than the respondent had any interest in such deposits. Two of the 14 checks so received, totaling \$ 250.00, were otherwise disposed of by the respondent.

7.

The respondent kept no written record, either in his own books or on the books of Joseph D. Feeney and Company or Miller and Lamb, both of which firms were registered futures commission merchants under the Commodity Exchange Act and members of the Open Board, and through which firms the respondent's trades were cleared and his accounts and records kept, to show that any contracts or transactions were executed on behalf of the said Harry J. Diacou, or to show the receipt or segregation of the funds belonging to the said Harry J. Diacou and represented by the checks mentioned in paragraph 6 above.

Therefore, the said respondent is hereby notified to be and appear at a hearing to be held at 10:00 a.m., Central Standard Time, on the 1st day of October, 1946, in Room 1200, Board of Trade Building, Chicago, Illinois, 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 all contract markets refuse all trading privileges to the respondent for such period of time as the Secretary of Agriculture may determine and further suspending or revoking the registration of the respondent as a futures commission merchant.

The respondent will have 20 days after the receipt of the 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 and 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 the respondent by the delivery of a true copy thereof to him 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 14th day of August, 1946.

/s/ Clinton P. Anderson  
Secretary of Agriculture

**LOAD-DATE:** June 11, 2008

